“The damn-nearest run thing you ever saw in your life”, wrote Wellington after the Battle of Waterloo. The same must be said of the 2019 election. However, it just buys another five years, and if the boom-bust cycle runs to schedule, the crash will then be only a year or two away. Generation rent is cannon fodder for the Marxists; the issues they face must be dealt with. So, too, must the economic problems of the Scotland and the regions be substantially resolved. If these pressing and seemingly intractable features of the British economy are allowed to persist, the Marxist monster will rise again.

We have discussed these matters regularly on this website; the material can be readily found through our search feature. Large parts of the UK suffer from what can be described as 'geographical disadvantages'. These include Cornwall, the Liverpool city region, and most of the country north of Manchester/Leeds, as well as parts of South East England - places such as north-east Kent, Hastings, Portsmouth and even areas of Greater London. The tax system needs to be reformed so that people and business in those disadvantaged regions pay less, reflecting the fact that they receive less. And the rentier economy needs to evolve into one where the principal path to wealth is through enterprise, not through acquiring a fat portfolio of real estate. Land value taxation, or at least major tax reforms in that direction, would go a long way towards curing these ills. So would an orderly phase out of VAT, that most inefficient and damaging of all taxes, which is a major government expense in its own right due to the amount of taxpayers' money that has to be handed to people for them to pay back in VAT, since it forms part of the price index to which pensions, welfare benefits and public sector pay are linked. Unfortunately, scrapping of VAT is seen as unrealistic due to the mistaken idea that the headline yield from the tax is the true amount at accrues to the Exchequer, which ignores the effects of churning and deadweight losses. A more realistic policy would be the reform of Income Tax and NI taxes. At the very least, payment thresholds need to rise, if necessary with an increase in the standard rate to compensate. Better still, to cut the costs of administration, income tax and NI could be merged. Even better would be to scrap these taxes and replace them, for employed people, by a payroll tax based on the aggregate wage cost of a business; this would reflect the economic reality that these are taxes on business, relieve commerce of a burden of unnecessary work and make transparent the extent of tax churning in the public sector.

Key to the solution to the regional issue is reform of business taxes. Land values reflect geographical advantage and disadvantage but the only taxes which come anywhere near to acknowledging geographical advantage and disadvantage are those based on property values, such as the Council Tax and the Business Rate. Unfortunately, they do it badly and are deeply unpopular. Firms such as producers of steel, heavy chemicals and manufactured goods are hit hard under the present tax systems even though they are in disadvantaged locations. Local taxes in any shape or form are no solution because poor areas do not have the resources to pay.
The policies outlined above could be adopted by a government of any political colour. If the Conservatives miss the opportunity, then they form the basis for a programme which could be taken up by opposition politicians. A coherent opposition needs to be reconstructed for the health of the body politic. The LibDems have failed on a platform of policies that are diametrically opposed to those the Liberal Party had stood for from the 1830s until the late 1970s, when they seem to have forgotten what Liberalism was all about. The same can be said of the Labour Party, which was founded as a popular movement on much the same set of policies as the contemporary Liberals. Labour held firmly to them until it was taken over by intellectuals in the Fabian mode and Keynesians in the late 1930s, and gave the country Fabian and Keynesian policies when it came to power in 1945. Then came the disastrous influx of Marxists in the late 1970s, followed by New Labour opportunism, which was based on next to no coherent principles at all. It is a tragic story, because it leaves Britain with no effective alternative to Conservative politics at the moment. Radical politics need to be rebuilt from the ground up.