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Maybe Even Give Such Authority to Each Congressional District!

by Don Boudreaux on February 26, 2010

in Seen and Unseen, Trade

Rep. Gene Taylor wants to make it more difficult for Americans to trade with Canadians and Mexicans. (HT Andy Roth) Here's one of two letters that I sent to the Hon. Mr. Taylor earlier today:

Rep. Gene Taylor (D-Mississippi) Capitol Hill Washington, DC

Dear Rep. Taylor:

You propose to remove the U.S. from NAFTA. Your stated reason is that the freer trade made possible by NAFTA destroys jobs in your state.

If you're correct – that is, if it's true that preventing people in one political jurisdiction from trading freely with people in other political jurisdictions generates higher-paying jobs and more widespread prosperity for those people who are denied the freedom to trade freely – then your proposal is too modest. You should instead introduce legislation that permits each of the 50 states to impose high tariffs not only on goods from jurisdictions such as South Korea and Mexico, but also on goods from jurisdictions such as South Carolina and Michigan.

Think of it! No longer, for example, would Mississippians ship dollars out of state in return for cars imported from Detroit. You'll keep those dollars at home, and as a result get a booming, high-tech manufacturing industry – and, to boot, also get rid of the large and growing trade deficit in motor vehicles that has long plagued your state.

And what's true for cars will also be true for hosts of other goods and services – insurance that Mississippians now import from New York, banking that they now import from North Carolina, chicken that they now import from Arkansas, oranges that they now import from Florida, pharmaceuticals that they now import from New Jersey, coffee that they now import from Hawaii, and wine that they now import from California. These are just a few of the products that Mississippians currently import from non-Mississippians. Shouldn't the jobs necessary to produce these, and countless other, products be held by Mississippians?

Sincerely, Donald J. Boudreaux

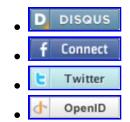
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Haven't we conferred some sort of Most Favored Nation status to China? What effect does this have on the benefits of free trade? Flag

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