

LAND & LIBERTY

Property and the
Clash of Cultures : p.56

New land boom would scuttle Tory strategy

IN POSTWAR British politics, no-one has championed the cause of the free market as vigorously as Margaret Thatcher. But for those who advocate free enterprise, there is a serious danger in her efforts. For if she fails in her post-Keynesian experiment, the cause promoted by Adam Smith 200 years ago will once again be successfully ridiculed by socialist critics. What are the prospects of the Tory Government succeeding? Monetary restraint *will* probably help to reduce the rate of inflation. Mrs. Thatcher sees a significant reduction in income taxes and public sector spending as important components of this strategy. Increased spending power is supposed to make us all feel better off, and revive the economy to new levels of activity. But 100 years ago Henry George, the American economist, warned: "... no reduction in the expenses of government can of itself cure or mitigate the evils that arise from a constant tendency to the unequal distribution of wealth." *Land & Liberty* fears that this is why the Thatcher strategy will, ultimately, fail. For it does not confront the major obstacle to the operations of a free market: land monopoly. Indeed, despite evidence of a new awareness of the importance of land in the dynamic processes of the market – in itself a refreshing development – the Government shows signs of creating the conditions for yet another property boom which can only benefit land speculators. This would disrupt entrepreneurial activity and defer job-creating decisions. Within the next two years the public, untutored in the niceties of political economics, will blame the growing dole queues on the "free" market. And once again fashions will swing back in favour of socialist planning; and *The Wealth of Nations* will return to the book shelves to gather dust until at least the end of the millenium.



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