

THE LABOUR PARTY AND FREE TRADE

By the Right Hon. Philip Snowden, M.P.,
ex-Chancellor of the Exchequer

From an article appearing in "Reynolds' Illustrated News," 20th March:—

One sometimes hears Labour men and Socialists dismiss the tariff question by the contemptuous remark that Free Trade and Protection don't in the least concern the workers.

We have had Free Trade in this country, these people sometimes add, for eighty years, and the problem of poverty still exists. Sometimes I have heard the controversy brushed aside by the sapient declaration that "We want neither Free Trade nor Protection."

I would not give the impression that those who take up this attitude of indifference to the question of tariffs are at all numerous in the Labour movement. They are not. Whenever this issue has been raised, either in a Labour conference or in the House of Commons, the Labour Party has shown itself to be practically unanimous in its opposition to Protection.

This is a matter on which neither the Labour Party nor any political Party can take a negative attitude. A country must have a policy in regard to tariffs. It must be either Free Trade or Protectionist. There is no other possible policy.

What indifference on this question may exist in the Labour Movement is largely due to the fact that Free Trade has been identified with the Liberal Party, and as no good can come from that Nazareth, Free Trade must be rejected, not on its virtues or vices, but because of its past association.

It never seems to have occurred to these people that Protection should be suspect because it had its origin in the Conservative Party, and is the policy of that Party to-day.

The statement that Free Trade is no concern of the workers, because, after eighty years of Free Trade, poverty still exists, is just as foolish. We have had

eighty years of trade unionism, and poverty still exists. Are we, therefore, to abandon trade unionism?

The answer to this statement that Free Trade has not abolished poverty is that it never claimed to be able to do that. Free Trade is a condition, not an active force. Cobden did not regard his work as finished when he and Bright had secured the repeal of import duties. Cobden, in a very memorable speech near the end of his life, declared that the next step was the liberation of the land.

The workers have a vital interest in the maintenance of trade. Everything which hampers the expansion of trade inflicts injury upon the workers in three ways. Trade restriction lessens employment, it tends to lower wages, and it raises the prices of commodities.

Finding that Protection does not protect, the Continental countries are constantly engaged in raising their tariffs. This instability of the tariff rates makes trading contracts almost impossible. France is just adopting a new tariff schedule which will increase the duties on some classes of machinery by 200 per cent.

Our Dominions are doing the same thing. While preaching the need for stimulating Empire trade they are continually revising their tariff rates to the prejudice of imports from Great Britain.

I have been led to deal with this question of tariffs this week because it is going to be the main topic of discussion at the important Economic Conference which is to be held under the auspices of the League of Nations in May.