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Mad About Trade, II

David Henderson

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Further highlights from Daniel Griswold's new book, ***Mad About Trade***, which I first blogged about [here](#).

Griswold quotes **Jason Furman**, now an Obama economic advisor, on the effect of Wal-Mart on consumer prices:

The price differences are staggering. Wal-Mart prices are, on average, 8 to 40% lower than what people would pay elsewhere. The total annual savings in one recent study for consumers was \$263 billion, that's \$2,300 for every household in America. There are few public policies I've advocated that would make as big of a difference as that.

Griswold leaves out the next line from Furman, but it only slightly undercuts his point:

Compare that to estimates of wage suppression by Wal-Mart, which was \$5 billion a year due to wage suppression. It's an enormous differential.

Griswold responds to an attack on trade by California congressman Brad Sherman, who claimed that the United States has the export profile of a 19th-century Third World economy, with the U.S. chief exports being "scrap metal, waste paper, cigarettes, rice, cotton, coal, meat, wheat, gold, soybeans, and corn." Griswold writes:

Talk about misleading. The only sense in which those commodities could be considered "our chief exports" would be by weight or volume.

He points out that in 2007, America's top ten exports, measured by total value, were, in order: semiconductors, civilian aircraft, passenger car parts and accessories, passenger cars, industrial machines, pharmaceuticals, telecom equipment, organic chemicals, electric apparatus, and computer accessories. (p. 55)

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