

# Straight Talk on Free Trade

*by Harry Pollard*

January 2001 The Henry George Institute's website [www.henrygeorge.org](http://www.henrygeorge.org) brought Harry Pollard's comments on the above articles.

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Free Trade is the second best policy for the poor and deprived of this world (The first is meaningful land reform.)

Let's pretend for the moment that the hearts of the WTO are pure, that they are Free Traders. They are faced with monopolists in every country who have no intention of surrendering the special privileges that burden the rest of the population. If the WTO try to end the special privilege, they are accused of "interfering with internal affairs of the country". However, if the country is weak, perhaps they can force reform on them. With a country like the US, or a group like the Eurocrats, the WTO has not much of a chance of cutting into the privilege that abounds.

I should make the point that "privilege" to a Georgist is private law (*privi lege*) the intention of which is to give benefits to one at the expense of others. Privilege is the exact opposite of justice, which implies laws that affect everyone equally.

These privileges can be huge. The US has less than 11,000 sugar-beet growers in the north-east. They are protected by the Sugar Quota. This means that the rest of the 270 million US citizens pay from 2 to 3 times the world price of sugar. Every soft drink buyer pays through nose for his soft drink which is essentially sugar and water and little else. My great-grandchildren arrived for Christmas. For breakfast they ate an awful substance called Captain Crunch. In a 27 gram helping there were 12 grams of sugar. The poor not only ruin their nutrition -- they ruin their wallet too. Sugar is in practically everything that we eat - including chocolate. There has been a movement of chocolate manufacturers across the border to Canada (taking their jobs with them) where sugar doesn't cost so much.

Many manufacturers are turning to corn syrup which is expensive -- but compares with the artificially price enhanced sugar. A mass of expensive commercial ads hit television pointing to the great bargain that was sugar. This is particularly delicious, but the commercials were paid for by the corn syrup manufacturers who wanted the high price of sugar to continue - and thus fill their pockets.

When South American sugar producers complained they weren't allowed to sell their sugar and were going broke, the US sent free food (agricultural subsidy privilege). This ruined other farmers who couldn't compete with free food.

I suppose they turned to coca which seemed to get across the border more easily than sugar. Should the WTO end the Sugar Quota? Yes! Can they do it? Not a chance. Yet, this just one of the 8,500 tariffs and quotas that protect the American consumer from cheaper food, clothing

and other good things. Then, of course, the WTO is labelled "anti-union". About 85% of American workers are not in a union. The ones that are oppose Free Trade.

If General Motors gets a tariff that allows them to add \$500 to the cost of a vehicle, one might expect the unions to oppose it, for that extra cost takes food out of the mouths of kids. (Even families that take public transport often have cars and in any event their food is carried by trucks to the stores.) So, do they oppose the tariff? Not at all -- as we saw in the "Battle in Seattle". What the auto unions get is a cut of GM's privilege. GM, without doubt, are happy to share it -- particularly if the unions can get the connivance of the Democrats in supporting higher prices for the poor -- who of course mostly vote Democrat. (The Republicans will do precisely the same thing. Perhaps they are actually less hypocritical, because the poor are not supposed to support them anyway.)

In their attempts to free trade, the WTO runs into some peculiar environmental laws, which may contain complexities that harm people -- even though they may conserve forests and suchlike. It may want to amend or abolish them. So, the environmentalists don't much like the WTO because it is trying to destroy the environment. What that means is that the WTO tries to put people ahead of the wilderness, and suchlike. I happen to think a 40 acre farm supporting a family is preferable to 40 acres of forest. (I'll go into the fiasco of Brazilian settlement in the rain forest, if anyone is interested.)

This seems to horrify some Greens who see the loss of a tree as a disaster. Yet, in the US, for example, the northern forests' wood count has been going up every year since the mid '20's. The US Department of Forestry consistently underestimates the growth, then measures it upward. It does seem that many environmentalists are playing at conservation -- and the WTO happens to be a highly visible target. So they join the rest in Seattle.

Yet, there are basic reforms that would change the direction of human activity, concentrate the cities, "infill" automatically, pull us back out of the habitats -- allow creatures to occupy the space that efficient land use would make available for wilderness.

Instead, I fear that some of the most vociferous environmentalists are more interested in psychological massaging of their egos than in solving real ecological problems.

Should we support the WTO? I suggest that with all its warts, it's all we've got. Without it, there isn't much. We would be giving up the battle, leaving the protectionists in charge.

Perhaps we should make a beginning by crusading against the US tariffs that prevent Third World countries from earning their livings. That's something we could do -- except we would have most of corporate America against us.

That's far too difficult - maybe we should beat up the WTO instead.

Am I getting cynical?

*Harry Pollard -- January, 2001 (in the Henry George Institute website: [www.henrygeorge.org](http://www.henrygeorge.org) )*