

service to the merits of site-value rating these policies are largely ignored.

Jeremy Thorpe, in the *Liberal News Commentary*, restates the "broad sweep of agreed Liberal policy." The priorities "founded in principle," are "reform of government," "race relations," "education priorities," and "people before officials." This is hardly a list that can be said to be distinctive. The Tories would probably endorse these ideas after their fashion.

Perhaps the worst sign of the times so far as Liberal policy is concerned is the recent resolution passed by the National League of Young Liberals at their annual conference. It was passed, it is true, by the casting vote of the chairman, but nothing more socialistic could be imagined. The motion called for the nationalisation of banks, finance houses, hire-purchase firms, insurance companies, building societies, pension funds and the Stock Exchange.

The Liberals, sad to say, are today in a policy wilderness as well as a political wilderness, and the one is not unconnected with the other.

One might not only ask where the Liberals are going, but where have all the Liberals gone?

Transport Bill Inflationary

IF THE Chancellor of the Exchequer wishes to save what is left of Britain's financial standing abroad and avoid a repetition of the recent crisis in another eighteen months' time, he will be bound to consider the economic consequences of Mrs. Castle before it is too late, says an economist in an attack on Transport Bill plans for buses.

In *Everybody's Business . . . the Economic Consequences of Mrs. Barbara Castle* (Aims of Industry, 2s.), Alfred Sherman says: "The letter of intent signed by the outgoing Chancellor, James Callaghan, last November as a condition for receiving substantial standby credits from central bankers, gives certain undertakings which were reaffirmed by his successor and which are relevant to the Transport Bill.

"The letter promises 'to ensure that the Exchequer's borrowing requirement for the financial year beginning 1 April, 1968 is kept under firm control . . . this entails holding down the borrowing requirement to not more than £1,000 million.' The letter also promises that the Government will 'meet its own needs for finance as far as possible by the sale of debt to the non-bank public.'

"Mrs. Castle's transport revolution flies in the face of both these undertakings. The increase in borrowing powers accorded to the nationalised Transport Holding Company alone in order to fulfil its new obligation brings its total to £100 million, and the total new borrowing occasioned is estimated at £140 million. Does the Government really expect bankers to believe that a

seventh of its total borrowing will go on transport take-overs alone, in view of its other capital commitments?

"Permission has now been given by Parliament to raise the money by the issue of Treasury Bills, i.e., creating new money in violation of Mr. Callaghan's promise."

A loose page inserted in the booklet says that although Mrs. Castle has now left the Ministry of Transport, "The consequences of the mammoth Transport Bill she left behind will live on after her. As time goes by, she will,—unless her successor has other ideas—be bitterly remembered as the Minister who wishes 'London Transports' on other users of public passenger transport throughout the country."

Dealing with the powers to be given to Passenger Transport Authorities, which will be set up under the Transport Bill in provincial centres to carry on commercial manufacturing and trading, Mr. Sherman says: "The Authorities will be empowered to levy a precept on the rates to cover losses on these operations no less than on their bus fleets and local rail services. In other words, they will be encouraged to engage in subsidised competition with private industries and other businesses whose rates and taxes will have to pay their subsidies."

"The White Paper, *London Transport and Traffic*, issued before the Bill was published, expresses the hope that when Passenger Transport Authorities are obliged to meet railway operating deficits out of the rate fund, they will naturally restrict road-rail competition.

"It predicts euphemistically that 'some rail services which are at present not paying their way may become profitable if bus services are so organised as to make it more convenient to use rail.'

"Naturally, if bus services are eliminated, made more expensive or less convenient to the point where the travelling public has no choice than to go by rail, the railways' nominal deficit will be held down without the need for painful reorganisation and elimination of gross overmanning that British Rail has shirked, under union pressures.

"The biggest of problems facing the passenger transport industry is congestion, which changes of ownership will do nothing to combat. By simultaneously budgeting



tens of millions on bus take-overs and cutting the roads programme, the Government has ensured that congestion must worsen during the next few years."