

# Some Liberal Prescriptions

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"WHERE are the voices of the true Liberals?" is probably a common question from the readers of this journal. The answer is that many of them are to be found in the membership of the Gladstone Club, a traditionalist group within the Liberal Party. The Club has recently published, in booklet form, its second series of essays\* compiled by Geoffrey Lee. Its authors cover, briefly and succinctly, a wide range of topics, outlining their own recommendations for appropriate Liberal action.

IAN MASON, examining present Liberal commitment to the enactment of a Bill of Rights, asks whether such a measure would be consistent with continued Liberal faith in parliamentary democracy. He suggests that those powers which have already been passed to the executive must be returned to the democratically elected representatives of the people and not passed further on to specially constituted courts of law. Proportional representation by the single transferable vote method would, he says, render M.P.s answerable to constituents before party whips and the rights of the people could be represented by the men and women they elected, without altering the constitution.

MAX GAMMON, writing about health policy, claims that experience at home and abroad indicate inherent "progressive bureaucratisation, declining standards and growing discontent" in socialised medicine. This coupled with the fact that the system is seen as an important part of the public expenditure/inflation complex, necessitates the development of alternative methods of financing and delivery of medical care, independent of government control, he says.

Mr. Gammons prescription is a completely independent private enterprise system, with individuals re-allocating their personal finan-

cial resources in order to pay medical insurance premiums related to the real cost of medical care. The role of state-financed and-controlled medicine should, he says, be "strictly reserved for cases of extreme need." He does not make light of the problems which will arise, but concisely puts forward his proposals for dealing with them.

BRIAN NEWBLE, writing on educational policy, suggests that the major problems of our system are brought about by the cyclical political tinkering of successive governments. To prevent this, he proposes an Act of Parliament to grant a twenty-year charter for education and set up a central corporation to license all educational activity. Its governing body should consist of eminent people who have earned respect in their own spheres, to be proposed and elected by their peers.

MICHAEL MINTER laments the near-extinction of the small business, which he attributes to the fact that "big firms and nationalised industries have made all the rules and they have fiddled them in their own favour." Also, government action in the forms of onerous taxation and creeping bureaucracy have, he says, become absolutely intolerable to many small businesses. Liberal long-term aims should be a general reduction in taxation and a restriction of government activities to those fields where private enterprise is unable to provide a satisfactory alternative. The real answer to the problems of the small businessman lies in the traditional Liberal policies of free trade, sound money and land-value taxation, says Mr. Minter, and he gives brief and sound reasons why each of these policies is appropriate.

JOHN PINCHAM details the findings of the Liberals' Land Use and Site-value Rating Commission, which, in brief, are: that land tenure, which confers advantages on the holder, should be matched by a tax based upon the land's

economic rent and that collection should be by central government. There then follows a competent statement of the case for, and the practical effects of, site-value taxation. Finally, it is suggested that there should be pilot schemes carried out both in a large industrial city and in a rural area, so that one could quantify the expected return from S.V.R. on a national basis.

GEOFFREY LEE refutes the common notion that either unemployment, or inflation, or both, are unavoidable. The combination of taxes upon company profits, and employment impact taxes (all taxes which increase employers' labour costs) depress profits and result in what is termed the "statutory unemployment rate". It is suggested that public spending and taxation should be cut and modified in such a way as to stimulate economic activity.

S. W. ALEXANDER recommends the approach of Bastiat, the leading French nineteenth century economist, to economic analysis. Bastiat says that the bad economist confines his observations to visible effects, while the good economist also takes into account those effects not immediately visible. The thinking of the "bad economist" has led to the propagation of protectionism, government intervention generally and debasement of the currency.

TOMMAS GRAVES'S concept of the causes of inflation is difficult to comprehend. He seems to be saying that the cause is not the government printing new money. Money is created by the public, he says, and then dissolved when it has fulfilled its function of exchange. The continuous fall in the value of money occurs, he claims, because the value we place on our labour is continuously decreasing—all very obscure.

While at odds with Mr. Graves's analysis of inflation, one is happy to concur with his view that site-value taxation would be a step in the right direction to remedy our economic ills. But inflation is a purely monetary phenomenon, and must be treated as such.

Other contributors are: John Stewart, Richard Evans, Enid Lakeman and A. M. Potter.

\*Essays on Liberalism, Second Series, 60p.