

Westminster Businessmen and Free Trade

UNEXPECTED support for the principles of free trade was given at a Brains Trust meeting organised for its members by the Westminster Chamber of Commerce. The meeting was held last month in the Piccadilly Hotel, London, and was attended by some 300 people among whom were seven representatives from the United Committee.* A fortnight before the meeting copies of a 36-page pamphlet commissioned and specially published by the Chamber was issued to members. This comprised a comprehensive and impartial examination of the proposals for forming a Customs Union and a Free Trade Area in Europe. The purpose of the meeting was to clear up questions of fact as well as to present the views of a distinguished panel of public men on the subject. The "Brains" were Mr. Aidan Crawley, M.B.E., Sir Frederic Hooper, Mr. Roy Jenkins, M.P. (Labour) and Mr. George Schwartz, B.A., B.Sc. (Oxon.). The question master was Mr. Frank Byers, O.B.E.

George Schwartz was in fine form and lived up to his reputation for outspoken hostility to muddled thinking and special pleading, established by him in *The Sunday Times*. That his wisdom was spiced with wit was to be expected. The rounds of applause which greeted his answers to questioners who had a protectionist outlook was as unlooked for as it was gratifying. But the real surprise was that one after the other, question after question, members of the Brains Trust underlined the economic arguments for free trade. Whether they would have been prepared to follow their arguments to their logical conclusion is another matter—but it was good to hear them. Where had these "Free Traders" come from? For that is what they appeared to be to a man! As the hoary fallacies of protectionism were ably dealt with, uncompromising free traders listening might well have been forgiven for forgetting the protectionist implications of the European Common Market. It could not have happened six months ago.

Did the Brains Trust agree with the proposal to exclude agriculture from the free trade area and, if so, why? To that question there came unexpected and unanimous agreement (among those who answered the question) that agriculture should *not* be excluded, and some cogent reasons were given. What was said about special privilege and protection for agriculture would not have pleased the National Farmers' Union. Such sentiments are not usually voiced from a public platform.

The *Daily Express* view found expression in a question which implied that British participation in a "Free Trade Area" would be an insult to the Empire and an act tantamount to treason. But no one on the panel appeared to have time for Lord Beaverbrook!

Answering a question as to the effect on consumers of "freer" trade, Sir Frederic Hooper in effect read an economic lecture on the advantages the consumer would obtain from free trade. He would reap the benefits of com-

* Miss G. Levy and Messrs. G. L. Birch, W. E. Bland, V. H. Blundell, S. Martin, A. L. Roberts and P. R. Stubbings.
April, 1957

petition among manufacturers and would have a far greater range of commodities, and different types of the same commodities, at cheaper prices from which to choose. This was text-book stuff which "every schoolboy knows"—and forgets, and the audience, the majority of whom one could assume as long having had protectionist prejudices, nodded with approval.

George Schwartz provoked a spontaneous and almost hilarious response when he illustrated the absurdity of refusing to buy goods from low-wage countries for fear of hurting ourselves. "When I leave this hotel," he said, "I shall buy two newspapers from a man in the street. Should I ask him what he earns? And if told, as likely I should be, that he is lucky if he makes £5 a week, should I turn away in disgust and refuse to buy my papers from him? A fat lot of good that would do to me or to him! If we wish to help these people in low-wage countries," he said, "the thing to do is to trade with them; there is no better way."

Roy Jenkins, speaking to another question, thought that closer economic co-operation involved closer political co-operation and the risk of a loss of political independence. George Schwartz said that although the two things might go together, they were not really related. He cited the instance of Ghana—that country had recently won political independence, yet it had not altered its economic relationships with other countries. Trade, in short, could flow freely between countries irrespective of whether or not there was close political union.

The "last ditch" argument of protectionists that protection for agriculture and certain other goods was needed for strategic reasons, fared no better. Atomic weapons had put an end to such arguments thought Mr. Aidan Crawley. None of his colleagues had anything to say in defence of the "strategic" argument.

One must have no illusions regarding Britain's motives for considering the possibilities of association with a European Free Trade Area. Faced with being excluded from a market of some 162 million people, some hard thinking had to be done, and while the proposals in their present form with all their ramifications, hesitations, suspicions and exceptions make nonsense of free trade—and indeed it is an insult to use such words to describe this plan—there can be no doubt that it has that flavour, if but little substance. Arguments in favour of joining in with such a scheme must necessarily bring forth free trade ideas, awaken old ones and generally and inevitably give rise to the sentiment of free trading. More than that, as this Brains Trust has shown, this new proposed European Scheme cannot be explained without using free trade language and teaching the free trade philosophy.

MOTION PICTURE CONTEST

Closing date for the contest advertised in our previous issue has been postponed until June 1, 1957.