

Hope for Anglo - U. S. Trade

By R. Joseph Manfrini

Formal notice has now been given of the intention of the United States government to negotiate with the government of Great Britain, delegate of certain of her colonies, a reciprocal trade agreement, another step in the program for the reduction of international trade barriers. Discussion is now going on and soon negotiation will be in full swing.

At this phase of the program critics, who might concede that the endeavors of our State Department along these lines have succeeded in expanding our foreign markets for the products of the United States, will, not without warrant, contend that our standard of living has shown no noticeable improvement in the meanwhile, another of its aims. These same critics will also point to the chaotic state of affairs in business today and claim that surely the State Department has failed miserably to establish and maintain a better relationship among various branches of American agriculture, industry, mining and commerce, still another stated purpose of our commerce policy. They might also contend that, after eliminating government subsidies, there has been no improvement in the purchasing power of the average American taxpayer.

There is only one answer for these critics and that is to appeal to their sense of fairness and point out that our State Department is not running our Government. To be perfectly blunt and in order to avoid any further misunderstandings, let it be said in defense of our foreign trade policies that if certain other agencies of our Administration had not deviated in their policies from fundamental economic principles leav-

ing our State Department to struggle along unaided, indeed, even impeded by other policies, the wisdom behind our foreign trade agreements of the past three years would have been more easily discernible today.

This can be seen from the currently discussed Anglo-American trade pact. On Nov. 18, 1937, a preliminary announcement was made that a trade agreement of this nature was contemplated. Our communistic and fascist-minded brethren who seemingly have no use for our present form of Government, should note that American enterprise was allowed ample time to debate the merits and the demerits of the proposal since suggestions from various business factions were invited up to and including Dec. 16.

The economic importance of this particular pact can be indicated by mentioning the fact that the United Kingdom is the largest foreign market of the United States. Our exports to that country in 1936 were valued at \$440,122,000.—and accounted for nearly 18% of our exports to all countries in that year. Furthermore, the value of the trade in 1935 was \$433,399,000.—which was a considerable decline from the figure for 1929 which totalled \$848,000,000. On the other hand, as a source of imports into the United States, the United Kingdom was second only to Canada in 1936, supplying about 8% of the imports from all countries.

Imports from the United Kingdom in that year were valued at \$200,385,000.—as compared to \$155,282,000.—in 1935 and \$329,175,000.—in 1929. Preliminary figures for the

first nine months of 1937 indicate a still further recovery of our trade with the United Kingdom. During that period our exports to the United Kingdom were valued at \$432,763,000—and our imports from that country at \$158,182,000.—The export figure represents a gain of nearly 16% over that for the corresponding period of 1936. A similar comparison of import figures for the same periods show a gain of 14%. These figures were issued by the Department of State for the press on November 17th, 1937 and can be considered most reliable.

From the standpoint of dollar value some of our more important exports to the United Kingdom have been cotton, meats, tobacco, petroleum and by-products, saw-mill products, fruits and nuts etc. From the same point of view, some of our imports have been whisky and other spirits and compounds, undressed furs, hemp and ramie, tin, platinum, wool and mohair fabrics, etc. The reason for mentioning some of the products on either side of the import-export fence is to familiarize the reader with some of the interests which are apt to be more emphatic in their utterances either pro or con the pact in question so that the reader will then be able more clearly to weigh them.

It may be that the mutual concessions which result from the negotiations will not be large enough to make considerable breach in the American trade wall. The substance of the concessions, however, are less important at the moment than the necessity for concluding some kind of pact that will be a first step by two of the most protectionist nations of the world toward general reduction of trade barriers.

See: "Protection or Free Trade," pp. 158-194.

