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After Free Trade— What?

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THOSE who are devoted to the philosophy of freedom, as best exemplified by the teachings of Henry George, are understandably elated whenever there occurs an event which (even to a minor degree) gives practical application to the principles involved. Let such a phenomenon take place anywhere in the world, and Georgists everywhere are wont to glow with inner satisfaction. Every step, however slight, toward the cherished goal seems a small victory—or at least a mark of progress. Sometimes it is a slight step indeed: a modified form of land value taxation, the decontrolling of a market, the lessening of taxes on the products of labor—or the partial removal of restrictions on international trade. But

if it is something, anything, that reflects a logical compliance with the true laws of political economy, it is gladly welcomed.

During the past few years, there has been an increasingly active movement toward what, for want of a more lucid term, is generally called freer trade. Whether any kind of freedom can be measured comparatively is a debatable question; however, if it is not "free," at least it is "freer," and one may justifiably (if skeptically) wonder whether freer trade constitutes the proverbial "step in the right direction." At first glance, the prospect is heartening; it is encouraging to find the leaders of so many nations turning

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from the long-entrenched policy of protectionism. The advocate of free trade hopefully, if hesitantly, asks himself, "Are we really getting somewhere at long last?" He considers the Benelux Pact, the European Economic Community, the so-called Common Market, the multiplying Reciprocal Trade Agreements, even the Communist Economic Bloc; and he dares to wonder whether these straws indicate that a good wind is blowing. Are tariffs, duties, quotas, embargos and other obstacles to international commerce actually being weakened, if not altogether abolished? The very fact that such a question can seriously be asked appears in itself to be a great accomplishment.

The Democratic party of the United States has traditionally been the proponent of the low-tariff policy, but not for generations has there been so powerful a drive against "protective" duties on imported commodities. The present Administration, inspired and led by the President, is waging an all-out endeavor to have this country join the ranks of those intent upon tearing down the barriers to trade among the nations of the world. Moreover, the predecessor Republican administration, notwithstanding its deep-rooted protectionist heritage, strove mightily to bring about freer international trade. As the boys on Madison Avenue say, could this be a trend? Apparently it is a definite trend, which may well become a band-wagon movement, and no one knows where it will end. Meanwhile, should we, we Georgist free traders, applaud—and hope—and pray?

Many followers of the principles of Henry George look at freer trade with jaundiced eye, bluntly proclaiming it a subterfuge, a mockery, a fraud and a monstrous double-cross. Others,

more sanguine and less suspicious, have adopted a wait-and-see give-it-a-try attitude. Let us assume that the latter reaction is the more valid; nay, let us assume even more—that "freer" trade will ultimately lead to *free* trade, with every restraint and restriction eliminated. (Admittedly, that is a whopping assumption to make, but let us do so for the moment, and see where it carries us!) So, we have projected our assumption to its ultimate, and accordingly free trade as we envisage it will (on that great day) have arrived. If free trade *per se* is the target and the goal, all should be well, and we would have a right to celebrate with cheers, hosannas and a hallelujah or two. Or would we?

The answer, of course, is a resounding NO. Free trade is not an end in itself. It is not an isolated accomplishment, but merely one aspect of the general concept of freedom. The need is not simply for free trade, but for a fully free economy. True, take the shackles from international trade and forthwith production, wealth, wages and economic interest will increase enormously—BUT so will rent! (Would that the last chapter of George's *Protection or Free Trade* were the first.) Fundamentally, free trade is a stimulus to production; in effect it is a labor-saving device—and like every labor-saving device ever known to man, its inevitable consequence is the devoting of a proportionately greater share of the wealth produced to the payment of rent. Need more be said?

Freer trade is a good thing; free trade is still better. However, free trade is at best but an element of a free economy, which in turn is only a part of that complete freedom of mind and conscience and body that all men should enjoy. To have free trade is not enough. Let us be free men.