

EEC, the United States and the other industrialised nations were at stake. Yet when it was clear to these supposedly deadlocked negotiating trade partners that the price of failure was the unravelling of the entire painfully constructed fabric of Western multilateral trade co-operation, there was an agreement and an enormously significant one at that.

Europe (if it really wants to lay claim to the future), it seems to me, must work toward a single-minded objective. The development of a free trade area of the broadest possible grouping of the industrialised nations of the free world (International Free Trade Association) who have the capacity to compete with each other on relatively equal terms in brains and skill and equipment. An Atlantic Free Trade Area can lead to the broadest possible exchange of goods, people, and ideas, in order to stimulate maximum production and the maximum power in the interests of a free and prosperous world. Such a development is as inevitable as the tides, and I suggest it will be a reality in 10 to 15 years.

The next few months will determine whether the first step in that process—i.e., the UK joining Europe economically—will be taken. But even if this step should fail, Britain can stall leapfrog the stage of European Economic Community membership by the helping to form, and then joining an Atlantic Free Trade Area. Eventually, the European Economic Community will come along and accept Britain into membership or join such an Atlantic Free Trade Area itself.

It is for these reasons that I believe so deeply that whatever occurs within the coming months, a full examination must be made of the Atlantic Free Trade Area proposal. This is necessary to enable Britain to size up the Atlantic Free Trade Area as an alternative to joining the EEC, should an alternative become necessary. Such an examination would also serve to assess the costs and benefits to Britain involved in EEC membership, as the costs may very well be high indeed—if President de Gaulle has his way. Proper contingency planning may well strengthen Britain's bargaining position and therefore its chance of entry into the European Economic Community on favourable terms. And should admission be denied it—such planning would leave Britain in a much stronger position for facing the future. For, although an Atlantic Free Trade Area is not the preferred alternative, it is by no means without benefit to Britain for the same economic reasons for which it wishes to join the EEC.

What would be the principal benefits of an Atlantic Free Trade Area? It would create a single competitive market among the United States, Canada, and other industrialized countries of the West—not in the EEC—some from the European Free Trade Association, some from the Commonwealth—through gradually lower tariffs and other trade barriers on manufactured products and raw materials over a 15 to 20-year period. At the end of this period there would be substantially free trade within this area with special arrangements made to assure access to this market by developing countries which agree to the rules of the Atlantic Free Trade Area.

According to estimates I have seen, the principal benefits in trade terms would accrue to the United Kingdom and Canada rather than the United States. It would provide "a home market" for the UK certainly equal to that which would be offered by the EEC (the total trade of the UK with the EEC in 1966 was 2.1 billion pounds sterling as compared with a little over 2 billion pounds sterling with North America) and it is reasonable to expect that the UK's trade with North America would expand at least at the same rate as that with the EEC. It would free Britain of many of the obsessions and restraints incident to Britain's position now as an economic "loner". Indeed, the alternative might also have a salutary effect on the European Common Market, in enabling it to reject the counsels of those who seek to make it an exclusive protectionist trading area rather than an effective part of a liberal world trading system.

I don't agree with those who feel that in a situation of free competition, U.S. firms would drive British firms out of business or that they would take over key industrial sectors in the United Kingdom. To a large degree U.S. technical superiority in certain industries would be offset by lower wages in the United Kingdom, including the costs of scientists and research.

There would be new American investments in Britain and a new infusion of technology via joint ventures—but this would contribute to the increase of Britain's rate of economic growth. It is entirely possible, however, that the United States investments in the UK may in fact slow down from past trends. The relatively high UK tariff on manufactured goods may have caused