

the Chancellor spoke of the need for the economy to be more competitive, saying that there was much room on both sides of industry for radical changes in outlook and methods. "This will be assisted, in my view, by the reductions in tariffs which should come from current negotiations," he added. Presumably this was a reference to the international tariff-haggling going on in Switzerland under the auspices of G.A.T.T.

On Government expenditure the Chancellor made the right Tory noises. He spoke feelingly of the need to bring it under control and of the steps he had taken and would take. But, he emphasised, "these are not cuts on this year's figures; they are part of the process of containing future expenditure." He is reconciled to its continuous growth but is anxious if he can, to slow down the rate of increase. "I intend to do my utmost to keep this increase to a level not more than 2½ per cent. in real terms . . . that is to say, about £125 million above the estimates for 1961-62." Further comment would be superfluous.

Mr. Lloyd sought to justify his wages "pause" policy by brandishing a few figures which, try as we may, we simply cannot understand and firmly believe are the veriest nonsense. "We are cashing in ahead of production", he told the Commons, seeming to refer to the British people as a whole though how that could be he did not explain, and "there must be a pause until productivity has caught up." It might have been Mr. Micawber speaking:

"There have been periods of my life when it has been requisite that I should pause, until certain expected events should turn up..."

This wages pause, said Mr. Lloyd, was certainly not a lasting solution to the problem of rising prices. Agreeing, we go so far as to doubt whether that is its purpose. It is intended, surely, to keep Government expenditure from rising as much as would otherwise be the case, and so to reduce the pressure for still more inflation or further taxation or both. To that extent it may be justified though greater economies could be affected with more justice if the Government were to cease distributing subsidy largesse to special interests. The "pause" will bear with unfair severity on people employed by the state, nationalised industries and local authorities. In the main they are not the most highly paid members of the community and generally they are the last to receive the as-you-were wage increases which continuing inflation makes necessary. It would be better, for instance, to wind up the Egg, Potato and Tomato and Cucumber Boards for a start, and to use some of the many millions of pounds so saved to attract men and women of the highest calibre into the teaching profession, instead of seeking national solvency by cheeseparing on teachers' salaries.

Course Set For Europe

WE deplore the Prime Minister's decision, endorsed on August 3 by both Houses of Parliament, to seek British membership of the European Common Market. Mr. Macmillan's speech is extensively reported on another page. Its most remarkable feature was the muted admission, suitably clothed in politician's language, that the protectionist policy has been a disaster. It has blunted the efficiency of British industry by affording it "perhaps too much shelter" from foreign competition. The logic of that, surely, is that we should return with all deliberate speed to our traditional "open ports" policy.

The already agreed time table for reducing and finally removing all barriers against imports from the E.F.T.A. could be applied to imports, foodstuffs as well as manufactures, from the Six and the rest of the world, including, of course, countries in the Soviet bloc. As a consequence, Imperial Preference would also be progressively whittled away but our market would remain open to Commonwealth exporters.

The Prime Minister gave no reason why this course should not be followed. He pretends that such a possibility does not exist. So did every M.P. who spoke in the debate. He pretends that for Britain to stay outside the Common Market would be dangerous isolationism. This is humbug and the reverse of truth. Any country or group of countries surrounded by a tariff wall is isolationist by very definition. If we were to join the Six we should thereby cut ourselves off from the rest of the world, no matter what special terms were negotiated with regard to our Commonwealth and E.F.T.A. partners.

Mr. Macmillan handled the truth carelessly when he implied that our agricultural system — organised to provide a good life for the rural population — has been consciously chosen by the British people. It has been foisted on them by the two protectionist parties which, under an unjust electoral system, take turns at mismanaging the nation's affairs, and which believe, rightly or wrongly, that only by bribing the farmers can political power be secured or retained. The Prime Minister went out of his way to assure farmers that, far from being sacrificed on the altar of Western European unity, they can look forward confidently to receiving even more favourable treatment if we join the Six. This is glad tidings for those who own farmland—though for the 50 million who needs must eat it is cold comfort indeed.

