

Labour and Conservative M.P.s Who Say

KEEP BRITAIN OUT!

Some protectionist speeches made during the Commons debate on the Common Market

Viscount Hitchingbrooke, Conservative M.P. for Dorset S.

I CANNOT see how it is possible to join the Common Market, with the consequential reductions of tariffs that will be made in those circumstances, without a further devaluation.

"We are told that competition is vital for British industry and that, somehow, we shall get competition by going into the Common Market. In the case of the export trade, it seems to me that we shall merely add to the length of industrial order books and the length of industrial delays. What is going to put the exporter on his toes unless it is done by legislation in this House, or by cajoling him, or by some of the exhortatory devices which the Government apply from time to time? How is the placing in front of the exporter of a new market in Europe going to put him on his toes?"

"Then there is the import side. Are we really prepared to see small firms — I suppose the big firms can look after themselves — which produce in the home market put out of business by the arrival in this country of an enormous new flood of goods from across the Channel? How many of the small producers in this country can set themselves up and go straight off into the export trade?"

Most Conservative M.P.s "are ashamed of certain aspects of British commercial and industrial life, and so am I, of some of the impossible and ridiculous restrictions on both sides of industry. But these are things which are much better dealt with in this House under our own volition than, as it were, by a side wind by joining the Common Market."

"We have had what is supposed to be called a stop-and-go-system — stop when one gets to an inflationary situation and go when gets to an impossible unemployment position; and these things are conveniently timed electorally. When Brussels takes over, the time scale may not be quite the same. Apart from how it will affect the fortunes of Her Majesty's Government, it is perhaps more seriously true that our unemployment might rise to almost disastrous proportions and that our inflation might be in a galloping state before the bureaucracy in Brussels took the action necessary to rectify the situation.

"The Government do not seem to be as sensitive to the developing needs of the Commonwealth as they are to the organisation of Western Europe, and I cannot but conclude that this derives directly from the United States policy which has constantly concentrated our minds on

the menacing position, as it seems to them, of those ill-organised States of Western Europe facing across to the Soviet Union . . . There is a sort of "shotgun marriage" going on with Europe, ordered by President Kennedy and carried out by my right hon. Friend the Prime Minister. It is time that this country realised that, and began to see how it is neglecting, with the new techniques of economic co-operation the purposes of the Commonwealth.

"Many of my hon. Friends seem to regard the trade war as if it were part and parcel of the cold war and fought with the same weapons. The trade war is an entirely different concept. It is not a war of internal lines of communication and great agglomerations of industrial power. It is a war which is fought in the deep field behind the enemy lines. It is a war in which we should use every device that we have for straddling the Iron Curtain. Fortunately, we have such a device in the Commonwealth itself.

"One has only to read *The Ugly American* to see how gross was the failure of the United States to fight the trade war successfully in South East Asia. The Russians are not making a very great success of the trade war, or even of the cold war, in parts of the world, such as Africa where we have created a vacuum by leaving precipitately, or threatening to do so. These vast industrial machines are not good at the process. We do better with our 'small ship' philosophy — the one that defeated Napoleon and defeated the King of Spain (Hon. Members: 'Hear, hear'). Our small quick moving, resilient, resourceful trading philosophy is one which is much more likely to secure a key political contract, provided that it is backed up by a good organisation, than anything that may come from these enormous powers. For that reason, if for that alone, I should not be for joining the Common Market and getting involved in that vast complex of countries."

Miss Jennie Lee, Labour M.P. for Cannock.

WHAT I FEAR most is the polarisation of world forces into one vast area of power and influence which is Communist dominated and another vast area under Conservative-Catholic domination. We have had enough religious wars in the past, and we must now try to ensure that there is not another, because we shall not survive it. When I read the speeches from the leaders of the European Community, Professor Hallstein, Dr. Adenauer and others, I find that again and again they reiterate that their basic concern is not economic but political.

and they say that it is political mainly in order to provide a build-up of forces which will contain Communism.

