

Major Oliver Smedley, chairman of the Free Trade Union and the Cheap Food League, spoke for both free traders and protectionists when he said: "After 500 years of political independence from Europe the British people are not going down on their knees to beg permission to join a newly-constituted Holy Roman Empire. The Government is not going to be allowed to achieve by subterfuge and treachery what Napoleon and Hitler failed to achieve by force of arms." There was a battle to be fought between the free traders and protectionists, he said, but for the present they must sink their differences in joint defence of the very right to contest that issue. It was obvious that the very mixed audience agreed.

Major Smedley also said: "It is in the interests of freedom throughout the world that Britain should remain, at whatever temporary cost, a free and sovereign country willing to trade freely with the people of every other country without discriminating on grounds of race, colour, religion or political creed. This is a great and noble aim, compared with which the desire to join the Common Market is seen as squalid, selfish, short-sighted, 'save our skins' protectionism."

Divide And Rule

ONE of the most powerfully divisive forces threatening free world unity. That is how the Common Market appears to Mr. Nate White, business and financial editor of the *Christian Science Monitor*. From the penetrating analysis he contributed to his paper, July 11, we quote these few paragraphs:—

"What has been forged under the Treaty of Rome in the Common Market is a tightly knit, tightly centralised, tightly directed, tightly controlled new bureaucracy, largely subject to France and Belgium, which is obviously attempting to restore the economic structure of the Holy Roman Empire to Europe . . .

"If the motive of the Common Market leaders was the unity of the free West, they would be doing everything to achieve this unity. But they are not. Everything they do tends to separate the major economic centres of the West from one another. The Common Market officials, specifically the president, Walter Hallstein, blandly say to the word that 'anyone can join' the Common Market. But then they proceed to set conditions which would destroy the British Commonwealth, isolate the United States, Japan, and the other nations of Europe which are not in the Common Market.

"Dr. Hallstein has achieved in a limited sense his objective of a 'new empire'. He still must get his single parliament, his single electorate, his single currency. So long as President De Gaulle of France and Chancellor Konrad Adenauer of West Germany are strong individual leaders of Europe, the Common Market can continue to set the terms of European trade. The Hallstein group knows that it must cement its control while these leaders are active in affairs . . .

"The British Commonwealth is the strongest economic power in the entire Western alliance. The nations in it

are multi-racial, multilingual, their geographic spread worldwide. Under no conditions should this Commonwealth be weakened. It should be strengthened to help protect the world against a more vicious force in Communist economic aggression. The United States should be the Commonwealth's principal advocate and supporter, for its own sake and that of free world unity."

Without a stronger, better relationship between the U.S.A. and the Commonwealth, the monopoly which the Common Market countries are seeking to build cannot be held in check, Mr. Nate believes, and the unity of the West will be vitiated. The Rome Treaty nations pay homage to European unity but by their actions they divide free Europe. Why? "The answer seems to be in the determination of the leaders of the Common Market nations to restore the Holy Roman Empire with all that that means."

Labour Free Trader

"I FAVOUR the greatest possible expansion of world trade, and in particular free trade in food and raw materials." Thus Mr. Douglas Jay, M.P. in a letter in *The Economist*, June 24. This Labour former Treasury Minister (Economic Secretary, 1947-50, Financial Secretary, 1950-51) was rebutting that journal's charge that there is something illiberal in those who have doubts about signing the Rome Treaty as it now stands. In part he wrote:—

"The present common external tariff of the Six (according to figures given me last month by the Board of Trade) provide as you are presumably aware, for the following import tariffs on the main foodstuffs: wheat, 20 per cent; beef, mutton and lamb, 20-24 per cent; cheese, 23 per cent; tea, 18-23 per cent. Certain raw materials, now tax-free would be taxed also. Since these taxes or corresponding import levies would apply to imports from the Commonwealth from which most of our food imports come, adherence to the present common market tariff would mean imposing these taxes on the bulk of foodstuffs imports into Britain. Food prices, the cost of living, and all our industrial and export costs must rise; and the distribution of real incomes would be shifted still further to the disadvantage of the poorest . . .

"In a recent issue you shocked me by advocating the Common Market food tariffs, as if this was just a minor technical point. Do you no longer believe in either social justice or free trade? Since the total value of imports on which the U.K. would raise tariffs (if we signed the present Rome Treaty) would vastly exceed those on which we should lower them, and since we should raise them against the greater part of the world, and lower them only against the Six, the result would be the biggest step towards protectionism taken since 1846. Do you really want this? If so, to call others illiberal is to use English in a way more reminiscent of Orwell than of Bagehot. But if not, if you want to keep tariff-free food imports, as I do, why not say so?"

