

# [The the us is also looking for](https://assignbuster.com/the-the-us-is-also-looking-for/)

The US is seeking to extend the duty-free status of international onlinetransactions to protect the development of global electronic commerce, theClinton administration said yesterday. Susan Esserman, deputy US traderepresentative, said the US wanted the World Trade Organization to agree “ atthe earliest possible date” to extend the current moratorium on customs dutiesIn testimony to the Senate foreign relations sub-committee on Europe, MsEsserman said duty-free cyberspace was particularly valuable to US softwarecompanies that were seeking to distribute their products electronically. The US is also looking for WTO members to affirm that electronic commerce issubject to existing rules and agreements, and should not face “ unnecessaryregulatory barriers to trade”. However Ms Esserman said “ more time and workare necessary” before electronic goods could be subject to finalElectronic commerce in the US is forecast to grow to $1, 300bn by 2003, whilein India it is expected to grow by $15bn within two years. Richard Wolffe, Protectionism, it seems, is always with us and it is useful to examine theintermittent attempts made to establish rules for its containment. This bookis one such examination, on the conception, birth, and early years of theGeneral Agreement on Tariffs and Trade (GATT); it is restricted to the years1940–53.

It is the work of an historian but one at the political, rather thaneconomic, end of the spectrum. The heavy emphasis throughout is on theAmerican role within an essentially Anglo-American tussle. The argument isthat although trade was a relatively small proportion of US output it was usedfor political and diplomatic purposes. The general thrust is that the US waskeen on a new liberal order and determined to break the British empire’spreferential trading arrangements.

However, when we read that the centralargument is that, ‘ by liberalizing trade while protecting domestic economies– a bargain consistent with US trade law, practice, and history …’, wemight reasonably expect to be in for a roc ky ride. Politics is important and possibly even central in the process of tradeprotection, but will always be found to depend on economic forces. Thepolitics here might well be overdone. The whole story is presented as astruggle between the US and Britain/British empire. Although this tension isan old story, Zeiler takes it further and argues that the Commonwealth had ‘ amajor hand in shaping the GATT order’ (p.

197). It is a complex story ofnegotiations taking place under conditions of extreme difficulty, and theauthor has worked diligently in the American, British and Commonwealth countryThere is, however, a lot that raises the eyebrows of the economic historian. Within a few lines of the opening we read that, ‘ global business leaders ..

. seek a commercial regime unfettered by barriers’. This is rather theantithesis of the conventional understanding of businessmen almost invariably(and nowhere more so than in the US), seeking protection. And running againstthe conventional view (without seemingly noticing) is the idea that America isthe home and inspiration of free trade. The British in the 1930s opted for,’Regulated, rather than American style market, capitalism ..

. ‘ (p. 20). Oragain, ‘ Free trade frightened the British’ (p.

39). And richest of all, ‘ TheBritish simply would not accept the free trade doctrine’ (p. 24).

Zeilersuggests that free trade was key to the American economy ignoring the factthat America had been one of the most protectionist countries for most of itshistory. This is unfortunate and results in a distortion of the argument, forof the GATT negotiations Zeiler say s the British were not willing partners inpursuit of lower trade barriers. At certain times that may have been true butit did not derive from long-term hostility. Nevertheless, in the closing pagesof the book the author does concede that the US was no unilateral free trader. Running alongside this idiosyncratic view is an account of the British economythat is surely at odds with the facts. It is a picture of pathetic feebleness:’Great Britain faced a future of decline and hardship. Its once predominantglobal position lay in tatters’ (p.

2O). ‘ Their economy was in a shambles ..

.’While the book is well written there is a danger of the story being presentedin overly dramatic terms (hinted at in the title), and at times a frivolousand dismissive tone creeps in — ‘ From his perch in the Treasury Department, Keynes …’.

And there are occasional lapses in accuracy such as that theCommonwealth had moved to a discriminatory