

The Fundamental Freedom to Trade

To begin with, I would like to say that the writer of the article *Edward L. Hudgins* is clearly biased towards the acceptance of freedom of trade, since the article itself is on a site which goal is to promote the benefits of freetrade and was part of the book "freedom of trade". Also the fact that this article is from the year 1997, makes a lot of information invalid for the present, (i.e. "America, the world's largest exporter" clearly not current information, as currently it is ranked 3rd, preceding Germany and China).

I would like to tackle a couple of notions of the entire article which seemed to captivate my attention the most.

The Santa Claus Factor

In my opinion, Santa Claus destroys the economy. Suddenly the sector which is now completely covered by Santa Claus has now left everyone in it un-employed. They could not flood the other 3 sectors, so there will be unemployed. The existence of "free gifts" only benefits the consumers, but not the people providing goods/services in the same sector as Santa Claus.

The only way both parties would win, is if Santa's "free gifts" were limited. Then that sector would only give up a limited amount of people, who could relocate to other sectors or just become un-employed, either way, this limitation would not disrupt the economy as much as if all of the sector was to become un-employed.

The extra workers (e.g. 250 people) can relocate to other villages/ countries, where there is a need for jobs, but not enough local people to allocate those sectors to or which may be limited to the locals education and/or mentality (aka tradition).

The Solution: Unilateral Free Trade

Hong Kong's prosperity from freetrade is because of their very small population and lack of natural resources. It would not benefit in the same way the U.S. as the trade sector could not give enough jobs for everyone, so there would be more un-employed. So from this perspective it would not be beneficial at all to larger countries/regions.

Also I am very 'irritated' by the following excerpt from the article "...ideally America should follow the policy that best ensures the greatest freedom and prosperity for Americans". That is basically saying that 'everyone else can suffer the consequences and cons of freedom of trade expect for us'.

I think the best solution would be to allow freedom of trade for products which are not currently produced in the respective country or which simply cannot be produced in that country.