

## WRONG AND DANGEROUS

Without endorsing every dot and comma, we are pleased to print this condensed version of the speech made by VISCOUNT HINCHINGBROOKE, Conservative Member for South Dorset, during the two day debate in the Commons on the Government's Local Employment Bill. The Bill received a Second Reading without a Division on November 10.

THE President of the Board of Trade introduced this Measure as one of major importance. But I cannot believe that it can be so regarded. It will not be so very shattering to the Government's prestige if it is forthrightly opposed and even if it is defeated on Second Reading.

During the election I took particular pains to say in my election address and in my adoption speech that I was wholly opposed to the extension of the Welfare State from the individual to businesses in distress. As this Bill enshrines in part the idea of businesses in distress, it is the first opportunity I have to redeem the pledges which I gave.

I should like to know who prepared this Bill. I very much doubt if the President of the Board of Trade saw it before it was a Bill and placed on the Table. I very much doubt whether the Cabinet spent anxious hours over it during the summer. Certainly the idea has never been brought to the Floor of the House in the last few months, and to my certain knowledge not to the Parliamentary party on this side of the House.

I have come to the conclusion therefore, that the Bill has been prepared by those now very well-known people, the "sorcerer's apprentices" — those sleek young gentlemen who inhabit Transport House, the Conservative Party Secretariat and the Ministries, particularly the Board of Trade. In the absence of the Cabinet, whose thoughts are elsewhere, in the absence of Parliament which is debating something quite different, these young gentlemen all get together and plan the processes of legislation in this country of ours. I hope very much that they are going to be shown up from time to time for the mischief they do.

I am not opposed to the relief of unemployment as such. The State is justified in calling on the taxpayer to look after the individual's disabilities in any walk of life.

Local unemployment, too, is a social disease and must be catered for in some part by the State, but more, I should have thought as general unemployment throughout the community is catered for, by certain indirect acts of State, like the reduction of taxation, like the reduction of the Bank Rate, like the freeing of hire purchase restrictions and all the other economic devices which we have now learnt to use for the purpose of promoting full employment.

Subsidies are always a dangerous weapon to use in this regard. There is an excuse for using a subsidy short-term for bringing about a social or industrial change — to initiate an industrial reaction — but withdrawing the subsidy afterwards. Long-term subsidies, as we on this side of the House well know — for instance, for general housing — can unbalance the economy. They can distort

prices and they can produce unfairness between one section of the community and another.

If we produce a subsidy which helps an industry to survive and become live and prosperous, we see at once another industry or service which is in a worse situation. Immediately the State has to go chasing after that with the taxpayers' money to bring it into an equal position. The process is never ending.

Under this Bill the taxpayers' money is required to be given to Mr. A, a business executive or industrialist, in order that he shall come with his plant, his equipment and his employees to town X. We have also the threat of compulsory purchase.

Is it right for somebody's industry in a particular town — where that industry may be lying fallow for a particular purpose, uncompetitive for the moment, but with prospects in two or three years — is it right that the Board of Trade should waltz into that situation—it may be a dingy old factory not employing many people — and take it over by compulsory purchase and give it to someone else who comes along and who may be closely associated with, or a friend of, the Ministry — *Laughter* — oh, yes, a great friend, an industrialist with prospect of advancement and final elevation to somewhere not too far away from here?

Do we want to use the taxpayers' money in order to stuff new industries into these demarcated areas? Why should the workers continue to reside in the place where they now live and not be encouraged to move? Many thousands have cars today. Why should they not motor twenty or thirty miles from their town to areas where they can employ their skills?

Why should we put the taxpayers' money into the pocket of Mr. A. in order that he should go to a town and start off an industrial process? Suppose he does start it up, does it successfully and gets to the stage where the town is fully employed again. According to this Bill, he is still to go on receiving the taxpayers' money. In other words his process is to be permanently subsidised and his neighbour's process in another town, which may be exactly the same, is not subsidised.

