

THE AMERICAN AMBASSADOR ON FREEDOM OF TRADE

The Anglo-American Trade Agreement, accomplished after many months of negotiation, was signed on 17th November. Reductions of duties on either side affect only a limited number of articles and take but a fraction of an inch off high tariff walls. Protected industries which have a vested interest in exploiting their own peoples had their fears assuaged by the Governments making the "concessions," as protectionists absurdly call reduced taxes on consumers, so few and so modest. The Agreement, criticized as it may be and must be as a ridiculously small step on the road to economic sanity, gave Mr J. P. Kennedy, the American Ambassador, the opportunity to praise its importance as an international gesture when he was entertained by the Manchester Chamber of Commerce and the English-Speaking Union at a luncheon in Manchester, 29th November. The following extracts from his speech show how he developed the subject and vindicated the principles of Free Trade. (*Manchester Guardian* report.)

"During recent years there have arisen two conflicting viewpoints with respect to foreign trade. Some nations have preached the doctrine of autarchy, or national self-sufficiency; others, while yielding here and there, have endeavoured to preserve the fundamentals, at least, of a liberal trade policy.

"We must do everything within our power to make the democratic system of trade work, and to make it so attractive that those nations now committed to a different system will join us in a great movement to restore to international commerce the flexibility which it once enjoyed.

"We of the United States want trade. We want to enjoy the plenitude made possible by differences in climate, soil and human aptitudes. We want others to enjoy those products in which we excel. We know that an exchange of goods between countries, as between individuals, means better products, lower prices and a higher standard of living. Therefore we shun the doctrine of self-sufficiency, and seek to trade with other nations.

"We therefore believe in foreign trade, and we try to pursue trade policies which will increase business with all nations, not with just an individual nation or group of nations. For that reason we do not subscribe to the theory of bilateral balancing, nor do we engage in barter. Experience has proved, we believe, that these practices, although they may bring momentary increases, in the end inevitably result in reduced trade.

"An attempt on the part of one nation to equalize its exports and imports with another almost invariably results in a balance at the lower of the two figures. The result is less trade for both nations. Unfortunately, however, the thing does not stop there. An attempt to force a customer to buy more from us, under threat of curtailing our purchases from him, naturally encourages others to use the same technique wherever they have an import surplus. Eventually everybody is doing it, the net result being that trade is whittled down all along the line.

"My country, within her borders, and your country, within the Empire, have virtually everything necessary for the pursuit of industry. We could make rubber at four shillings a pound if we wished. We do not do it. We would rather buy it from Malaya for eightpence a pound. That helps us, because it saves money. It also helps those who produce the rubber. This, I submit, is good business and, what is vastly more important, good international relations.

"Great Britain and the United States have a great opportunity for economic collaboration. If we succeed other nations undoubtedly will follow our lead. If we fail, there is no telling what will happen to the trade of the world. Perhaps we shall have a world made up

of self-contained economic units, each attempting to produce the needs of its own people and all suffering from their inability or unwillingness to take advantage of the specialities of other nations. That is the road to hardship; that is the road to internal unrest; that is the road, finally, to increased tension between nations.

"No one will contend that the liberalization of trade is a panacea for the ills of the world. Nevertheless, it can be said that a greater exchange of commodities between nations would contribute to the solution of most of the problems with which we are confronted. Ninety per cent of our problems, I suppose, are an outgrowth of the struggle for existence. If, by some magic, we could suddenly raise the standard of living of the earth's peoples most of the problems which now appear so vexing would simply evaporate.

"Several nations have changed their form of government. Others are in a state of flux. All nations are experimenting with various remedies designed to relieve their internal difficulties. There is one remedy that is safe, that is sane, that has centuries of experience behind it. It works both in the internal and external fields. I refer to trade—that lucrative process which allows us to exchange something we can produce at a profit for something that the other fellow can produce at a profit. Let us, therefore, go out and trade, one with another, as individuals and as nations."

The very limited Anglo-American Trade Agreement having inspired Mr Kennedy to the expression of such sentiments, one can imagine the eloquence with which he would celebrate the complete demolition of these tariff walls.

The Henry George School of Social Science, 30 East 29th Street, New York City, is making appeal "Buy a Brick" to liquidate the cost of its new headquarters. The appeal is accompanied by a most attractive prospectus giving a picture of the five-storey (and basement) building which was bought for \$35,000. There are twenty classrooms accommodating 1,500 students and allowing for a total possible enrolment of 7,000 students per term; also library, meeting rooms, assembly room and ample office space.

Latest publication of the School is the Teachers' Manual for Henry George's "Science of Political Economy," used as text book for advanced classes. There are ten lessons with over 300 questions and answers. Price of the Manual—\$1 post paid.

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Mrs Anna George de Mille conducted the first of a series of house parties at her home, 25 East 9th Street, on 5th November. Thirty people were present and the proceeds of the party, \$37, were donated to the building fund of the Henry George School. Many such parties are to be held throughout the winter and spring. *The Freeman* lists eleven instructors who gave them in New York previous to Christmas.

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Reported also in *The Freeman* is that Mrs Helena McEvoy is preparing a complete Concordance of *Progress and Poverty*. To readers and students of the book and teachers of classes, this should be of immense assistance. Enquiries as to when it will be available (mention also *Land & Liberty*) should be addressed to Mrs Helena McEvoy, c/o H.G.S.S.S., 30 East 29th Street, New York City.