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978-0-521-41608-5 - British Protectionism and the International Economy: Overseas Commercial Policy in the 1930s

Tim Rooth

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When in the winter of 1931–2 Britain first abandoned the gold standard and then free trade, two potent symbols of its nineteenth-century international economic predominance had gone within the space of little more than six months. Tim Rooth's comprehensive study in the political economy of protectionism examines the forces behind the abandonment of free trade and the way that Britain then used protection to bargain for trade advantages in the markets of her chief suppliers of food and raw materials. One result of the depression, greatly accentuated by the rise of protectionist barriers elsewhere in the world, was to heighten the importance of the British market, and particularly the dependence of primary producers, both within and outside the Empire, on Britain. The United Kingdom government, finding itself with enormously enhanced economic leverage, was therefore able to take advantage of this in a series of trade agreements both with the Commonwealth at Ottawa in 1932 and, comparatively neglected in previous studies, with the countries of Northern Europe and with Argentina. This book examines these, the World Economic and Monetary Conference of 1933, the trade dispute with Japan and the impact of Britain's trade treaty obligations on domestic agricultural protection. The symbiosis between economic policy and the deteriorating international political environment became all the more apparent in the negotiations with Germany and the USA in the late 1930s.

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For my mother and the memory of my father

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Preface

When two of the symbols of Britain's nineteenth-century economic hegemony, the gold standard and free trade, were abandoned in the winter of 1931–2, British external economic relations were revolutionised. One result of the new regime of protection and preferences was that access to the United Kingdom market, long determined by market forces alone, became subject to conscious regulation. One of the awful paradoxes of the 1930s was that in a decade scarred more than most by hunger and shortage, too many products sought too few outlets: selling them became a matter of privilege. As Britain entered into a series of trade agreements, the immense size of its market helped give government negotiators considerable leverage in their dealing with suppliers.

Historians have paid full attention to economic relations with the Empire, particularly the dominions. Sir Keith Hancock's classic study appeared in 1942, and since then Ian Drummond has made full use of official records to produce his authoritative surveys of imperial economic policy. Non-imperial relations have received much less attention, especially those with European suppliers. In this book I aim to make a contribution to filling this gap, and at the same time to take an overall view of British commercial policy in the 1930s, including the domestic implications of the treaty arrangements. It is a study of British policy, based mainly on UK official documents and seeing events primarily from London's perspective. To that extent it is perhaps more than usually open to re-interpretation, particularly from the records that have survived in other national archives. Incidentally, for reasons of style, I have used the terms Great Britain/Britain and the UK interchangeably, and have also occasionally included Finland as part of Scandinavia.

It is a pleasure to acknowledge some of the many debts I have incurred in writing this book. I am one of many who have been inspired by John Saville, and he provided early encouragement and guidance. Robert Holland may be surprised to learn that it was he who first suggested this book. Colleagues at Portsmouth have provided support in many ways, and it may not be invidious to single out Cliff Gulvin for having borne more

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than his fair share. The process of research has been immensely aided by librarians and archivists. My debt to the Public Record Office will be evident from the footnotes. The library staff at the University of Portsmouth have also given highly valued assistance over the years, and I have benefited greatly from the help received when using sources at the Bank of England, Baring Brothers, the Modern Records Centre at the University of Warwick, the Bodleian Library, and the libraries of the London School of Economics, the Universities of Birmingham, Cambridge, and Newcastle, the House of Lords, Bradford City Archives and the Manchester Public Library. Cambridge University Press have proved easy publishers to work with. Anonymous readers have provided many useful suggestions, and Sheila McEnery has improved the clarity and consistency of the text.

I am also grateful for the assistance afforded by grants from the Social Science Research Council, the Nuffield Foundation, the Economic and Social Research Council and by the University of Portsmouth.

Some of the material in this book has appeared, mostly in a modified form, in other publications, and I am indebted to the editors of *The Agricultural History Review*, *The British Journal of Canadian Studies*, *The Economic History Review*, *The Journal of European Economic History*, and *The Scandinavian Economic History Review* for permission to draw on this writing.

I have obtained some pleasure from writing this book. I am not so confident that my family have. So my apologies, particularly to Iris, Geraldine and Bella, for absences and neglect, and my thanks for their forbearance; exasperation has rarely surfaced, and they have been immensely tolerant and supportive.

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