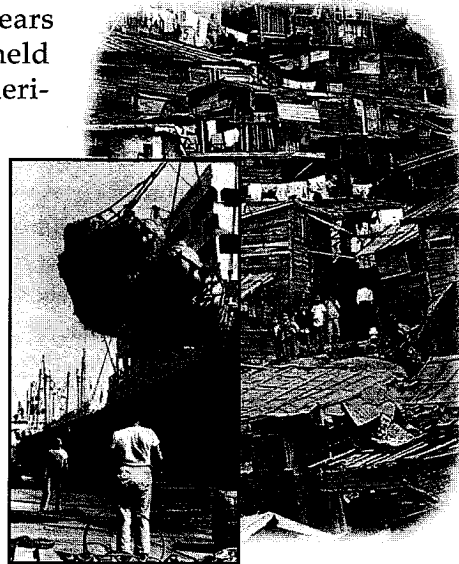


## “FREE TRADE”??

by Ole Lefmann

Henry George lived several years of his life in dire poverty. He first held the opinion that **protection** of American industry would also protect American citizens — but he soon realized that poor citizens were cheated by the Protectionists. Later he discovered, however, that the real shackles on poor people were the private withholding of the rent of land, and he used the rest of his life to advocate for the public collection of the rent of land. Politically, he campaigned for Free Trade and the Single Tax.



Since then private charity and Social Security benefits have been still better organized to mitigate the consequences of poverty — and **free trade** as an idea has defeated **protection**, though in reality it has not abolished Protection.

Thus, the calamities Henry George wanted to abolish have been tackled, but not in the fundamental way he proposed. The causes of hardships have not been abolished, only veiled in administration which protects the interests of the privilege holders.

Followers of Georgist ideas are still crying for **free trade** — but people in general do not understand free trade in the same way as Georgists do.

Most people think of Free Trade as trade in a market without any control or regulation, in which the stronger, richer, more unscrupulous citizen is allowed to grab what he can, letting the meek, mild and weak citizens suffer from poverty. Many workers have experienced that competition has forced them to accept dangerous and unhealthy working conditions — and low wages. Because of their bad experiences of competition in the labor market, many workers do really hate all talk of Free Competition, Free Enterprise, Free Trade. And Georgists' apparent cheering for these slogans has been a good reason for many to disassociate themselves from Georgists and prefer Socialists.

During the last few decades, other serious areas of resistance to **free trade** have appeared. Many people around the world worry about

the future because of private entrepreneurs' destruction of nature. Competition, they believe, forces entrepreneurs to lay violent hands on nature. Previously, the Earth was considered as our inexhaustible stock of raw materials. But today, one man can, in a few hours time, cause damage from which it will take nature centuries to recover. Pollution caused by increased production to meet demands from increased population becomes ever more serious. A great many citizens demand that their government stop this damage and rescue the natural heritage for their descendants: they want restrictions against enterprises.

Further, still more and louder voices call public attention to the way in which enterprises cross borders around the world — in the name of **free trade** — hampering the industrial progress of less developed countries and deepening their external debt. World conferences have discussed these problems for years.

A great many people look upon those who call for Free Trade, Free Enterprise and Competition as the real enemies of nature and sustainable development!

Georgists understand **free trade** differently — as an economy whose field is leveled by regulations so that markets can function without protection, subsidies, preferences or privileges of any kind. The foundation of a free market, for Georgists, is a condition of equal access to the economic advantages of the earth, the environment and society. Georgist free trade presupposes implementation of effective control and regulation of monopolies and privileges, and will have to accept interventions to protect the health of people and of nature. One must ask, then, given all these considerations, whether **free trade** — originally a slogan against **protection** — is still the right wording.

*A great many people look upon those who call for Free Trade, Free Enterprise and Competition as the real enemies of nature and sustainable development!*

It is clear that people in general do not understand **free trade** as Georgists understand it. So, I suggest that **free trade** is no longer an attractive label or trademark for Georgist ideas, as it was years ago. I invite readers of the *Georgist Journal* to suggest what Georgists should do about this.

Inspired by reading:

*The Natural Economy* by John Young (Shepherd & Walwyn, 1996)

*The Man Who Said NO!* by Malcolm Hill (Othila Press, 1997)

*Transforming Economic Life* by James Robertson (Green Books, 1998)

*The Georgist Journal* No. 89, Spring, 1998