

# LAND

## AND LIBERTY

Volume 99 No 1159

Established 1894

EDITORIAL 2

YELTSIN HOSTAGE  
Alan Spence 3

TALKING POLITICS  
Lewis Little 4

NEWS BRIEFS 5

FEATURE  
FORECASTERS EXPOSED  
Fred Harrison 6

LAND & LIBERTY ESSAY  
SAVING THE PLANET  
David Richards 7

BOOK REVIEWS  
B.W. Brookes:  
Amazon Tragedy; 10  
Bob Clancy:  
Tolstoy's Bad Dreams; 11  
Richard Noyes:  
The End of History 12

FRONT PAGE  
*The Guardian* report of the British  
Association conference in August.

Editor: Fred Harrison  
Editorial Consultant: V.H. Blundell  
Picture Editor: Keith Hammett  
Art Editor: Nick Denny

Editorial Offices:  
177 Vauxhall Bridge Road  
London SW1V 1EU  
Tele: 071 834 4266

121 East 30th Street  
New York, N.Y. 10016  
Tele: 212 889 8020

ISS No 0023 7574

Annual Subscription:  
U.K.: £12, USA \$20, Canada \$25,  
Australia \$25

Publisher: Land & Liberty International  
at the London editorial offices

PAGE 2

### EDITORIAL

# UNIFORM MISERY IN COMMON MARKET

THE PROSPECT of free trade was the best reason for defending the existence of the European Economic Community.

A single market, we were told, would promote the production of wealth; and tie the fate of warring nations into a single destiny. Prosperity. Peace.

But what about freedom? Eurocrats and politicians would justify their actions as compatible with freedom, but look at what they mean, when it comes to taxation. The European Community wants all nations to use the Value Added Tax with a minimum rate of 15%. Britain - whose rate is 17.5% - challenged the right of the Euro-centre to dictate tax rates. But why should the EEC care about the tax system employed by its members, so long as the law on the freedom to exchange goods anywhere in the EEC was enforced?

What has the tax system got to do with how people - producers and consumers - make decisions in the markets? Well, actually, quite a lot. But the bureaucrats are justifying the intrusion into the affairs of member nations on grounds that call into question the very ethos of the Treaty of Rome. They argue that, unless taxes are uniform across the EEC, high-tax nations would not de-control trade at the frontiers. Why? Because their citizens would be tempted to nip over the border to buy and bring back cheaper (lower taxed) goods.

In other words, the foundation principle of the EEC - free trade - won't happen, UNLESS the tax system is pitched at the perniciously highest level set by the most unenlightened government. That tax philosophy is the most destructive of all to the production and exchange of wealth. For the sake of uniformity of misery, the bureaucrats want to enforce one kind of "free trade" in Europe, which disallows any one member gaining an advantage by its use of a more efficient system of taxation.

The implications for freedom are serious. What would happen if, say, Denmark - whose citizens threw the spanner in the works of the Euro super-state with the thumbs down in their referendum - decided to restructure her tax system? What if she wanted to favour higher taxes on land, and drastically reduce the other taxes? Denmark is the only European country with the fiscal infrastructure in place to accomplish that reform. It would give her producers an enormous price advantage, for the land-value tax cannot be passed on in higher prices.

There would be uproar. Competitors across the Danish border would bleat. But if governments learnt the lesson, they, too, would similarly restructure their tax systems. That would be the result of competition in a free market.

But not, it seems, if Brussels has anything to do with it.

LAND & LIBERTY

\*

SEPT/OCT 1992