

## "TRADE NOT AID"—An American View

Except that some are ignorant and others artful, protectionists are the same the world over. Universally they look askance at the importation of goods produced in countries where relatively low wages obtain. In Britain, real and simulated concern is expressed that imports from "low wage" Japan will cause unemployment in British factories, as was well illustrated by many Conservative and Labour replies to the United Committee's questionnaire. Protectionists in the United States profess similar concern about imports from "low wage" Britain. The reason is not far to seek. In the following despatch, published by the *Baltimore Sun*, Russell W. Baker, that journal's London correspondent, sheds a homely light on the basically simple problem of international trade which false reasoning, sophistry and vested interests have made intricate and bemusing.

It's like this: Great Britain doesn't grow enough vegetables or raise enough meat to feed its 50,000,000 people. The 50,000,000 have got to eat. So Britain has food brought in from abroad.

So Britain has food brought in from abroad. Unfortunately, this food has to be paid for. If it is Greek food, it has to be paid for in drachmas. If it is French food, it has to be paid for in francs. If it is American food, Britain has to pay bucks.

How does Britain get francs, drachmas, or bucks? Like this: Britain makes ships, automobiles, whisky, suits and shoes. If Britain needs bucks, it sells these things in the United States, then uses the bucks to buy the food it wants from America, or the other things it needs to live on.

This sounds dandy. Britain gets food from America. America gets whisky from Britain, and all that happens is a little buck passing. Regrettably, this is not so easy as it sounds. Here's why: A British tailor can make you a very fine suit. It doesn't cost him much, by American standards, to make and he can sell it to you dirt cheap. For a price that would get you a nondescript garment from an American tailor, the Englishman can dress you like a man of distinction.

Naturally, the American tailor can't see where this does anybody any good. Who's going to buy his drab suits when you can get the British suits of distinction for the same price? What does the American tailor do? He gets together with his fellow tailors and they all pass resolutions and write to their congressmen. "These Limey tailors," they say, "are ruining our good American Business. Let's get some action!"

The congressmen put their heads together. "I got it!" says one, "we will pass a law. This law will say that any man who buys one of these British suits will have to pay a penalty. We'll make the penalty so stiff that no one but a sap will choose a British suit over a good American burlap." This done, you go to your haberdasher's, find the suit of distinction has shot up from \$50 to the price of a cruise to Bermuda, and settle for the seedy look! Britain doesn't sell any more suits and, hence, doesn't get any more bucks and, hence, can't buy any more food from America.

After a while, somebody in Washington says, "Look at poor old Britain over there! Starving again." "Tsk, tsk," clucks another, "we great big soft-headed, warm-hearted Americans can't stand by and let this go on. We'll raise the head tax and pass out a little dole." The handout is given. It makes the American feel warm and good, and full of Christian goodwill. It makes the Briton

feel ashamed and shabby, like a poor relation fed in the kitchen on the banquet scraps. After a while, the American gets tired of glowing with Christian kindness. "Why don't you tramps get out and work for a change!" he yells across the pond in a moment of petulance.

The Briton puts his nose to the grindstone, thrashes about looking for somewhere else to sell his suits and whisky and to buy his food. He tries the Far East, Eastern Europe. "Hey!" yells a congressman. "What're you up to now? Doing business with that bunch of Reds, eh? After all we've done for you!"

The Briton is very puzzled. "Look," he says, after thinking it over, "you're sitting on top of the world and living like the Nizam of Hyderabad while the rest of us out here are eating dogmeat. Why don't we work out something sensible for a change? You lower your penalties on our suits and whisky—just a little bit, mind you—and we'll be able to sell a few to you and earn just enough bucks to get by."

Along comes the popular American general, name of Eisenhower, and gets elected President. "That's sense," says the General. "Trade—not aid. I'll buy that." The General calls up a steel man, name of Clarence Randall. "Clarence," he says, "you and some of the boys get together and figure out where we can lower the penalties on this foreign stuff without killing our good American tailors and shipbuilders and whiskymakers and cobblers." Clarence and some of the boys do. But the tailors and the rest still figure this won't do. "This foreign stuff," they tell Washington, "just isn't fair. Cheap labour and all that. Unfair competition, see?"

Right, reasons Senator Milliken. Right, chorus Representatives Simpson and Reed. "Now wait a minute, boys," pleads Randall. "Suppose we let in just a teeny-weeny little bit of foreign stuff . . ."

Even a little would help Britain to earn more bucks, or close the dollar gap, and the Randall report, which would help Britain earn this little, will be backed by President Eisenhower before Congress. But the hostility of Senator Milliken and Representatives Reed and Simpson, all very powerful in these matters among congressmen, gives Britain small hope that she will get the chance to earn even the little bit.

Things might get tougher over here, Congress yells lugubriously across the pond to Britain. The answering plaint from Britain, and the rest of Western Europe, is politely muted and meek, out of reverence for the dealers in dollars, but it sounds very much like, "We're hungry! What will we eat?"

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