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A Plot Against The People

THE murder is out. The vaunted European Common Market (E.E.C.) is an arm-twisting protectionists' racket. This was made crystal clear at a press conference in London on January 11. To us it comes as no surprise. From the outset the concept of a tariff-ringed trading area has been denounced in these pages as was its fore-runner, the Schumann iron and steel cartel. Many liberal-minded people, however, have been misled partly by their desire for European political unity and partly by sedulous propaganda about the proposed progressive reduction of internal trade barriers within the Community.

The wolf was stripped of his sheep's clothing at the press conference. Dr. S. L. Mansholt, a vice-president of the E.E.C. Commission, and its leading expert on agricultural matters, outlined draft farm policy proposals for the Six which are now being considered.

Justice and morality are lightly brushed aside, and the foreseeable consequences blandly disregarded, in a bid to assuage the farmers. In the final analysis, the whole scheme will preserve and improve the condition of the privileged minority which is superstitiously believed to "own" the land on which food is grown. Whether it has been deliberately so devised is anybody's guess.

Cumbersome and costly to operate, the scheme has one simple object—to provide a market for the high-cost farm produce of the six countries. All that is necessary is to prevent the 160 million inhabitants from buying cheaper food from outside the Common Market. Their only choice then would be to pay whatever price was demanded—or go without. Broadly speaking, that is what is proposed.

Dr. Mansholt said frankly that agricultural prices within the Six must be higher than world prices; farmers there could not hope to produce as cheaply as those in the great specialised exporting countries like Canada or Argentina. Because between them they produce about 87 per cent of the food required by the inhabitants of the six countries it was not possible to follow the British example of allowing imports in almost duty free, and making deficiency

payments to farmers. Such payments would have to be made on practically everything eaten inside the Community.

Farmers would be protected by one of three methods. For some commodities (including grains and dairy produce) an annually determined "target price" would be maintained throughout the area, but with allowance made for variations in transport costs. A levy on all imports, representing the difference between the "target price" and the world market price would be imposed. The proceeds would be available for supporting the market by stockpiling if required.

A licensing system would be employed. Normally farm produce would be allowed to enter Little Europe "freely" (in the protectionist sense of that word) but at the first sign of approaching abundance—a menace more greatly to be feared by protectionists than swarming locusts—import certificates could be suspended. In the mind's eye a picture sequence unfolds of:—

European housewives asking husbands for more housekeeping money;

trade union leaders negotiating for higher wages; impassioned Opposition M.P.s demanding increased pension and welfare benefits;

European farmers paying over more rent to their landlords;

bursting granaries of unsaleable wheat in Canada and Argentina.

The sheer lunacy of these proposals is as obvious as is their wickedness.

Beef, pig meat, poultry and eggs would be protected by a similar system of external levels but would be allowed to find their own price within the Six, Dr. Mansholt said. We predict that it would be high.

Stability is venerated as a Golden Calf by the market riggers. It is their omnibus word for "scarce and dear." To keep stable the price of fruit, vegetables, and wine, the press conference was told, "quality control" would be

employed, supported by a customs duty to provide protection from overseas producers.

It is hoped (by the "authorities" if not by their 160 million employers) that internal "free trade" in most agricultural produce will be achieved within six years. Exceptionally, wine may take nine years to "free" and beef only four years. Despite all that he had said, Dr. Mansholt claimed that the Community's agricultural policy towards other countries would be "non-discriminatory". Words, it seems, can be given any meaning one chooses. He did not think the proposals contravened the spirit of the General Agreement on Tariffs and Trade.

There is no reason to suppose that these proposals will not be adopted. If they are, the following consequences are inevitable. Food will be needlessly dear, to the detriment of the poorer people. The price and rent of farm land will rise. Labour and capital which could be more profitably employed elsewhere will be dissipated; total wealth produced will be artificially restricted. Tensions between town and countryside will be generated. Demands for wage increases, and industrial discontent and strife will be provoked. Inflationary expenditure on welfare services, etc. will be encouraged. Unsaleable surpluses will mount and political relations between the Six and the food exporting countries will deteriorate. The gulf between the undeservedly poor and the undeservedly rich will widen. Capitalism (which, shorn of privilege, is the handmaiden of peace and plenty) will fall further into disrepute. Totalitarianism will advance one step nearer.

There remains to be added only that the agricultural proposals are of a piece with those for industrial goods which also are designed in the interests of producers, not consumers.

IT SEEMS scarcely credible but—if it had power—the Liberal Party would throw the British people to the tender mercies of European protectionists. When the European Free Trade Association was debated in the Commons on December 14 (the Convention establishing it has since been ratified by Britain), the Liberals tabled an Amendment regretting "the failure of H.M. Government to associate Great Britain with the countries comprising the European Economic Community". This was not called by the Speaker but Mr. Arthur Holt, M.P. was able to put the Liberal Party view.

Mr. Holt is regarded as an outspoken free trader, and repeatedly he has shown the highest political courage and integrity. Yet he said point blank that he would accept "the harmonisation of the outside tariffs" shutting the Six off from the rest of the world. Britain would become a little, over-populated island if she did not go in the Common Market. If she did join, her present tariff structure would not have to be altered greatly. There was really no reason whatever, within the Commonwealth, why Britain should not do so. The whole problem had been

greatly exaggerated. About six-sevenths of Britain's imports came in duty-free, the tariff being confined largely to manufactured goods of which, last year, only about £139 million were from the Commonwealth. "We in Britain should say that we are prepared to give up the benefits which we have in the Commonwealth through Imperial Preference." These had been dwindling over the years.

On surer ground, Mr. Holt expressed considerable doubts about the viability of the Outer Seven. "It is just possible that it might work and continue but . . . it is much more likely to suffer from great internal pressures which will break it up very quickly."

It was in Austria's interest to join the Common Market. Pressure on Switzerland to do so seemed likely and she might break away if successful links were not established between the Six and the Seven. The same applied to Denmark. Norway and, later, Sweden, might follow suit. The Liberal Party divided the House, voting against the Chancellor's motion approving the E.F.T.A. Convention. Labour Members abstained.

The Liberals voted the right way for the wrong reasons. Whether or not it is technically possible for Britain to join the Common Market is neither here nor there. The issue is more simple, more fundamental. It is a straightforward choice between protection or free trade. Shall individuals decide what and from where and whom they shall buy or shall politicians continue to control and restrict their choice? Shall they enjoy the plenty and quality and cheapness which the international division of labour offers or shall they not? Shall the community of nations be brought closer together by the bonds of mutual interest and friendship or kept asunder by trade barriers and restrictions?

Liberals ought to have no difficulty in answering. By definition and tradition they are compelled to be for freedom of trade. They cease to be liberals (whatever party label they wear) the moment they lend the slightest support to restraint of trade. Mr. Holt's welcome readiness to abandon Imperial Preference makes his anxiety to place Britain in the European tariff-noose all the more surprising.

The proper course for this country to adopt is to abolish all her import barriers completely in the shortest possible time, irrespective of what other course other countries follow. An immediate sizeable reduction in all tariff rates (such as the Liberals were advocating until quite recently) is practicable and essential.

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