

dusty until, five years hence, it becomes capable of standing on its own feet.

Already, cotton imports are subject to a variety of controls—tariffs, tariff preferences and, as the phrase goes, “voluntarily negotiated” quotas. To this elaborate hierarchy of restraints, many of which will remain unaltered, there is now to be added a new rung. The form it takes is a “global” quota applying to the exports—finished and otherwise—of a number of countries. Importers will in future be allowed to take from these sources (including Israel and Pakistan) only half of what they have so far taken, but will be free, as under a points rationing system, to distribute their purchases as they choose between the various suppliers in the group.

The system will be hard to enforce. Some hold that it will lead to unhealthy inducements being offered to importers to alter the relative proportions of their shrunken trade with different countries. It is open, however, to far more serious objections. The “global” quota countries have not been chosen by the familiar criterion of “unfair competition” arising from sweated labour; they include quality producers, like Israel, which pay their workers well and are to be penalised for no other fault than their ability to compete efficiently with Lancashire. Is this kind of molly-coddling really the best therapy for the British textile industry? Can deliberate assaults of this kind on the staple industries of under-developed countries like Pakistan be politically justified? “Trade is better than aid”—this maxim should apply here as well as abroad.

LIBERAL PRINCIPLES

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THE LIBERAL PARTY must maintain absolute independence of Labour and Conservative Parties. Liberals recoil from the blatant sectional and class interests that characterise our opponents. We all know that the Tories in power dared not face responsibility where their sectional interests were at stake; it is exactly the same with the Labour Party today. The Tories refused to attack poor management in industry; they tolerated restrictive practices in production that were unmistakably against the public interest; they preserved a Britain racked by the strain of class divisions.

Likewise, Labour have been terrified of acting strongly. They cry that Britain needs more competition, more efficiency; but they turn their backs on the restrictive practices protected by some trade union.

We Liberals must never allow our policies and our attitudes to change in the hope of small, short-term gains.

Human progress comes largely through individual effort; in a Liberal society, all are encouraged to develop and exercise their personalities. Yet today, much of the inventiveness and originality of our society is going to waste and we are in great danger of creating a society where it is not worth anyone's while to do their best.

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SUBSIDIES TO LAND OWNERS

PROBLEMS and difficulties of providing homes for the poorer sections of the community appear to be much the same on both sides of the Atlantic—but with a difference in scale and values. It is reported* that the U.S. housing stock at present includes eleven million sub-standard units lacking basic amenities and that there is an urgent need for at least eight or nine million more.

America houses a population of fifteen million with salaries under \$5,000 a year, who, it is claimed, cannot afford to buy their own homes. Nine million of these people, earning less than \$3,000 per annum are described as desperately poor. To attack the housing deficiencies, the Johnson administration proposed to apportion \$30 million dollars as a fund from which rent supplements could be paid as direct subsidies to needy people. Before Christmas the House-Senate conference scuttled the project, but it is likely to be re-introduced this year.

Staunchly opposing the new aid programme, House Republican Leader Gerald R. Ford said: “When the programme was side-tracked, it was not the nation's poor who suffered. Rather, the big-city contractors, the big property owners and the big lending institutions were denied multi-million dollar windfalls.”

Unfortunately, Mr. Ford appears from the tone of the editorial to be in a minority, since most members who voted against the measure were concerned with administrative detail rather than with the principle. Challenging the Republican Leader's view, *House & Home* emphasised that most U.S. developers were making only about 6 per cent profit—ignoring the profits made by the dealers in undeveloped land who scoop the cream in the long run.

It is a pity that the writer of the editorial, Richard W. O'Neill cannot see the whole of his country's housing problem, although his understanding of part of it is clear enough from his opening paragraph: “As a nation we are already subsidising the poor in our slums. A slum exacts a subsidy from the city taxes it does not pay. It exacts a subsidy in the extra police and fire protection it requires. It exacts a subsidy in the social and economic problems its residents create. To put it another way, we cannot hope to combat poverty, nor its economic drain on our cities, so long as the poor are ill-housed.”

Unfortunately Mr. O'Neill seems to have missed the point that taxing improvements more severely than land constitutes a vested interest in slum maintenance, leads to slower replacement of outworn property and does nothing to reduce land prices, which constitute a high percentage of home costs. Rent subsidies ultimately accrue to the recipients of site rent, not to investors in improvements—a point that needs to be emphasised on both sides of the Atlantic.

* *House & Home*, December 1965.