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looking for



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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's preferential trading arrangements.

However, when we read that the central argument is that, ' by liberalizing trade while protecting domestic economies- a bargain consistent with US trade law, practice, and history ...', we might reasonably expect to be in for a rocky ride. Politics is important and possibly even central in the process of trade protection, but will always be found to depend on economic forces. The politics here might well be overdone. The whole story is presented as a struggle between the US and Britain/British empire. Although this tension is an old story, Zeiler takes it further and argues that the Commonwealth had ' a major hand in shaping the GATT order' (p.

197). It is a complex story of negotiations taking place under conditions of extreme difficulty, and the author has worked diligently in the American, British and Commonwealth country. There 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 the antithesis of the conventional understanding of businessmen almost invariably (and nowhere more so than in the US), seeking protection. And running against the conventional view (without seemingly noticing) is the idea that America is the home and inspiration of free trade. The British in the 1930s opted for, 'Regulated, rather than American style market, capitalism ..

. ' (p. 20). Or again, ' Free trade frightened the British' (p.

39). And richest of all, 'The British simply would not accept the free trade doctrine' (p. 24).

Zeiler suggests that free trade was key to the American economy ignoring the fact that America had been one of the most protectionist countries for most of its history. This is unfortunate and results in a distortion of the argument, for of the GATT negotiations Zeiler says the British were not willing partners in pursuit of lower trade barriers. At certain times that may have been true but it did not derive from long-term hostility. Nevertheless, in the closing pages of 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 economy that 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 predominant global position lay in tatters' (p.

20). 'Their economy was in a shambles ..

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

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