

FREE TRADE AND NO NONSENSE

Extracts from a speech by JOHN PARDOE, Liberal M.P. for North Cornwall, in the Debate in the House of Commons on the Imports Deposit Scheme to restrict imports.



THERE has been some talk in this debate of "unnecessary imports." I declare my position immediately by saying that I regard unnecessary imports as those which no one here will buy, and nothing else. Unnecessary imports are certainly not imports which I do not like or those of which I do not approve or which do not happen to square with my prejudices.

Last night the debate was in grave danger of becoming a competition in protectionism. Some of the most protectionist speeches I have heard in the House were made from the Conservative benches.

I regard the whole Motion as tragic and mistaken. It is the end of the road for all those who, eight years ago, saw the beginnings of a new spirit of free trade. When one looks at this Motion, where is that spirit today? Free trade is the only policy which makes sense for Britain. Britain is a trading nation and anything which hinders free trade—and, my goodness, this Motion does that—is our enemy, and anything which encourages it is our friend.

I think that the Motion will do more harm than good because it will work against competition and means that our industry will become less rather than more competitive. It has always been easy to argue the case for protection, but whatever the short-term advantages of protection—and they are only short-term advantages—it is always

disastrous for our economy in the long term. One of the reasons why we find ourselves in our present economic plight is that we have suffered over fifty years or more from weak and flabby Governments who have always succumbed to the easy, short-term advantages of protection.

I do not believe that we need further protection from foreign competition. We need a new and buccaneering spirit of free trade. We need to recognise that we have nothing to gain from a new bout of economic nationalism. The peoples of Germany, France and this country cannot solve their problems within their own borders. We may dislike not being masters of our fate, but we cannot escape by putting up the shutters and ceasing to trade. We cannot shut out the realities of the world economic situation, which is what this Motion attempts to do.

What will be its effect on the balance of payments? What this country has most to fear is the vicious circle of world protectionism, and I fear that we are already in that vicious circle, that it is not something which we are looking at in the future. We are virtually on the edge, if not over the edge already. Squeezing the economy, squeezing liquidity, is not something at which more than one or two can play. If one squeezes one's own economy and one is alone in doing so, it is possible that one can divert a certain part of one's production to the export markets. But

we are not alone and many other major industrial countries are squeezing their home economies which will make our exports much harder. I do not believe that this latest squeeze will work any more than previous squeezes under the Labour and Conservative Governments and one reason why I oppose the regulator is that it takes us back to square one all over again to the same old medicine which has not worked before, with no reason why it should work now.

Britain is extremely vulnerable in world trade and we live by trade. Yet we have surrounded ourselves over the years with gross protective tariffs and that is why we are uncompetitive today, that is why imports are selling so well here because for years British industry has been feather-bedded. We need the icy winds of competition and we have kept them out for far too long.

No Bill was ever passed that has enabled us to create wealth.

Government intervention in the economy should be confined to creating conditions in which private enterprise can do the job.

The Government must continually work against the monopolising elements, against monopolies, against mergers, restrictive practices, and above all, the most restrictive practice of all, against tariffs. This is a tragic and mistaken Bill. It will add to the gathering pace of world protection. We have nothing to gain from it and everything to lose.