"We are told that the Common Market External

Tariff on foodstuffs is still negotiable. If so, the U.K. in my view should require as a condition of adherence to the Rome Treaty that the Common External Tariff should be zero on all goods now entering the U.K. from the Commonwealth tariff-free. On that genuinely liberal condition, I should enthusiastically support Britain's adherence to the Six. For the whole of Western Europe would then be opening its markets to the primary, and other, products (I would not stop at primary) of the less developed continents. That is what we ought to do, in the interests of both our own population and the poorer countries, as is forcibly argued by Professor J. E. Meade in this month's *Three Banks Review* (pages 15-19) and not relapse into a narrow 'European' protectionism. It is because I wholly agree with Professor Meade's arguments that I cannot accept the Six's present protective tariff . . ."

Mr. Jay reminded *The Economist* that food and raw materials are at present imported into Britain virtually duty-free, as they have been for generations, and that *The Economist* fought for and championed this system for at least a century.

Efta And Bacon

TARIFF preferences which members of the so-called European Free Trade Area accord to qualifying industrial goods imported from member countries were increased on July 1. The new import tax rates are 70 per cent of the basic duties charged on goods imported from non-member countries. On the same day the Area was extended to include Finland and Greenland. Other countries within the Stockholm Convention area are: Austria, Denmark, Great Britain, Northern Ireland, the Isle of Man and the Channel Islands, Liechtenstein, Norway with Spitsbergen, Portugal and the Azores and Maderia, Sweden and Switzerland.

Also on July 1 the remaining 5 per cent tariff duty on Danish bacon entering the U.K. was lifted. Was it mere coincidence that a few days earlier the Pig Industry Development Authority introduced its bacon-marking scheme to denote good quality?

It is to be hoped that the Authority's "Meritmark" will not gain a reputation similar to the monopoly Egg Board's "Lion" brand-mark. But if it does, British shoppers will be able to buy first-class Danish bacon quite cheaply. They are denied similar freedom to buy Danish eggs.

An Era Ends

THE "never-had-it-so-good" era is coming to an abrupt end. The seed corn is nearly all consumed, dissipated on doles to agriculture and other sectional interests, and welfare service bribes to the electorate and with bureaucratic waste and mismanagement, defence and state industries each making exorbitant demands. Since the Budget political commentators have been full of gloomy forebodings and the Press has been preparing us all against the day when belts will have to be tightened.

The *Daily Telegraph*, July 14, reported that at a private meeting of the Conservative Party's 1922 Committee held the previous evening, the Prime Minister had admitted to having "many anxieties but no fears" about the economic outlook. He told them that the Chancellor would shortly announce new economic measures and implied that they would be tough.

The burning question is: tough for whom? Will the new "economic regulators" be used to cut consumption by raising prices? What is needed immediately is a sizeable cut in Government spending and a reduction in living costs. That means that tariff taxes and other price-raising protectionist measures must be removed or drastically cut forthwith.

There seems little likelihood that this will be done in view of Mr. Maudling's deplorable action on behalf of a handful of British farmers. He has grovelled before the French and the Russians and pleaded with them to stop sending cheap barley to Britain. Obliging they have agreed not to sell at less than £20 a ton so he has decided not to impose anti-dumping duties. Powers to do so are being held in reserve.

"Sitting On It"

LAND speculators are not a product of our fevered imagination. They actually exist. The Minister of Housing & Local Government vouches for it. In the Commons July 20, Mr. Henry Brooke said:

"I know that there are some speculators who have paid too high a price for land are now left with it, wondering what to do because they are not finding it so easy to unload as they imagined they would. I want to make this point, which I think important. Shortage of building land coming on to the market might not necessarily mean that too little land has been allocated in the development plan for development. **It may simply mean that land is being held back from development by people who have bought it, and so to speak, are sitting on it.** I want the House to know that if an artificial shortage was being created anywhere in that way, so that no land could be obtained for urgent housing needs in an area where the land was required, I would be prepared to consider a compulsory purchase order made by that local authority with a view to offering the land for sale again to those who would develop it and not sit on it. We cannot have much-needed land in these days permanently idle."

Consideration of the possibility of buying certain parcels of speculatively held land — at current market price — is a poor substitute for the radical action needed. Even so, Mr. Brooke's guarded admission has some value. It may be compared with his parliamentary secretary's doubts (*L&L* July, page 116) whether there is any land speculation.

Mr. Brooke was replying to an Opposition Motion calling for the public acquisition of freehold land needed for public use and private development. The debate will be reported next month.