

REFLECTIVE postscripts to two conferences. First, the Isle of Man.

There were a number of references to the "natural" economic laws of free trade and the division of wealth.

"Natural"? We can think of pre-industrial societies in which rent was not paid to either landlords or to the community. Some such societies exist today.

Similarly there is the absence of wages in, say, slave-based societies, which have dominated long spans of man's recorded history. Yet the masters, and even the slaves, accepted their order of things as "natural".

One would expect that the phenomena to which this label was applied transcended particular societies.

My point is not just one of semantics. For those who defend what we consider an unjust order are able to use this argument to sustain their claim that there is nothing intrinsically wrong in, say, the private appropriation of rent.

One ought, I think, to hold either that the "laws" are the most efficient in a capitalist society, which forces the debate into one of empiricism; or that they are ethically the right ones.

These two criteria make it far more difficult to make out a case in defence of monopolistic conditions, for example.

A TRICKY administrative question for those who want a 100 per cent land tax.

If, by taking the full annual value away from the possessor of land, capital value is destroyed, how do you effect an efficient transfer of land once a possessor decides he no longer wants the land?

There would be no problem if the tax was, say, 50 per cent of the unimproved land value. We would still be able to use the free market's existing institutions for transactions.

A vendor would, in effect, retail half the capital value of the land. Not so with the land for which the

Thin end of the wedge

— BY FRED
HARRISON

capital value had been wiped out.

So what happens — does the possessor just abandon the land, and therefore his legal obligation to pay tax? That would not be efficient.

I can think of only one solution. Anyone wishing to give up his legal obligation to pay tax must make the land available for public auction. Those who wanted the land would bid to pay the minimum rentable (= taxable) value.

But what if no-one wanted the land? Well, that implies a drop in the value, and therefore in the tax. In due course, the land would come up for auction again.

But what happens if, in the interim period, the original possessor does not want to use the land, but can't find someone to take it off his hands? Is he still liable for tax?

NOW, SOUTHPORT. I attended the Liberal Party assembly as a prospective Parliamentary candidate.

A few of us managed to persuade the Agricultural and Land Use Commission to embody in its resolution the principle that site-value rating should be extended to all

A Personal Column

land. Hitherto, agricultural land was held to be exempt, as under the present rating system.

An attempt before the full Assembly to have this clause with-

drawn proved unsuccessful.

The Party does, of course, have a dilemma when it comes to protecting the inefficient sectors of the agricultural industry.

It still claims allegiance to free trade. . . except when it comes to agriculture.

But we have to remember that, but for the marginal hill farmers, the Liberal Party would not even have a marginal number of MPs to keep the movement alive as a serious political force.

To talk too loudly about withdrawing grants and subsidies is to risk the wrath of those farmers — and end up with no MPs!

The party now stands a chance of increasing its number of MPs. But the support must come from townfolk, whose interests (low food prices) clearly conflict with rural interests (high food prices).

THE PARTY is making a brave attempt at trying not to look foolish while, on the one hand, pro-



claiming free trade, and on the other hand talking seriously about merely ameliorating the protectionist EEC.

Should it, if it had the power, pull Britain out of the EEC? I don't think so. For we have to do one sum first: weigh the economic cost of protectionism against the long-run political benefits of a united Europe.

A Hitler, one believes, stands less chance of emerging in a country when it is the democratic duty of its neighbours to ensure that the conditions which ferment extremism are simply not allowed to arise.

The Liberal Party's philosophy is simple enough: the only way to influence change is peacefully, from within.