



Advance of the Free Trade Cause

"The real opponents are non-governmental private protectionists"

THE DEVICES OF PROTECTION

A WORLD TRIBUNAL of trade was called for by Mr. Seymour Graubard, an American lawyer and expert on international trade, addressing British industrialists last month in the City of London. He reminded them that it was "in the heart of a nation that has traditionally been the principal advocate of free trade."

Mr. Graubard had been asked to talk to British industrialists on American anti-dumping laws as they affect British industry, and the "non-tariff" barriers to trade erected by individual states in the U.S.A.

It was an acknowledged fact that at the present time when both the U.S. and the U.K. were advocating more international trade each nation had found it necessary to erect barriers to imports in order to meet emergency conditions.

Protection the test of Competition

British exporters, said Mr. Graubard, must consider themselves unsuccessful in exploiting the huge American market until they had aroused their American competitors to call upon their government for help in the shape of trade barriers or under the new Anti-Dumping Act. This would indicate that competition was being felt.

Mr. Graubard contended that if British exporters understood these conditions better they would understand better how they could be overcome. Instruments existed in America, through trade associations and Chambers of Commerce, to overcome these difficulties, but they had to be used, and British traders must not be discouraged by the first steps taken to erect barriers against imports of British goods.

The American Government rarely used trade barriers on its own initiative; the real opponents to international trade are non-governmental, private protectionists who could be fought, and fought successfully.

The U.S. Defence Department's practice of giving preference to all domestic products up to a margin of 50 per cent above the prices of alternative imports was of the greatest importance, bearing in mind the importance of defence in U.S. Government spending. There were also cases throughout the U.S.A. of state and municipal rulings against foreign products, some of which were in direct contravention of Federal Laws.

"Anti-dumping" Legislation

Representations from one Government to another were not always the best way of dealing with non-tariff barriers to trade, said Mr. Graubard. He pointed out that Vice-President Hubert Humphrey, who had been one of the original sponsors in the Senate of stiff anti-dumping legislation, had been responsive to private approaches

arguing the case for free trade. It was open to British exporters, through the British American Chamber of Commerce and through legal action inside the U.S. to overturn many of the non-tariff barriers being erected against them.

Mr. Graubard thought that regulations had been introduced by the U.S. Treasury authorities in a bid to appease private interests who had pressed for anti-dumping legislation. He identified the cement and steel industries as being the main campaigners for stiffer anti-dumping legislation within the U.S.. If they had their way, he claimed, legislation could be introduced which would give the mere introduction of an anti-dumping suit the effect of suspending imports from the foreign company concerned.

Of other forms of pressure against free trade in the U. S., Mr. Graubard said that the Buy American Act and a mass of protective practices associated with it had a severely restricting effect on trade.

CALL TO HALVE TARIFFS

AN ORGANISATION of American businessmen has urged that the trade negotiators now meeting in Geneva should make a determined effort to cut world tariffs by 50 per cent.

The recommendation was made in a policy statement by the Committee for Economic Development (CED). It recommended that exceptions to the 50 per cent should be "as few and as small as possible," and that the industrialised nations drop their tariffs on tropical products completely.

It added: "We believe that it would be appropriate, after the current negotiations are concluded, to consider what additional steps of primary benefit to the underdeveloped countries can be taken. One possibility might

The Balance of Rights

THE right of exchange is as sacred as any other right and exists as much between members of different nations as between members of the same nation. Morality knows nothing of geographical boundaries or distinctions of race. The moral law is cosmopolite—is no respecter of nationalities; and between men who are the antipodes of each other, either in locality or in anything else, there must still exist the same balance of rights as though they were next-door neighbours in all things.

—Herbert Spencer



be further tariff reductions by all the industrialised countries of the free world on a selected list of products of particular importance to the underdeveloped countries."

The Committee for Economic Development is a research and information organisation composed largely of businessmen. The report, "Trade Negotiations for a Better Free World Economy," was prepared by its research and policy committee for the "Kennedy Round" GATT negotiations now going on in Geneva.

PROTECTIONISTS ARCH THEIR BACKS

THE GOVERNMENTS of New Zealand and Australia are considering a report on free trade between the two countries. Mr. Keith Holyoake, New Zealand Prime Minister, said recently that the negotiations were a positive step towards increasing trade between the two countries, and the result should be of mutual advantage to both nations. A sound, if perhaps an obvious conclusion.

It has been considered that a free trade arrangement between New Zealand and Australia would be practicable only in certain items, reports *Commonwealth Digest*. The attitude of Australian primary producers to the entry of New Zealand butter, cheese and meat is unlikely to be favourable. New Zealand manufacturers, it appears, have definite reservations about free imports of consumer goods from Australia.

DISCORD AND ANIMOSITY

EACH nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity. The capricious ambitions of kings and ministers have not, during the present and the preceding century, been more fatal to the repose of Europe, than the impertinent jealousy of merchants and manufacturers. The violence and injustice of the rulers of mankind is an ancient evil, for which, I am afraid, the nature of human affairs can scarce admit a remedy; but the mean rapacity, the monopolising spirit, of merchants and manufacturers, who neither are nor ought to be the rulers of mankind, though it cannot perhaps be corrected, may very easily be prevented from disturbing the tranquillity of anybody but themselves.—Adam Smith

THEY SAY

The Shepherds and their Sheep

THE planners have to decide where people will live and work; in what sort of towns. And they have to see that new towns are built, that existing towns are expanded and that old towns are rebuilt.

— Mr. R. H. S. Crossman, Minister of Housing

And Suppose They Don't?

PLANS by themselves are not enough. They must receive the whole-hearted support of those affected by them.

— Harold Wilson

Not Much Hope Here!

IF MINISTERS themselves are not masters of sophistry they can call on advisers versed in the arts of equivocation, tergiversation and other forms of verbal chicanery.

For the greater part of history Government has shown itself a liar, a thief and a cad, and with the vastly increased scope of Government this malignancy is enhanced by ignorance and maladministration. There have been interludes of civilised government, but they are rare, and you can pass a whole lifetime without experiencing one. There is no remedy against this disease of government. It is the incurable pox of humanity.

— George Schwartz

Brave Words

WE HAVE in a few short weeks gone further towards an incomes policy than any large industrial country in the world; and in the spring we hope to have agreement on the machinery and the figures. Let no one in this country or abroad be so bemused by day-to-day events as to under-rate the significance of what has been done. History has been made in Britain; and those who scoff today will come to study our achievement tomorrow.

— George Brown, Minister for Economic Affairs

But Mere Words?

WE like to think — or merely mouth and repeat in lieu of thinking — that new committees, new ministries, new kinds of civil servants as advisers, new plans, new targets, spell performance and achievement. They don't.

— Graham Hutton

Mixed Motives for Land Reform

WITH the advantage of hindsight no one can now doubt that if we had had a coherent policy on land prices we would have swung the election . . .

— Iain Macleod, M.P.