In my view, the Welfare State was made for the individual. The individual has a right, a natural right, to be alive and well, to praise God, and to be free, and it is the duty of the State to assist him in the enjoyment of that right. It is not the duty of the State to help an industry or service maintain any given level of industrial activity. Businesses are mechanical associations of persons. They have no natural rights to be large or small, to be prosperous or derelict, to exist or not to exist.

The State has got to prove its right to extend its patronage. I should have thought that now, so many years after

the war, with nearly ten years of Conservative Government, and with the prospect of five more, we should be instituting a recession of State power, not in order to reproduce any of the social evils of the past, but as a means of elevating the general idea of individual freedom. I should have expected less State paternalism, less Government expenditure and less taxation.

Had there not been the very high taxation of the last ten or fifteen years, some of these industries which are deemed to have suffered, would have installed more up-to-date plant, would be more on their toes and more competitive.

United Kingdom taxes on industry are annually running at £900 million to £1,000 million and fixed capital formation on land, buildings, plant, machinery and the like is running at about £1,000 million a year. That shows the source to which industry could look if only the Government would turn their attention to substantial reductions in taxation, Income Tax and Profits Tax on industry and letting these industries re-equip themselves and get independent and competitive. That is needed much more than grabbing more and more money from industry and individuals year after year and pouring it out from State resources to special purposes, never clearly defined.

We should turn our attention to a special measure of derating for particular areas suffering from chronic unemployment. At present, industry is de-rated to the extent of 50 per cent. Why should we not say that if industry comes to a town where there is over-full employment it will be rated 100 per cent, but if it goes to a town where there is a chronic unemployment it will be de-rated altogether with graduations between the scales?

Before some of these questions can be answered we need something even more fundamental from the Government at the beginning of this Parliament. *We must have a major speech from the Prime Minister to state whether the Government is in favour of protection or free trade.*

We all understand protection from the point of view of the imposition of tariffs and the bolstering up of the State revenue from the proceeds of those tariffs. We all understand free trade from the point of view of the efficiency which it produces at the cost of causing a rather rapid industrial decline.

What I do not understand is the extension of free trade areas and the indulging in free trade when the consequences of it are sealed off by subsidies and a vast rise in the Civil Estimates.

Lord Baldwin once described the lot of the harlot through the ages as "power without responsibility". The moment the electorate begins to see that the State has that power over the industrial processes of the country, it will ask for the responsibility to be taken as well.

Then we shall have the direct purchase of shares in industry in return for the subsidies which are being paid, with take-over bids by the Government and remorseless nationalisation. Let my hon. and right hon. Friends not prepare the way for this day by the acts which they are now perpetrating.



## A Church In Wembley

*The Methodist Recorder, November 5, printed this letter from Mr. William E. Bland, Executive member, United Committee for the Taxation of Land Values.*

**T**HE announcement of the sale of the site of Park Lane, Wembley, Methodist Church for the sum of £250,000 must surely raise doubts in the minds of thinking Christians as to the morality of such deals, apart from their legality, of which, at the moment, there is no doubt.

We are all familiar with the exhortation that if we want a better standard of living we must work harder and produce more, which is merely a variation of the truism that man must work or starve, although it is not always the case that those who don't work do the starving.

Seeing that all wealth, in the last analysis, can only be secured by the application of labour, whether physical or mental, to land it follows that he who receives wealth without giving an equivalent of wealth or services in return is obtaining something at the expense of other people's labour.

The Wembley Methodists have received a quarter of a million pounds which can be converted into a wonderful amount of wealth in the form of new buildings and repairs to other churches in the circuit, but what wealth have they given in exchange? Nothing at all, not even the existing church, because it is defective and has to be pulled down. These Methodists have merely sold to one member of the community something that already belonged to the community as a whole, namely the advantage gained by occupying and extracting wealth from that piece of land as represented by the market value of the site. Nothing that the trustees, qua trustees, have done since 1925, when they purchased the site has added one penny to its value. Its whole value is due to the presence and activities of the people of Wembley.

Knowing this, it is easy to agree that the site value of all land is a communal value and, as such, should be