

“Letter to the editor: Free Trade Tiger Burning Bright”

by Milton Friedman

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Two addenda to your excellent Dec. 12 editorial, “GATT Riddance,” recommending unilateral free trade:

1. While 19th-century Britain is an excellent test of unilateral free trade, it is not “the best,” since critics maintain that Britain’s superpower status at the time enabled it to impose its policy on other countries. Modern-day Hong Kong is a better test — a small Island and peninsula with few resources and no independent political power, yet unilateral free trade enabled it to achieve an even higher rate of growth in per-capita real income than its fellow little Tigers, Singapore and Taiwan, despite more rapid growth in population.

2. The most effective succinct argument for free trade I know was penned by Henry George, famous for his single tax, more than a century ago: “Free trade consists simply in letting people buy and sell as they want to buy and sell. It is protection that requires force, for it consists in preventing people from doing what they want to do. Protective tariffs are as much applications of force as are blockading squadrons, and their objective is the same — to prevent trade. The difference between the two is that blockading squadrons are a means whereby nations seek to prevent their enemies from trading; protective tariffs are a means whereby nations attempt to prevent their own people from trading. What protection teaches us is to do to ourselves in time of peace what enemies seek to do to us in time of war.” From Henry George, “Protection or Free Trade” (1886; reprint ed., New York: Robert Schalkenbach Foundation, 1980), p. 47.

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