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## Trade is Mutually Advantageous – and Its Advantages, for All Parties, are Measured in Imports

Posted By [Don Boudreaux](#) On January 31, 2011 @ 11:39 am In [Trade](#) | [No Comments](#)

[Dan Ikenson and Scott Lincicome urge that the case for free trade be made on its strongest grounds](#)

[1] – and not on grounds that implicitly concede the ‘us-vs.-them’ assumption of protectionists. Here are key paragraphs:

The case for free trade is much broader than the one that trumpets only export potential. And it is more elegant. The most principled case is a moral one: voluntary economic exchange is inherently fair, benefits both parties, and allocates scarce resources more efficiently than a system under which government dictates or limits choices. Moreover, government intervention in voluntary economic exchange on behalf of some citizens necessarily comes at the expense of others and is inherently unfair, inefficient, and subverts the rule of law. At their core, trade barriers are the triumph of coercion and politics over free choice and economics. Trade barriers are the result of productive resources being diverted to achieve political ends and, in the process, taxing unsuspecting consumers to line the pockets of the special interests that succeeded in enlisting the weight of the government on their side.

Protectionism is akin to earmarks, but it comes out of the hides of American families and businesses instead of the general treasury. Policymakers on the right should support free trade because it is consistent with their principled opposition to higher taxes on American businesses and consumers and to big government telling people how and where they should spend their money. A vote for free trade is a vote to cut taxes and to get government out of the business of picking winners and losers in the market. Policymakers on the left should support free trade because it is consistent with their opposition to corporate welfare and regressive taxation.

Beyond the moral case for free trade, when people are free to buy from, sell to, and invest with one another as they choose, they can achieve far more than when governments attempt to control their decisions. Widening the circle of people with whom we transact brings benefits to consumers in the form of lower prices, greater variety, and better quality, and it allows companies to reap the benefits of innovation, specialization, and economies of scale that larger markets afford. Free markets are essential to prosperity, and expanding free markets as much as possible enhances that prosperity.

When goods, services, and capital flow freely across U.S. borders, Americans can take full advantage of the opportunities of the international marketplace. They can buy the best or least expensive goods and services the world has to offer, they can sell to the most promising markets, they can choose among the best investment opportunities, and they can tap into the worldwide pool of labor and capital. Study after study has shown that countries that are more open to the global economy grow faster and achieve higher incomes than those that are relatively closed.

(HT Andy Roth)

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[1] Dan Ikenson and Scott Lincicome urge that the case for free trade be made on its strongest grounds: [http://www.cato.org/pub\\_display.php?pub\\_id=12741](http://www.cato.org/pub_display.php?pub_id=12741)

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