Free Trade vs. "Free Trade"

Kevin Carson

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Paul Craig Roberts writes:

> …during the past five years of Bush's presidency the US has lost 16.5% of its manufacturing jobs. The hardest hit are clothes manufacturers, textile mills, communications equipment, and semiconductors. Workforces in these industries shrunk by 37 to 46 percent. These are amazing job losses. Major industries have shriveled to insignificance in half a decade.

> Free trade, offshore production for US markets, and the outsourcing of US jobs are the culprits. McMillion writes that "every industry that faces foreign outsourcing or import competition is losing jobs," including both Ford and General Motors, both of which recently announced new job losses of 30,000 each. The parts supplier, Delphi, is on the ropes and cutting thousands of jobs, wages, benefits, and pensions.

> If the free trade/outsourcing propaganda were true, would not at least some US export industries be experiencing a growth in employment? If free trade and outsourcing benefit the US economy, how did America run up $2.85 trillion in trade deficits over the last five years? This means Americans consumed almost $3 trillion dollars more in goods and services than they produced and turned over $3 trillion of their existing assets to foreigners to pay for their consumption. Consuming accumulated wealth makes a country poorer, not richer…

> For the past decade free market economists have served as apologists for corporate interests that are dismantling the ladders of upward mobility in the US and creating what McMillion writes is the worst income inequality on record.

> Globalization is wiping out the American middle class and terminating jobs for university graduates, who now serve as temps, waitresses and bartenders. But the whores among economists and the evil men and women in the Bush administration still sing globalization's praises.

Roberts' main mistake is taking the neoliberal term "free trade" at face value, treating "free trade" and "globalization" as synonymous. He should have distinguished free trade from "free

trade," which is in fact corporate mercantilism. The lion's share of globalization results from the latter.

On the other hand Bob Murphy, who wrote a piece in response to Roberts, seems to be unclear whether he's defending free trade or "free trade." He does, in fairness, tip his hat at the end of his article to the "fact that we do not have free trade in the United States."

> Yes, Bush talks about free trade and globalization, and the economy is definitely weak in many respects. But George Bush supports trade freedom for Americans in the same way that George Bush supports political freedom for Iraqis.

But this follows the main body of the article in which he defends, not free trade as such, but the statistics of actually existing corporate capitalism that Roberts had attacked. And he admits that he's a defender of "globalization," thus implicitly accepting it as synonymous with "free trade." He even goes so far as to say:

> If you're really concerned about smart, hardworking people being able to earn a decent living, then you should be all for free trade and multinational corporations, as they are the escape routes for hundreds of millions of wretchedly poor (but smart and hardworking) people around the world.

That's about like saying "you should be all for free trade and Gosplan."

"Free trade," as it's used by neoliberal politicians and mainstream journalists, is what Albert Nock called an "impostor term." In fact, no such thing exists. The present global economy, with its transnational corporations, is largely a creation of the state, and requires ongoing state intervention for its survival. In a genuine free trade regime, most of the evils Roberts complains of would be moot points, because they'd die out without the state to prop them up.

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