

Tyler Morning Telegraph

The moral case for free trade

July 12, 2017

Free trade is taking a beating lately, as President Trump distances himself from the rest of the G20 nations on various free trade agreements. The facts are on the side of free trade, of course - protectionism always results in a poorer populace.

But as policy analyst Clark Packard writes for RealClearPolicy.com, facts and figures aren't always very persuasive. So he has laid out a "moral case for free trade."

"The first moral argument for free trade is that it expands human freedom," Packard writes. "It is important to note that, by and large, countries and governments do not trade. People trade, whether for themselves and their families or as part of their businesses. Free trade expands the scope of autonomy for consumers - both businesses and individuals - outside the scope of governmental decision-making."

So why should governments limit choice - and thereby limit freedom?

Texas Congressman Kevin Brady gets it.

"America's greatest economic freedom is the freedom to trade - to buy, sell, and compete anywhere in the world with as little government interference as possible," he said in a congressional hearing last year. "This lies at the heart of free enterprise and I believe [we] must expand that freedom."

Next, Packard writes, tariffs and protectionism always ends up as a squalid set of payoffs to various industries.

"Tariffs and trade restrictions are crony capitalist giveaways funded through regressive taxes," he writes. "Such policies mostly benefit special interests with big enough lobbies to secure protection from competition, and come at the expense of individuals and businesses who are forced to shoulder higher costs from restrictions on imports."

Take the case of steel, he says.

"The Trump administration currently is examining whether steel imports pose a national security threat to the United States," Packard writes. "If they believe the answer is yes, the administration likely will impose tariffs or some other restrictions on imported steel, which will raise prices for downstream users. The national security case is extremely weak; this appears to be nothing more than a payoff to the administration's allies in the steel industry."

There's no moral case to be made that steel tariffs will save the jobs of American steel workers. Steel mills employ only about 140,000 people in the U.S. But firms that build things using steel employ 6.5 million, according to the Cato Institute. Higher steel prices could easily result in far more Americans losing their jobs.

Packard's final argument for free trade is global poverty.

“While foreign aid may have some benefits, a surefire way to improve conditions in developing countries is to give their citizens and businesses the ability to sell products and services to American consumers,” he writes. “Why should we punish poor people in developing nations by blocking or taxing products sold to willing buyers in the United States? Haven't they suffered enough already?”

Packard makes a compelling case.

“The case for free trade is sound, but the politics have shifted,” he notes. “To win back the argument, free traders must emphasize not only the economic but also the moral reasons for free trade.”