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Consumers Harmed by Free Trade?

by Don Boudreaux on [July 20, 2011](#)

in [Other People's Money](#), [Seen and Unseen](#), [Trade](#)

Here's a letter to the Allentown, PA, *Morning Call*:

Praising Sen. Bob Casey's opposition to freer trade, Nancy Tate regurgitates in one letter the entire smorgasbord of noxious protectionist gruel swallowed today by many "Progressives" ([Letters](#), July 19). Among Ms. Tate's projectiles, for example, is her assertion that free trade is "an assault" on "consumer rights."

How, exactly, are consumers' rights assaulted by a policy that gives them greater freedom to spend their money as they choose? In what ways are consumers harmed when the range, variety, and quality of goods and services available to them expand while the prices of those goods and services fall?

As trade scholar Dan Griswold wrote in his book [Mad About Trade](#), "If one of our children grows up to invent a way to move goods and bits of information even more rapidly around the world, we rightly call that 'progress'; if another child grows up to become a populist politician who advocates raising trade barriers to slow the movement of those same goods and data across borders, we perversely call that 'progressive.'"*

Perverse indeed.

Sincerely,
Donald J. Boudreaux
Professor of Economics

* Daniel Griswold, [Mad About Trade](#) (Washington, DC: Cato Institute, 2009), p. 172.

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[Speedmaster](#) July 20, 2011 at 9:03 am

I am continually dismayed at the profound ignorance shown by so many allegedly educated people.

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Jim July 20, 2011 at 2:28 pm

I see around the Internet a growing tendency to refer to Progressives as Regressives. Surely this is a more accurate term and 'statists' does not entirely capture it either.

[Reply](#)



vikingvista July 20, 2011 at 2:45 pm

Temporal labels are always a bad choice for posterity. At first they seem youthful and avant gard, but before long they become forever anachronistic. "Modernist" is another example.

[Reply](#)



[Single Acts Of Tyranny](#) July 20, 2011 at 2:43 pm

Many of 'em know the truth, they simply want to control the world and create reliance upon themselves, thus free trade creating cheaper goods outside of their control, is seen (by them) as bad. Forget the fact that the 50 cents an hour machinist either starves or is a child prostitute without the Walmart sourced job.

[Reply](#)



Frederic Conokoehn July 20, 2011 at 9:40 am

Usually, though unintentionally due to ideology, my poli-economical postions tend to side a little leaning to the left. But one area when I generally disagree is free trade. As you stated, there is no way free trade by definition hurts consumers, per se. If there is anyone "hurt" by free trade it is the worker who is inefficient in comparison. I think this is where when one is a politician their ideology clouds the big picture...a "progressive" will mistake their 'sticking up for workers' for 'sticking up for the consumer.' There are some complexities to where one becomes the other, but taken together, keep free trade to help consumers and if workers are "harmed" let's find ways to make them more efficient!

[Reply](#)



vikingvista July 20, 2011 at 2:50 pm

Saying free trade hurts a displaced worker is to ignore the benefits to that worker as a past and future worker and consumer.

[Reply](#)



[Joshua Ulrich](#) July 20, 2011 at 9:48 am

To be fair, Nancy Tate was critiquing the “free trade” agreements currently working their way through legislature. I’m not familiar with these 3 pieces of legislation but I would guess their main aim is to benefit special interests, not consumers.

[Reply](#)



Don Boudreaux July 20, 2011 at 9:57 am

Freer trade brought about by such agreements isn’t as desirable as free trade, unilaterally adopted without condition. But it IS freer trade, better than not-freer trade.

[Reply](#)



Bret July 20, 2011 at 11:56 am

You’ve misrepresented what Ms. Tate said. She did not assert that free trade is an assault on consumer rights. She asserted only that the South Koreans believe that.

Surely, you must be able to find examples where you don’t have to put words in people’s mouths?

[Reply](#)



John B July 20, 2011 at 12:22 pm

I don’t think it’s that much of a stretch to say she obviously agrees with that assessment, though. Yeah, she never technically stated the position for herself, but she’s using said South Korean belief as an argument against the S.K. pact (since, unlike the other two pacts, she doesn’t actually make any direct argument against it)

Given that the following paragraph relates the horror of Columbians being able to buy grain for 50-70% less than they currently pay, I have a hard time buying that she’s just commenting on South Korean beliefs.

[Reply](#)



Bret July 20, 2011 at 1:52 pm

You can believe whatever you want, it’s still fairly poor form to assign an assertion to someone when they didn’t actually assert that.

Let me give you an example. I recently wrote in an email to progressive friends that “it’s not necessary to have the government take care of the poor”. This is true because I believe that private local charities funded with voluntary contributions is far preferable than government intervention for many reasons. My statement was turned into “Bret believes the poor should be left to starve” and their claim was that it wasn’t much of a stretch to believe the assertions

are equivalent.

It's just poor form to put words in others' mouths, even if it seems clear that they believe those words.



John Dewey July 20, 2011 at 2:06 pm

Bret,

Get real! Nancy Tate clearly intended that readers believe she agrees with the argument. By including that statement in her letter, she implies exactly that unless she specifically states otherwise.

What Don wrote is hardly "poor form". he didn't put words in Nancy Tate's mouth. Don merely responded to the argument she put forth in her letter. She's the one that included that argument. She's the one who must either distance herself from it or else defend her inclusion of it.



Mark July 20, 2011 at 10:09 am

Give it up Boudreaux. Free trade is where the high value currency in terms of purchasing power parity buys the low value currency in order to acquire all the land and assets.