"I want to contain Communism. I do not find it easy to live at peace with the relatively mild Whips in the Labour Party. I should find it impossible to live under any stricter discipline. But how many of the European nations have anything to teach us about how to contain Communism? There is a powerful Communist Party in Italy. There is a powerful Communist Party in France. If there were not a divided Germany, there would be a powerful Communist Party in Germany. But in recent elections not a single constituency in Britain could have been won by a candidate advocating the Communist cause . . . But suppose that we were in the European Community, and suppose we found that it did not have all the wonderful advantages which are supposed to flow from it, and suppose we found that there was industrial unrest in this country and that some of the issues could not be dealt with by our employers, our trade unions, and this House, how would the British people react to that kind of situation? . . . The result of a General Election held in those circumstances would be such as we have not had in the past."

By going into the Common Market we would divide Europe, not unite it. That was terrifying. Some economists said all we had to fear was Germany once again going on the rampage. "I am afraid of a more real danger. I am afraid of a combination of certain forces in Germany, France and Italy becoming so afraid of Russian economic competition that they will drift to the edge of war. I believe that we can influence European behaviour better by staying outside the Common Market than by going into it. We have only to look at the figures to see that on all the important issues we would be outvoted. . . ."

M. Ronald Russell, Conservative M.P. for Wembley S.

"I AM thoroughly in favour of closer economic association between the Commonwealth and Europe. But I am certainly against our joining any political federation or political union in any circumstances whatever. . . . Having attended meetings at Strasbourg for over four years, I have certainly learned that most of the members of the delegations from the countries of the Six have political federation in mind in the end. We have had the statement about that from the kingpin of all, Professor Hallstein, the Secretary-General of the European Economic Commission. Therefore, for those reasons, I would prefer the action that the Government are now taking to be done under Article 238 rather than Article 237. Although that would give us no say in the politics of Europe, it would have the advantage that Europe would have no say in the internal affairs of the United Kingdom . . ."

"I know that from one point of view if we were to join the E.E.C., it would mean that the United States might face even more discrimination in Europe against

her exports than she does now if we were to accept common internal tariffs. I think that the United States would promptly want to recompense itself for that by taking over the trade of the various members of the Commonwealth who would then be floating about leaderless in the rest of the world."

Sir Lynn Ungoe-Thomas, Labour M.P. for Leicester N.E.

"I CAN UNDERSTAND the argument that if tariffs are lowered between us and European countries we shall have an advantage because we can export into Europe without having a tariff wall against us. That cuts both ways. European countries will have the advantage of exporting into this country without having a tariff wall in this country against them. That is the dilemma in which the supporters of the Economic Community find themselves . . . They get out of it by saying that we shall benefit from competition. . . ."

"Surely if we are going into Europe with a tariff wall around us, cutting us off from our friends outside and leaving us to the mercy of what, in the Government's argument, are stronger European industries inside, we should make certain that we are the winners by making ourselves stronger than are our competitors. But if we make ourselves stronger than they are before we go in, what is the case for going in? When we examine this in detail, we find that the case which has been made out for our going in on the tariff aspect completely disappears"

"Let us assume for the sake of argument that Europe as a whole would be more efficient economically with the Common Market than without it. It does not follow from that assumption that this country, this particular part of Europe, would be more efficient. It does not follow, because the area as a whole has an advantage from it, that every part of that area has that advantage"

"We are the only country contemplating going into the Common Market for economic reasons. The whole foundation of the Economic Community in Europe is political and not economic If we put down a stipulation that we would sign the Treaty of Rome without subscribing to its political objectives, and that if it were to result in ever closer unity politically we ourselves would have the right to contract out — if, in fact, it were then physically possible to do so — does anyone think for a moment that the countries of the Six would accept it? Of course they would not."

"The Commonwealth is a voluntary association of free peoples, all brought up in the same traditions, all speaking the same language, all having the same democratic conceptions, all having the same methods of handling their affairs, and all having the same ideals. The Commonwealth has a unity, and I should like to see the response in Europe to a test of unity. I should like to see whether that response would, under the stress of war be comparable with the Commonwealth response"

Now, when all the members of the Commonwealth are becoming self-governing communities "is exactly the time when these people most need understanding, encouragement, assistance and friendly help. This is the very time when this Government, with its imperialist conception instead of a Commonwealth conception chooses to abandon these people. This is a loss, not only to us, but to the whole world

"Communism is not just a military power. Incomparably more important, and what makes it so dangerous, is its hold upon the minds of men. Traditional Europe, as represented by the European Economic Community countries, gives no spiritual reply to that spiritual challenge. In Europe we are pitting against the Communist countries an absolutist conception as against the Communist absolutist conception, and we are in Europe trying to establish and set up a military reply to what is essentially a political and spiritual challenge. What we have prevailing in the pressure being brought to bear upon this country to go into Europe is what I think all parties in this House have condemned, and that is the Pentagon conception of the reply to the Communist challenge."