The Prime Minister was at pains to remind the House that the Common Market is an economic community, not a defence alliance or a foreign policy community. Yet he put forward political considerations—the new division of Western Europe and the deterioration of the general European situation—as a principal reason why we should apply for membership. In view of British and European member-

ship of NATO and other bodies, this argument does not appear to carry much weight. He said that British industrialists believed that for them the balance of advantage lay in our joining but, he added, competition would be severe *whether or not we joined* and costs would be the deciding factor. That, we believe, is absolutely true. It is very different from the rosy picture of a fat, lucrative market ready to fall into manufacturers' laps with which protagonists have deluded the unwary.

In brief, the economic case for Britain becoming a part of the Common Market, as presented by the Prime Minister, is no more than that some part of British industry, languishing under protection, needs the spur of European competition in the home market, while another section, export-minded, would welcome an opportunity to break into or retain European markets. Additionally, British agriculture has nothing to fear and the possibility of something to gain. The political case is that the U.K. and some or all of her EFTA partners would be inside the circumscribing tariff wall which "dangerously divides" Western Europe and shuts off the rest of the world.

These "benefits", as the Prime Minister called them, could better be secured simply by dismantling our present tariff barriers. That would cost nothing. It would threaten nobody. The price of British membership of the Common Market on the other hand, is high indeed. It includes the break up of the British Commonwealth, surrender of our sovereign independence to an omnipotent, central bureaucracy, dear food, tariff retaliation by third countries and loss of overseas markets to them. And whatever concessions the British negotiators may secure from the Six these will not alter the fundamental issues at stake. Britain must keep out.

Labour Motion On Land Speculation

THE Labour Party is almost certain to ratify the state land purchase proposals set out in *Signposts for the Sixties* (L&L, Aug.) at its annual conference at Blackpool next month. Constituency parties have submitted 41 resolutions (more correctly, motions) on land speculation. Fatuously a few call on the present Government to do this or that. The majority, though, seek either to instruct the party executive to take action of one kind or another or to pledge the next Labour Government to a certain course of action. Generally this is to bring urban land into public ownership although some are content to call for "complete control" of land or for an examination of the possibility of eventual public ownership. Acton wants a separate Ministry to secure "meticulous planning of the use of land"—all land, including that owned by the state industries and Government departments,

Guildford wants unspecified measures to be taken to "prevent land speculation" and Leeds East wants the next Labour administration to "carry out the nationalisation of land, *without* compensation."

Only Middlesbrough West eschews fatuity, irrelevance, red revolution and black reaction. Its motion reads:

"This Conference directs attention once again to the evils resulting from the private ownership of land; to the enormous increase in site values during the past decade, and to the growth of private land speculation with the exploitation of the community that results from it.

"It declares that land is not a fit subject for capitalisation and sale, being as it is the basis of all productivity after labour has been applied to its resources. It asserts that land values are created, not by the owners of land, but by the presence, the growth and the industry of the community, and ought, therefore, to be effectively nationalised and collected for the benefit of the community by the imposition of a progressive tax up to 20s. in the £ of the full annual unimproved site value.

"It calls on the Government to restore the ownership and control of land to the community and to destroy private ownership and speculation in land by recreating the Lands Valuation Department set up by the Finance Act of 1931; by making a full comparative valuation of unimproved site values in the United Kingdom and reviewing this valuation every five years by progressively imposing taxes on the values thus ascertained and determined; and by giving to local authorities power to impose local rates on the basis of this valuation.

"It declares that a Labour Government will be expected to take immediate steps to implement the terms of this resolution."

It is vain to hope that the Conference will tear up *Signposts for the Sixties* and adopt Middlesbrough's proposals. But until it does the Labour Party does not deserve to return to office.

The Buckinghamshire federation wants the national executive committee "to consider alternative methods of financing local authorities as part of a new policy to invigorate local government." Reading believes this can be done by making local taxes conform to the ability-to-pay "principle" but London Labour Party urges the executive "to pay particular attention to the rating of site values".

Scores of motions involve the spending of tax monies but only three are concerned with national taxation and are too trivial to warrant notice here. Other motions show that the party is deeply divided on whether Britain should join the Common Market and on defence.

Fraternal solidarity with their comrades in the Palace of Westminster is at low ebb in Blackpool—"the Parliamentary Labour Party is not functioning fully as an opposition to the present Government"—and in Brom-