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What Are These "Concessions"?

Government officials from the United Kingdom and nineteen other countries haggled for four months behind closed doors at Geneva. They were engaged in a most delicate exercise, each preaching to the others the desirability of "freer" trade while seeking to maintain as little impaired as possible the tariff protection enjoyed by their domestic producers. At last, on May 23, the various contracting parties to GATT signed no less than 57 bilateral agreements, the details of which were simultaneously promulgated on June 7.

In a Parliamentary statement, Mr. Peter Thorneycroft, President of the Board of Trade, said that the amounts by which Britain and other countries would be reducing tariff rates as a result of the negotiations were, in general, small. "But, as measured by the value of the trade covered by the concessions exchanged, the results constitute a useful addition to what has already been achieved in earlier G.A.T.T. negotiations to reduce or stabilise tariffs. The necessary changes in the Customs tariff of the U.K. will be brought into effect as soon as practicable."

Big Mountain and Wee Mouse

That misnomer "concessions" used by Mr. Thorneycroft was very much in evidence in the press reports the following day. On the basis of the relevant White Paper (Cmd. 9779), it was said that Britain had gained more tariff concessions than she had negotiated with the Benelux Customs Union, Finland, Western Germany, Italy, Norway, Sweden and the United States. Based on the terms of 1954 trade, U.K. exports valued at £104 million will benefit from the reduction of other countries' import duties, while imports into Britain worth some £94 million will gain from United Kingdom "concessions."

There is an air of tragi-comedy about the outcome of the negotiations. For four months the mighty mountain laboured to produce this miserable little mouse. Access to particular overseas markets for certain British manufacturers has been marginally improved by tipping the balance ever so slightly against the interests of other British manufacturers catering more especially for the home market. For example, Scottish whisky distillers will gain by the reduction in the U.S. import duty from \$1.50 to \$1.42 per gallon, while paper makers in this country will "suffer" from the various reductions in the British customs duty on imported papers. Any slight benefit derived by consumers is entirely coincidental. The same is equally true of consumers abroad.

Protectionist Humbug

Tariff walls surrounding every country stand firm and unbreached. Here and there a stone has been dislodged from the uppermost parapets. That is all. Perhaps there may be cause for relief that nowhere have the barriers been built

still higher. There is none for celebration, and talk of "concessions" is sheer humbug. Trade is still shackled; consumers are yet fettered; governments remain the servants of sectional privilege.

There remains to be "conceded" to producers and consumers their right to meet freely and as equals, so that each may exchange the products of his labour to his mutual advantage. That is the "concession" we seek.

The Crusader Rattles His Chains

Press reaction to the "concessions" varied. The *News Chronicle* expressed satisfaction that for the fourth time running reductions in restrictions on international trade had been made. "The rate of progress towards a world free from autarky is bound to slow down as the quantity of restrictions diminishes. The important thing is that the Free World is moving in the right direction." Not at all, said the *Daily Express*. "On a day of woe like to-day the Crusader"—he appears daily, depicted in chains, garishly printed in red on the front page—"could well wear more chains—and thicker ones." The negotiations represented a "sell-out by Whitehall." The whole function of GATT was "to deny Britain and the Empire their most powerful trading weapons: a tariff wall for ramparts; Imperial unity for striking power!" (Apt illustration of protectionist belligerence; how vivid the contrast with pacific free trade doctrine.)

The *Daily Sketch* and the *Daily Mail* completely ignored the agreements. The *Labour Daily Herald* and the Conservative *Daily Telegraph* published reports but refrained from editorial comment. The *Times* was luke-warm. "It can be argued with some validity that even small results are a gain. At least, it is said, the momentum of the movement to freer trade is sustained by this sort of thing. But is it? The probability is that within the GATT machinery momentum is now being lost." The *Financial Times* considered that the concessions "can scarcely make £5 million worth of difference to British trade in any year." Further negotiations were not likely until 1958 at the earliest, "and there is no reason to suppose that if they occur they will be any more successful than the present ones." Without turning against it, one should recognise that GATT had become largely irrelevant to the future expansion of world trade.

A Place in the Sun

West Indian sunshine is expensive. When it is offered for sale in the real estate market it commands very high prices as may be seen from these instances quoted in a recent *Financial Times* article on "The Desirable Islands."

In the Montego Bay area of Jamaica where eight or nine fair-sized hotels have been built since the war (the daily