Thereby, purchasing power parity in terms of currency is roughly equal. With the U.S. Owning all the land in China.

If that is not what we have then it's not free trade.

[Reply](#)



Don Boudreaux July 20, 2011 at 10:12 am

I haven't the foggiest idea what you're trying to say.

[Reply](#)



Greg Webb July 20, 2011 at 1:00 pm

Don't worry, Mark doesn't either.

[Reply](#)



Bruce July 20, 2011 at 1:25 pm

I think he might have spilled a box of Alpha Bits on the table and just posted what came up.

[Reply](#)



[Ike](#) July 20, 2011 at 2:47 pm

No, no, those are very clearly WORDS in there. The odds of random Alpha-Bits spilling forth and forming nothing but words are astronomical.

I believe he instead put a rational sentence through Google Translate, taking it from English to French to Greek to Swedish to German, back through Greek on the way over to Dutch before translating back to English.

That many passes through nations with little concept of free trade would render the sentence meaningless.

[Reply](#)



[John B](#) July 20, 2011 at 12:08 pm

I can't seem to open the link to the letter.

Would anyone be willing to quickly post what it says?

[Reply](#)



[Don Boudreaux](#) July 20, 2011 at 12:10 pm

I had the same problem when I tried to open the link in Firefox. I then pasted the link into Safari and it opened just fine.

[Reply](#)



[John B](#) July 20, 2011 at 12:11 pm

Yeah, I got it open.

Nevermind.

[Reply](#)



[Tim](#) July 20, 2011 at 12:26 pm

Don,

The problem with these letter is that “progressives” dispute your central claim. So while you repeat over and over that free trade expands consumer options, the other side denies this. The challenge you face is to continually show (via concrete example) how this is wrong, not merely state it. I think first

and foremost, progressives think free trade is a race to the bottom designed to exploit the poor in other countries while “stealing” American jobs. Sorry to be critical again. I agree with your letters, I just think you could do better presenting your case.

[Reply](#)



The Other Tim July 20, 2011 at 1:26 pm

If the left is suggesting that allowing consumers more choice and cheaper goods is anti-consumer, I don't really see why proponents of free trade need to give much of anything in the way of a well-argued retort. The notion that a greater variety of cheaper goods is bad for the consumer is *prima facie* stupid. If the left really wants to get hitched to this idea, the onus is on them to show us why not to reject it out of hand.

[Reply](#)



[Ben Hughes](#) July 20, 2011 at 1:46 pm

“The Other Tim” already pointed out that the argument cuts both ways. Why is the burden of proof on free traders to prove this and not the other way around?

One difficulty is the asymmetry: by its very nature it's much more difficult to “show (via concrete example)” that benefits accrue to a large number of people, small in magnitude, than it is to “show (via concrete example)” that costs are concentrated among a relatively few number of people in a specific industry.

Hence the non-intuition of free-trade and the propensity for economic illiteracy to drive understanding like that of Nancy Tate.

[Reply](#)



Jim July 20, 2011 at 2:47 pm

Hence the non-intuition of free-trade and the propensity for economic illiteracy to drive understanding like that of Nancy Tate.

Not to be obtuse, but free trade is totally intuitive to me. I partly enjoy reading Don's letters because I am generally confused by the assertions that free trade is harmful; their assumptions seem self-destructive and backwards.

[Reply](#)



I_am_a_lead_pencil July 20, 2011 at 2:28 pm

“So while you repeat over and over that free trade expands consumer options, the other side denies this.”

Tim,

A proof? Isn't his like having to "prove" that 10 people in a room that are willing to trade with me is better than 5 people? By definition it "expands consumer options".

Still, I think that the best arguments for trade are simply arguments against tariffs. Mark Perry had a great post some time ago about tariffs on clothes hangers from China – which nearly doubled their price and made dry cleaning more expensive.

[Reply](#)



Jim July 20, 2011 at 2:37 pm

Well, almost a billion Chinese are crawling into the middle class despite not having the benefit of our foreign aid.

I see that as proof that trade works. What do the Progressives call it?

[Reply](#)



[DG Lesvic](#) July 20, 2011 at 12:42 pm

I think you may have just coined a new term for the progressives.

The perversives.

Or, just perverts.

[Reply](#)



Greg Webb July 20, 2011 at 1:01 pm

“Progressive” is just another example of today’s “double speak.”

[Reply](#)



[DG Lesvic](#) July 20, 2011 at 2:01 pm

Thanks for telling us, Hatchet Man.

[Reply](#)



Greg Webb July 20, 2011 at 2:07 pm

LOL, DG! You said that you were “The Terror of the Austrian School”. LOL! Really, you are merely an angry weasel.

[Reply](#)



vikingvista July 20, 2011 at 2:23 pm

“merely an angry weasel”

Come on, Greg, that is not fair. He is not MERELY an angry weasel.

[Reply](#)



Greg Webb July 20, 2011 at 2:41 pm

You are right, Vikingvista. In the last few days, DG has:

- * Made absolute promises that he did not keep,
- * Weaseled out of keeping said absolute promise when the demanded example was provided,
- * Maliciously and falsely accused others of character assassination,
- * Pretended to be a victim of the character assassinations that he was committing,
- * Sleazily edited comments to mischaracterize what someone else said,
- * Made silly personal attacks implying others are subhuman, and
- * Demeaned his wife by saying that she is an “unreasonable and illogical creature.”

I know there is a word to describe such despicable behavior, but it is just not coming to me right now.

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