

Liberalism Re-interpreted

Britain in the World Economy by Sir Dennis Robertson. George Allen and Unwin, London
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THESE lectures written for oral delivery under the Page Barbour foundation of the University of Virginia suffer from one limitation. They are not addressed to economists, and tins cramps their style. Or is the subject-matter so tiresomely familiar that not even Sir Dennis Robertson himself can bring into the discussion that whiff of fresh air which one expects from him from experience?

Sir Dennis has no pet enthusiasms, and like another famous economist who has spoken on the dollar shortage recently, namely, MacDougall, he marshals the pros and cons, without being sure that there is any particular nostrum which can be recommended. This balanced and sedate approach to the subject has the defects of its merits. Sir Dennis is not able, for example, to elaborate the criteria according to which the sacrifice on the part of the members of the sterling area may be made equal. He is not able to forecast when the dollar shortage will come to an end, and retires from the discussion of the problem of underdeveloped countries abruptly with the statement that it is formidable. Nor is he able to forecast how long discrimination against the dollar will need to be maintained, and whether, if ever, the doctrine of comparative costs can again be rehabilitated.

Sir Dennis is not a prophet armed with a plan. On a variety of topics which are relevant to his theme he has got sapient and incisive things to say, nevertheless. About the limitations of the classical doctrine of comparative costs, for example, he writes convincingly. The pace of change in the United States and the degree of self-sufficiency that is attained there in an ever widening range of goods and services leaves the world too perplexed to think of the opportunities for trading which may still be left. And it is not merely that there is this nerve-racking uncertainty. The United States, being in a position to afford it, sometimes just waits and is undecided about trading with the rest of the world—hiccoughs of stock-taking and indecision were important in 1938 and 1949; and the United States is in a position to nurse its vested interests, thus im-

posing even more rigorous conditions by way of readjustment on the rest of the world.

Sir Dennis is not enthusiastic about the consequences of raising the price, of gold. The remedies in this situation are four-fold. First, the United States owes itself and the rest of the world a duty to keep her economy as far as possible on an even level. Second, commodity purchases must become more enlightened. Third, there must be certainty about United States policies, and fourth and last American overseas investment must revive.

It is rather unhappy that Sir Dennis has glossed over the difficulties inherent in these solutions. But, perhaps, this is natural, because there being no particular and favourite remedy, which can be counted upon to end all this mess, commonsense and good neighbourliness all round arc to be trusted to advance matters till the day when enlightened liberalism can again come into its own; and if one trusts in commonsense ultimately, it is not necessary to go into detail. In the interval till then, there is some wise counsel for all who are concerned to note.

About the poor relations within the sterling area, for example: "It sometimes nowadays needs saying that the West in general does not owe a living to societies which are unable to give themselves good government, to cultivate the simple virtue of thrift, and to cope with, or even to admit the existence of, their own overriding problem of excessive population growth. But it sometimes also needs saying in my country, especially perhaps in Lancashire, that if any section of the depressed populations of the world can find powerful friends, who will help it and to whose prosperity it can contribute in return, such a section does not owe a living in perpetuity to that branch of the western world under whose political tutelage it happens to find itself. These amenities having been duly interchanged, it becomes possible to settle down to consider quietly what the possibilities are for all nations which are not set upon creating enmity and upheaval to co-operate in working out a relationship which, if not ideal for any, is yet tolerable

for all."

About discrimination: "I am convinced that it is the duty and true interest of all these countries to take sincere, speedy, and energetic steps towards the establishment of a much freer and less discriminating system. But since I think the problem of dollar shortage is in some measure bilateral, I believe that one of the contributions that can fairly be asked for from America towards its handling is a more explicitly good-humoured and tolerant—a less theological—attitude towards such differentiations in commercial treatment as may yet remain. And since I think the problem has long-run or at least recurrent elements as well as purely temporary ones, I would not myself care to talk in terms which suggest that the day of complete and irreversible non-discrimination is much, if any, nearer than the day of complete free trade."

And about excessive regionalism: "Inhere is a certain risk, as I once put it in a broadcast talk, of the countries of Europe developing 'into a lot of old flower-women, each pestering the others to buy her early violets, and all finding themselves without the means to buy their daily bread'".

Sir Dennis Robertson's views are balanced, mature, and, therefore, perhaps somewhat unoriginal. It remains to be seen whether enlightened realism is going to work.

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