

A PRIMER ON FREE TRADE

What specifically is free Trade?

Free trade is when a country lets private parties engage in foreign trade regardless of the effects on the total economy.

For example, the price for rice produced in Japan is higher than the world price of rice. However, Japan allows no imports of rice except if there is a severe crop failure. The result is Japanese consumers pay a higher price and the Japanese farmers receive a wage level above the world level.

If however, Japan imported rice at the world price level, it would then have 6 million unemployed farmers. What would it do with them? The unemployed farmers would drive down the wage level of other workers, be unemployed etc.

Why are you so against free trade?

There are four methods of organizing an economy: slavery, communism, free trade and a protected economy. Slavery is very direct. "We own you and will do what we want for our benefit." Communism and free trade are a little more subtle and offer a utopian reward. With communism you are in effect owned by the state and promised a worker's paradise. With Free trade workers are promised that both countries will prosper with uninhibited free trade and the world will reach an equilibrium level.

In effect, the workers become subject to the whims of the multinational company, headquartered anywhere and willing to use the cheapest labor in the world.

The Protected Economy of Alexander Hamilton put the manufacturers and workers of a country first. It realized that a protected economy would improve the living standard of workers by encouraging high value manufacturing.

What are some very significant side effects of free trade on our economy?

Just look at the USA today. It will destroy a prosperous country. Manufacturing plants close down, workers accept lower wages, etc.

High immigration, or open borders is also part of the free trade dogma. Since 1965, the USA has had over a million legals a year, plus a half million illegals. Crime rates have soared, wages have fallen. This has been especially damaging to African Americans.

Is there a way we can still end free trade?

Sure. You pass tariff laws. Trade for the USA's benefit. Zero immigration, deport illegals.

This is not done because the Democrats want the votes, the Republicans want the cheap labor and both want the money from campaign contributions of the multinational companies.

What are some advantages of ending free trade?

You increase the wealth of the entire country. The poorest citizens become wealthier faster because it drives up the value of labor as opposed to the value of capital. You end welfare because you will have full employment. Drug use, crime, etc. decrease.

In one of your articles you talked about outsourcing, do you think that outsourcing and free trade are related in any way?

Outsourcing is free trade. It is permitting workers in other countries to do work that would otherwise be done by citizens. The only difference is the product is a service, or white collar work as opposed to producing a tangible product.

Both outsourcing and free trade hurts our economy but our government still doesn't take any affirmative action against it why?

There is an intellectual gap where the Free Trade dogma is the dominant religion of the elites of the country. In addition, millions are contributed to campaigns by multinational corporations. These corporations also fund the economic departments of universities who in turn teach the free trade dogma.

If you would be running this country and be on the seat bush is in what are some of the things you would do against free trade?

Allow no manufactured or agricultural product to undersell any American product. End immigration. Zero.

Why does it seem as though U.S. is losing a lot in free trade and outsourcing jobs but all the other countries are benefiting from it?

Exactly. It is simply a bunch of parasites eating at the social and economic strength of America. If it continues, eventually the USA will shut down economically and become an Argentina or Spain or some other defunct country that has seen better days.

Don't you think if we start all the factories we have shut down and start manufacturing in U.S. instead of exporting from other countries it will require more money and because of so many jobs already outsourced to India and other English speaking countries we don't

have many people who are willing to pay any more than they are already paying for a lot of thing it will be a bigger issue?

The economy would quickly rebound. The prices would not go up as much as one thinks. People might not pay more, but they would buy less. If anything, goods are so cheap because we use slave-labor abroad that nobody repairs a tv set, they buy a new one.

There are two methods of equalizing a society. One is by a protected economy that the USA had for 170 years. This economy drives up the cost of labor and drives down the return to capital. This produces a vast middle class standard of living. Free trade of the past thirty has driven up the return to capital (a machine in China is more valuable than a machine in the US because the associated labor is cheaper.) The result is the splitting into a two tier society, the very rich and the very poor. The middle class is beginning to feel the pinch and that is now what the uproar is about. When it was only lower paid blue collar workers, it was ignored.

Is it possible that we as a country can ban free trade by voting against it and than manufacture every thing in United States instead of importing it?

There are very few benefits to trade by a large, wealthy nation. We have enough people that there are few economies of scale to larger production. We have most of the natural resources. We have the technical skills, better infrastructure and better legal, government system. We should manufacture everything we can, which is practically everything, except maybe a few exotic cars and Scottish bagpipes.

You get what you pay for. You import goods because they are cheap. You pay in the destruction of the society. Karl Marx was a big fan of free trade for just that reason.