

these have been on the wrong basis anyhow, depending on preferences and discrimination. The Commonwealth was built up on the capital-accumulating propensity of Britain. That came from buying in the cheapest market and selling in the dearest. This capital the Commonwealth is crying out for today. Britain can no longer provide it.

But she could start to accumulate again if she adopted the right policies: not, however, by merely substituting discrimination in favour of Europe against the Commonwealth for discrimination in favour of the Commonwealth against Europe. It is discrimination itself which is wrong. The answer is in a gradual lowering of tariffs through the enforcement of the unconditional most favoured nation clause.

For my part, I much prefer the fragmentation of economic power to its concentration in a few large and powerful blocs. If we must have wars, let them be little ones.

Yours faithfully,
OLIVER SMEDLEY,
Chairman.

Keep Britain Out Campaign, London.

RAMPANT PROTECTION

SIR, — At present, the prices of many articles when imported from Common Market countries are considerably higher here than there. I am convinced that if we join this Market the British manufacturers concerned will not willingly forego this protection. They will be able, by linking up with trade associations or comparable organisations in Europe, to maintain prices at a monopolistic level. In fact an increase in cartelisation is beyond dispute.

We should not be concerned with the success or otherwise of the Common Market or the Schumann Iron & Steel Plan but with the inalienable right of individuals to exchange freely the products of their labour. There is no need for Ministers of State to fly a shuttle service between Great Britain and Europe in order to achieve free trade.

If the whole world by international agreement became a Common Market, and tariff barriers disappeared, protection would still be rampant. Price stabilisation schemes, subsidies, levies, fiscal manipulation, authoritarian economic planning and land monopoly, all part of the domestic political scene throughout the world, would continue and so ensure that the Common Market is not a *Free Market*.

Contrary to reports all is not well in the "Six." German car manufacturers are in trouble for raising their prices; French farmers are protesting against low prices, and strikes are prevalent.

The whole set-up is a cunning protectionist plot based on the universal fear of communism.

Yours faithfully,
STEPHEN MARTIN.
Fordingbridge, Hants.

AUGUST & SEPTEMBER, 1962.

ONE HAPPY FAMILY

THE latest round of Market ministerial meetings, which are now averaging two a day in Brussels, is showing that after ten years of Community life the six still feel as free as ever to give vent to their national emotions.

The Dutch have been claiming that Dutch administrators have a far greater sense of integrity than Italians. The French are fighting like wildcats to keep essentially nationalistic, or possibly even imperialistic, links with the 16 former French African territories and for something similar to imperial preferences on Sahara oil.

The Belgians, partly to please some very nationalist-minded Belgian trade union leaders, have been trying to take back some of the powers they gave to the High Authority of the Coal and Steel Community for controlling coal prices in Belgium. Certain non-community-minded Belgians are smuggling butter from Holland to the tune of 6,000 tons a year in violation of Community rules.

The Germans and the French are locked in a nationalistic argument about which has the right to force the other to change its farm prices.

France, according to the Belgians, is beginning to exploit the clash between French-speaking Belgians and the Flemish by encouraging French Belgians to establish closer links with France.

But this does not mean that the House of Europe is in danger of falling. The patriotic demonstrations are looked upon by the Six as part of the Community game. As Mr. Pisani, General de Gaulle's Minister of Agriculture — and a former professor of gymnastics—says during every big crisis, "We in the Common Market are condemned to agree." *Daily Telegraph*, June 26.

EARLY VERSION OF E.E.C.

SIR, — Some overseas correspondents who suggest that British Free Traders should support the Common Market as a partial acknowledgement of free trade principles, are not fully aware, I suspect, of the completely protectionist view of the nature of trade implicit in all the publicised arguments of the English Marketeers. If Free Traders as a body support Great Britain's entry it will be assumed that they endorse the idea of trade as a collectivist operation, requiring almost as much state organisation and direction as a military campaign. On this premise the Free Trade case becomes untenable and protectionist fallacies are confirmed. The Liberal Party, in its present enthusiasm for the Common Market, virtually expels Free Traders from its ranks.

Although we cannot exactly foretell future events, past experience does suggest in what direction Free Traders can most usefully exert their influence.

