

# LAND & LIBERTY

Editor  
V. H. BLUNDELL

Asst. Editor  
R. C. GRINHAM

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TWO SHILLINGS

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## Only Half an Argument

**O**PPONENTS of state intervention in the economic life of the country make little progress towards convincing the majority of people that it is an unnecessary evil, as was evidenced in a recent television programme "Your Witness" where the case for less government intervention was rejected by the "jury."

Yet the case for free enterprise is sound enough; it is, in fact, unanswerable. The mechanism of the free market is in every way superior to state management of the economy, which usually makes things worse not better, and produces all kinds of undesirable and (by the planners) unforeseen side effects, while leaving basic problems at best untouched, and at worst, more intractable than ever.

Yet overwhelming as the argument for the free market is, it does not command majority support. Why is this?

At the root of the support for state planning lies the fear that if people are left to their own devices chaos and the "law of the jungle" will prevail, with the consequence that the weakest—the poorest section of the community—will go to the wall.

Arguments for free enterprise cut no ice with people who think along these lines. The younger generation has grown up in a society that offers government planning and intervention as the solution for nearly every social problem, and they have been conditioned to associate private and "un-controlled" enterprise with poverty as direct cause and effect. Thus the first task of advocates of free enterprise should be to show that no such causal relationship exists.

But without indicating the cause of poverty themselves, they are not likely to get very far. They have to answer the question: "If

uncontrolled capitalism is not responsible, what is?" They can hardly reply that the poor are responsible for their own condition.

It has been argued by some free-enterprise advocates that if only we had free enterprise today, poverty would solve itself; that it is government interference in the economy that keeps people poor or prevents them from improving their standard of living. But this is not very convincing, particularly when government intervention through the welfare state has ameliorated some of the worst aspects of poverty.

It is on the ethical aspects of the distribution of wealth that the advocates of free enterprise fall down. While the poverty question remains unanswered, they will not convince the supporters of state planning with economic arguments, no matter how logical.

The drift towards the all-powerful state which stretches out its tentacles to embrace and control almost every aspect of economic activity must be resisted, but economic arguments, though valid and sometimes powerful, are not enough.

Many defenders of *laissez faire* hope that the failure of government economic planning and the recurrent crises it engenders will bring people to their senses and make them clamour for a return to free enterprise. They are wrong. When government economic plans and policies fail, the cry is not for a halt to intervention but for more intervention—"do it properly this time."

The odd thing is that many of the evils that many people attribute to a free market are in fact attributable to state interference. For instance, it is often claimed that the free market has failed to provide everyone with decent living accommodation. But there is little left of the free market in accommodation. Over half the houses are built by local authorities and almost all rented accommodation is subject to regulation or control. Government intervention has wrecked the free market and the housing problem persists. Similarly, balance of payments crises could be eliminated once and for all by a return to free exchange rates. It is the present *unfree* set-up that is responsible.

The current case for free enterprise is only half an argument — strong and logical as it is. The problem of poverty and all the problems it brings in its trail should not be isolated from the more general one of the just distribution of wealth in society. The task of ensuring that men get the full reward of their labour is not just a question of wages. It is also a question of what is left of wages after taxation in all its direct and indirect forms has taken its toll; what is left after the levies made by monopolies and tariffs; and what is left after debasement of the currency.

It needs to be stressed over and over again that it is the *economics* of free enterprise that is infinitely superior to the economics of state planning. Free enterprise is

an unashamed "free-for-all" in the market place, not a free-for-all in grabbing all the wealth one can get at the expense of others.

Free enterprise does not mean trampling on peoples' rights and instituting, with government connivance, various means of mulcting the consumer; it does not mean restrictive practices in manufacturing and distribution, marketing boards, cartels and land monopoly. All these are the antithesis of free enterprise. Paradoxically enough, the more government intervention we have the more exploitation of the consumer there is, through state monopolies and concessions to pressure groups. It does not require state intervention to break monopolies and privileges—it is state intervention that inspires and supports them.

Exponents of the market economy climb out on a limb when they ignore all the foregoing considerations which are necessary to make a good case against state intervention and control.

## RECORD OF LAND PRICES

**A**LMOST all land transactions in Britain now have to be notified to the Land Commission, and this body will therefore be in a better position than any to know the current land price levels throughout the country.

From this information a fairly accurate estimate of the total land value of the country might be possible after a few years (assuming of course that the Land Commission is not abolished in the meantime and that there is a sufficient recovery of the market to provide a worthwhile number of transactions to be notified).

## NOTE FOR MALTHUSIANS

**T**WENTY TONS of products made from krill have been brought by the *Academician Knipovich*, research vessel of the Moscow Institute of Fisheries, from the Antarctic. Food technologists have prepared a high nutritive paste and different "Antarctic" dishes from small crustaceans on which whales feed.

Novosti Information Service, Moscow, June 21

## INFLATION

**I**T WOULD SUIT the book of the politicians if they would shift all the responsibility for our balance-of-payment troubles on to the people's backs. But in fact free-enterprise industry and its workers have been earning enough foreign currency to pay our way. The trouble has been that successive governments have spent more and more overseas and by printing paper money *ad lib* for their own purposes—such as financing loss-making nationalised industries—have debased the value of the £ sterling.

—Aims of Industry.