

The “Free Trade” Question

by Lindy Davies

There has been lively debate in recent months about the georgist movement’s use of the term “free trade”. Is it a liability to our outreach and networking efforts? Does it mean what it used to mean? Is it a central tenet of the georgist philosophy, deserving equal billing with the collection of land rent for public revenue? This issue will be on the agenda of the business meeting of the International Union for Land Value Taxation and Free Trade at the conference in Edinburgh — and the call has gone out for preliminary discussion, to help focus the upcoming debate.

The days when it was a clarion call seem sadly to have gone.

“We all need to be doing some serious thinking” writes Barbara Sobrielo, “about the words ‘free trade’”. Regrettably, this term has been hijacked — and it has become linked to merciless big business practices that penalise the poor. The days when it was a clarion call and conference halls were named for it, like the Free Trade Hall in Manchester, seem sadly to have gone. The logo for the International Union was FREE LAND — FREE TRADE — FREE MEN. What a banner to walk behind! But that was yesterday. We have to deal with the present.”

Many colleagues complain that the term “free trade” hampers our efforts to connect with other reformers who share our goals of economic justice and sustainable prosperity. Hanno Beck, for example, points out that to many people in today’s political climate, free trade means “allowing secretive supragovernmental groups to hand special privileges out to large corporations, to the detriment of democracy, to the detriment of economic efficiency, to the detriment of workplace safety, and to the detriment of the poor and middle classes.”

George Orwell would get it: in 2001, “free trade” has actually become protectionism.

However, many georgists take umbrage at this characterization, saying that if this is indeed what people mean when they say “free trade” today, then they are mangling the term’s meaning. Critics of today’s “free trade agreements” such as NAFTA, GATT, and lesser agreements such as the “Trade-Related Aspects of Intellectual Property Rights” (TRIPS) complain bitterly about their erosion of people’s rights. Such “free trade” pacts actually limit consumers’ access to information about genetically modified foods, or products produced in inhuman or environmentally destructive ways. They seek to ban health, safety or environmental regulations as “nontariff barriers to trade”. It soon becomes clear that such interventions have very little to do with the unhindered voluntary exchange of goods that people have always called “free trade”.