

Free Trade Petition

March 2009

There is an on-going global campaign against the wave of protectionism. An international coalition composed of individuals and institutes or think tanks, explicitly free marketer or not, will be formed. This campaign and coalition has been initiated by the International Policy Network (IPN) and the Atlas Economic Research Foundation, two of the closest friends of MG Thinkers.

May I encourage readers to sign the Petition at any of the 3 links below:

<http://atlasnetwork.org/tradepetition/>

http://www.policynetwork.net/main/content.php?content_id=92

<http://freedomtotrade.list-manage.com/subscribe?u=4a59832f04a5d6164a0b81a24&id=6cdd6e9f9d>

This petition will be presented in London during the G20 summit (2-3 April).

Free trade is freedom to trade and exchange.
Zero coercion, zero restriction.
Period.

regards,

Nonoy Oplas

Petition:

Free Trade Is the Best Policy

The specter of protectionism is rising. It is always a dangerous and foolish policy, but it is especially dangerous at a time of economic crisis, when it threatens to damage the world economy. Protectionism's peculiar premise is that national prosperity is increased when government grants monopoly power to domestic producers. As centuries

of economic reasoning, historical experience, and empirical studies have repeatedly shown, that premise is dead wrong. Protectionism creates poverty, not prosperity. Protectionism doesn't even "protect" domestic jobs or industries; it destroys them, by harming export industries and industries that rely on imports to make their goods. Raising the local prices of steel by "protecting" local steel companies just raises the cost of producing cars and the many other goods made with steel. Protectionism is a fool's game.

But the fact that protectionism destroys wealth is not its worst consequence. Protectionism destroys peace. That is justification enough for all people of good will, all friends of civilization, to speak out loudly and forcefully against economic nationalism, an ideology of conflict, based on ignorance and carried into practice by protectionism.

Two hundred and fifty years ago, Montesquieu observed that "Peace is the natural effect of trade. Two nations who differ with each other become reciprocally dependent; for if one has an interest in buying, the other has an interest in selling; and thus their union is founded on their mutual necessities."

Trade's most valuable product is peace. Trade promotes peace, in part, by uniting different peoples in a common culture of commerce – a daily process of learning others' languages, social norms, laws, expectations, wants, and talents.

Trade promotes peace by encouraging people to build bonds of mutually beneficial cooperation. Just as trade unites the economic interests of Paris and Lyon, of Boston and Seattle, of Calcutta and Mumbai, trade also unites the economic interests of Paris and Portland, of Boston and Berlin, of Calcutta and Copenhagen – of the peoples of all nations who trade with other.

A great deal of rigorous empirical research supports the proposition that trade promotes peace.

Perhaps the most tragic example of what happens when that insight is ignored is World War II.

International trade collapsed by 70 percent between 1929 and 1932, in no small part because of America's 1930 Smoot-Hawley tariff and the retaliatory tariffs of other nations. Economist Martin Wolf notes that "this collapse in trade was a huge spur to the search for autarky and Lebensraum, most of all for Germany and Japan."

The most ghastly and deadly wars in human history soon followed.

By reducing war, trade saves lives.

Trade saves lives also by increasing prosperity and extending it to more and more people. The evidence that freer trade promotes prosperity is simply overwhelming. Prosperity enables ordinary men and women to lead longer and healthier lives.

And with longer, healthier lives lived more peacefully, people integrated into the global economy have more time to enjoy the vast array of cultural experiences brought to them by free trade. Culture is enriched by contributions from around the world, made possible by free trade in goods and in ideas.

Without a doubt, free trade increases material prosperity. But its greatest gift is not easily measured with money. That greatest gift is lives that are freer, fuller, and far less likely to be scalded or destroyed by the atrocities of war.

Accordingly, we the undersigned join together in a plea to the governments of all nations to resist the calls of the short-sighted and the greedy to raise higher the barriers to trade. In addition, we call on them to tear down current protectionist barriers to free trade. To each government, we say: let your citizens enjoy not only the fruits of your own fields, factories, and genius, but also those of the entire globe. The rewards will be greater prosperity, richer lives, and enjoyment of the blessings of peace.

Sign the Petition

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