"Conference-Mongering"
Or, How Not To Get Free Trade

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I AM of the opinion that Free Trade will never be brought about, and indeed it will be hindered, by international conferences. Only within Great Britain will the forces be generated that will throw off the curse and incubus of trade restrictions and monetary clamps, as is Exchange Control. This bold thesis might well require an enormous bibliography in substantiating, but, within a single article, I limit myself to references from the "Financial Times," my daily monitor, confining these to the month of October, 1958, a month when the beneficial (?) effects of the Montreal and New Delhi Conferences should have been moving toward practical and tangible development.

Let us see, therefore, how the "flaming torch of freedom" of which we heard frequent and enthusiastic mention during the second World War, burned in our overseas countries on the eve and aftermath of those two very costly and prolonged conferences.

October 2. Australia's Tariff Board declared: "More intensive import restrictions might have to be imposed to protect overseas exchange reserves."

October 4. Canadian tin imports have been controlled as from October 1. The textile talks between Lancashire and Hong Kong have taken a turn for the better. (N.B. 'Better' means more restrictively).

October 6. Australia: New import duties announced by the Government have increased the tariffs on cotton sheeting 35 per cent to 70 per cent.

October 7. The fresh import cuts contained in yesterday's New Zealand licensing schedule for 1959 are not unexpected.

October 9. Australia: Manufacturers are advocating a "dramatic" increase in duties and special export incentives.

October 10. Hong Kong textiles interests have agreed to the "voluntary" limitation of exports of cotton goods to Britain. India: The Government will protest to the Commonwealth government against the introduction by Australia of a sliding scale of tariff duties.

October 11. Per Jacobsson described the Delhi Conference as "one of historic importance in the field of financial co-operation." (The importance would seem to be negative having regard to preceding and succeeding trade-blocks and monetary vagueness and uncertainty.) New Zealand: Imports would be reduced under the new import schedule. Synthetic Rubber . . . can save Britain more than $25 million annually on hitherto essential imports. (In other words—more ships laid up on the Malaya run.) New Delhi: The (British) delegation here is absolutely refusing to discuss the timing of any future moves toward convertibility. (Furthermore, convertibility a la New Delhi is worse than useless. It is an insult to the British owner of Sterling, pushing all foreign holders in front of him.)

October 13. Pakistan: Army loud-speaker vans are touring streets warning shops to display price tickets on their goods on penalty of one year's imprisonment. (It would be difficult to imagine anything quite so stupid.)

October 14. Pakistan and India, having bedevilled reciprocal trade, and imposed Exchange Control against each other and against Great Britain, have to call on the World Bank to tender advice, and Germany to lend money—a displeasure and an indignity. Australia will sell wheat to India on a long-term deferred payment basis. (This is a disguised loan—and cuts across all market forms of selling. Furthermore, if the machinery of the Sterling Area really functioned any reciprocal trade between its component parts would be as easy as trade between Lancashire and Yorkshire.)

October 15. U.K. Trade Gap—Rise last month. (Trade is a self-balancing mechanism and the "gap" is caused by economists raking out the discredited "balance-of-trade" shibboleths.)

October 16. Cancelled U.K. ship order. "Further 1 million tons will come to nothing." (Economists have been teaching that imports should be blocked. Shipping is the first victim of this stupidity.)

October 20. Mr. Macmillan said of the Hong Kong restrictions that it was "manifestly in the interests of industry to reach agreement now and quickly." (This is the official seal and sanction on restriction within the Commonwealth.) Tramp shipping lay-up. (Can we wonder at it?)

October 23. Australia emphasising that the imbalance of trade remains unsolved after six years of import controls which seem likely to remain indefinitely as a protection for international reserves. (A little laissez-faire might work wonders.)

October 24. India: The new policy . . . will almost certainly be restrictive. South Africa: biscuit manufacturers . . . had induced "price stability" (which is always above market price).

October 25. Sugar Board is authorised to borrow £25 million "to avoid frequent fluctuation in the United Kingdom price of sugar." (This means borrowing to keep food off the market and in the meantime Jamaica suffers from the system of restrictions and quotas.)

October 27. Pakistan . . . a centralised agency to control jute policy. Malaya . . . trade figures proved disappointing. (For Malaya has abandoned its jewels of free trading with all the world.)

October 30. Malaya: Fifty one per cent of the Federation's tin mines have closed down since tin output was restricted . . . .

Truly whilst international conference-mongering flourishes international trade and shipping is held up.