Mr. John Farr, Conservative M.P. for Harborough.

"OUR BRITISH horticultural industry is struggling today. It is protected by a strong tariff wall which is absolutely necessary. If we look at the terms of the Treaty of Rome we find that internal tariffs for agricultural and horticultural products will be abolished. . . . How can British tomato growers compete with tomato growers in Italy and France, where they have the natural climate to help them and they can produce tomatoes as a field crop and not as an expensive heated crop under glass as has to be done in this country?"

"I am appalled to hear hon. Members on both sides say, or imply by not saying, that it does not really matter if we erect tariff barriers against New Zealand, Australia and other of our Empire countries and it does not really matter if we abolish tariffs between this country and the Common Market countries of Europe. What does it matter, they ask, if instead of New Zealand exporting butter and lamb to this country we have a lot of dumped Dutch produce here, or if we import large quantities of French grain instead of Canadian grain?

"It is said that it will be a wonderful boon to British industry if we join the Common Market. Our manufacturers — there are many industrialists here tonight, particularly on the benches behind me — say that there will be a wonderful opportunity for our companies to compete in a home market not of 52 million people but of 220 million. How wonderful will be the opportunities, they say, for us to sell our manufactured goods. Many of them do not give a thought for the smaller firms. Moreover, if I may say so with respect there are many who may have the smile wiped off their faces after a few years within the Community.

The price of the Simca "Etoile" car in France today excluding T.V.A. and local taxes, is £332. "In this country, the price is £779, and even at that price one sees a lot of them about. The price of the Volkswagen in Germany today, including turnover tax, is £425, but a buyer in this country has to pay £739 for one. If the tariff is removed there will be such a demand for and such a flood of foreign cars coming into this country that many of our large car manufacturers, who apparently regard the Common Market as a ripe plum for picking will be very sorry that we have entered into negotiations with the Common Market

"As the Common Market stands today, a citizen of France wishing to take a job in West Germany has to wait for three weeks while that job is advertised. At the end of that period, if a national of West Germany has not taken the job, the Frenchman has a right to take it. By 1970, there will be no such waiting period. I submit that we should be far more concerned about the possible curtailment of our right to allow citizens of our Commonwealth into this country. If we join the Common Market, we shall not have the right of free immigration into this country of Commonwealth citizens. We shall have to apply to Brussels. It will not be possible to say a word if people flock in from other Common Market countries to take advantage of the very high employment rates that we have enjoyed over the last fifteen years, and which, if we do not join the Common Market, I submit that we shall continue to enjoy."

Mr. R. Turton, Conservative M.P. for Thirsk and Malton.

"I BEG the Government to realise that in this question of the Commonwealth what is in jeopardy is really the whole political concept of the Commonwealth. I believe that in the next twenty years the future of the world will depend a great deal on how far by this multi-racial partnership we can bring the continents together. If through our imprisonment behind the tariff barriers of this continental system we lose the opportunity of drawing the multiracial Commonwealth partnership of the continents together and by this means we split the Commonwealth, I believe that those who are responsible for the Government of this country will have failed gravely in their responsibilities and duties. I believe that there is an opportunity here for a positive new Commonwealth trade policy."

Mr. E. Shinwell, Labour M.P. for Easington.

THE POLITICAL ISSUE transcends all other questions. "Hon. Members can talk until they are black in the face about the Rome Treaty and there being no provision for federation, but there is no doubt that from the declarations made by some of the most influential people — M. Spaak, Professor Hallstein and others who have indicated that that is a definite intention and that once we accept the economic provisions of the Rome Treaty — and it looks as though this Government might

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such. His treatment of the question is confused, contradictory and shot through with nonsense." That severe charge is amply supported by extracts from his writings.