Under the persuasion of Alexander Hamilton a common tariff was substituted for the various State tariffs of the American Union. In accord with modern expertise
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THE EVILS OF LICENSED ROAD HAULAGE

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the controls, the inducements to breach the law and the interference with the free play of supply and demand.

Mr. Yorke says "There would be no real hardship in this (his 'C' license proposals); they are merely precluded from exercising a private right to the public disadvantage." What he proposes amounts to private disadvantage in the interests of an alleged public "right" — a "right" to be declared arbitrarily by a "licensing authority," a "right" to tell a trader where, how and when he shall operate a vehicle his own business common sense has told him he needs. No trader in his right mind contemplates the purchase, running and maintenance of a vehicle unless it is going to save him money. Would Mr. Yorke deny the trader the right to follow his own business instinct? It follows from this that no trader would be likely to sink his capital in such a proposition if a satisfactory haulage service is available to him at a competitive rate.

As for the argument that account must be taken of the present and prospective state of British roads, that, surely, has nothing to do with economic principle. Restrictions of some kind may be temporarily necessary so long as the bad conditions exist, but let it be clear that they are emergency measures only, intended to be abrogated the moment the conditions are removed. No one would seriously suggest that, because of an earthquake or a tidal wave which destroyed certain roads, all traffic throughout the country should be permanently subjected to emergency controls.

There can be only one certain way of safeguarding the ideal of private freedom of action and choice without damaging the public interest; that is to remove all obstacles to that freedom and leave the matter of infringement of rights to the courts of justice.

COMMON MARKET CONTROVERSY

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Hamilton argued that it was "a wild, speculative paradox" to suppose that trade could regulate itself. So this was an early version of the E.E.C. except that Hamilton was quite frank in his intention of using it to reduce the political independence of the contracting parties. After 175 years, the U.S.A. appears to be no nearer to Free Trade. That Common Market proved a cul-de-sac for the idea.

The British movement towards Free Trade operated on the contrary principle. Deliberately refraining from political efforts to influence other nations British governments from the 1820's onwards reduced tariffs progressively and unilaterally. The benefits became so obvious that almost all European governments began to follow Britain's example. The movement was arrested only by the repercussions of commercial depressions which, as Henry George demonstrated, derive from checks to production at its source, not from the secondary factor of exchange.

This surely suggests the angle where free traders can exert their influence most effectively.

We delude ourselves if we think there is any alternative to arousing an informed public opinion on the true nature of trade. Conferences innumerable of politicians and experts, all professing devotion to freer trade, have achieved nothing. This is the method of the E.E.C. and almost certainly, as hitherto, the interests of monopolists, not consumers, will prevail. The Common Market offers such obvious facilities to the big combines that some method of Britain's entry will probably be devised. But frictions will not be removed and provided Free Traders have not compromised their principles the difficulties of collectivist trading will present opportunities for pressing home the simple straight-forward method of overcoming man-made obstructions arising from fallacies widely accepted. Meanwhile we might usefully endeavour to devise new methods of putting our case to the changing elements of modern society.

Yours faithfully,
FRANK DUPUIS.

Cheshire.

THE INDIVIDUAL AND THE STATE

(continued from page 126)

conglomeration of slum properties, or a dozen other things — but that is not because of any lack of planning. Here again, when people talk of a "planned" economy they have in mind a benevolent and far-seeing State stepping in to put right what (apparently) the competition of individuals has put wrong. They are substituting in fact, one sort of *public* action for another and not necessarily one that will make the situation better. We have made clear, I hope, that the business magnate and his assistants are just as "public" as say a county architect and his assistants. All that I wish to do here is to show the fallacy on which the theory of planning is based in the world today. There is a plan in nature and in every subsection of nature including the human, if we care to look for it, but it will not be found in a government department, nor in the pigeon-hole of bureaucracy. Expressed in other terms the real distinction is between *ministerial* planning, which by its very nature must be political, and the planning of an *entrepreneur* in the old sense, which was purely "on the market." The former involves regulation from some person or persons outside the market, the latter nothing but the intelligent co-operation of individuals. If the plans of the world have gone amiss these last few years it may be we shall trace the ruin eventually to its real source.

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