With reasoned arguments familiar to readers of this journal and apt quotations from authoritative sources, Miss Rawson demonstrates the schizophrenic nature of property taxes which fall on land and buildings. Having thus outlined the problem in general terms she proceeds to a detailed examination of how a particular municipality would be affected if the revenue it now raises by taxing both buildings and land (including vacant land) were raised instead by a local land value tax (or rate). The wealth of data obtained by field study and with the cooperation of city officials is presented graphically and statistically in detail, and broad conclusions are drawn.

The city of Burnaby, B.C., was chosen for investigation. Covering nearly 40 square miles, it lies between Vancouver and New Westminster and has a population (1959) of 93,000. The predominant land use is residential, with subsidiary shopping areas, but there are growing pockets of industry. The importance of agriculture is declining rapidly and accounts for only 0.2 per cent. of the useable land area.

One reason for selecting Burnaby for the survey undertaken was the high quality of procedure and results in its assessment work. This is undertaken by a large professional staff of valuers. The assessment rolls show separately the values of land and buildings and detailed relevant information on each property is recorded on cards. This data was made available to Miss Rawson and municipal officials co-operated fully. The sampling method employed for the survey involved taking two or three typical blocks in each of the 22 sales assessment districts to give a total of 59 sample blocks of various shapes, sizes, uses and degrees of development. These were individually inspected and the Assessment Department's land analysis card for each property in the blocks chosen was consulted.

Various ratios may be used to express proportions of value in a property. Miss Rawson has adopted the ratio employed by the Land Values Research Group, Melbourne where land value is expressed as unity. Thus, a \$4,000 property consisting of a building worth \$3,000 on a site worth \$1,00 has an improvement ratio of 3:1. The pivotal point for determining whether for any given property the land value tax would be higher or lower than at present depends on whether its improvement ratio is lower or higher than the average improvement ratio for the city. For Burnaby this is 3.888 : 1. Residential property (average ratio 4.396 : 1) as a whole would contribute less to municipal revenues. "Throughout the city, residential property in average to good condition, no matter what the type — single family, duplex or apartment — could expect a decrease in taxes under the land value tax system."

Commercial property as a group (average ratio 3.199 : 1) would pay slightly more. This is in part be-

cause commercial uses usually occupy the more central and valuable sites and in part because "used car lots, gas stations with extensive black topped areas, and lots 'used' only to support billboards are common in Burnaby".

Agriculturists would also pay more as a group, but because they occupy only 0.2 per cent of the total land area, any generalisation about the effects on farm land in Burnaby might not apply to agricultural land in its usual rural setting. Similarly it is difficult to draw useful generalisations about the effects on industrial properties because of the very great variations in their improvement ratios. As a group (average ratio 2.983 : 1) they would pay more under land value taxation though a Ford parts plant would pay less, and a can factory and a lock-making company would pay very much less than at present.

The survey revealed that in Burnaby there is a good deal of unused and ill-used land scattered among residential and especially commercial uses. Yet the price of land there is rising at a rate of 22 per cent annually. If local taxes were imposed on land values only this rise would be checked. In Burnaby the difference in tax burden which a prospective homeowner might expect under land value taxation is quite striking. In one sampled section the savings would be \$63 a year which, capitalised at 6 per cent, represents more than \$1,000 which the prospective home-owner could spend on buying more space or better quality construction.

Miss Rawson states that the problem of sprawl is almost purely the result of land speculation and sees the exemption of buildings and higher taxation of land values as the "golden key to urban renewal, to the automatic regeneration of the city — and not at public expense". There is need for a detailed analysis of a city with real slums, she says, since the mildly blighted "problem" areas of Burnaby hardly serve as a genuine example. Her study represents only a first general foray into the problem of the economic consequences of taxation on city development which, it is hoped, may serve to stimulate similar studies elsewhere. It has been favourably noticed and extensively quoted by the press in Canada and the U.S.A.

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— they are on the way towards complete political integration. I wonder what this place will be like during the course of the next ten years. There will not be 630 hon. Members. There will be no need for more than 150 or so. It will be like a parish council, with authority of some kind delegated to it by the European Parliament and dictated to by a European Government. To that we are being led . . . We may associate ourselves with the Common Market and at the end of the day discover that we are a cipher in the hands of the de Gaulles, the Spaaks and the President Kennedys. We shall not have the right to call our soul or our body our own."