

## EQUITABLE TRADE

Trade and tariffs are policy questions never fully settled in our nation. “Free trade” or protected trade go hand in hand with import tariffs. (Export tariffs are unavailable according to Sect. 9, cl. 5 and Sect. 10, cl. 2 of Art. I of the Constitution.) Where money and wealth are concerned, our national attitude has alternately supported and disregarded the labor of our inhabitants, as well as our neighbors, many times over the decades. We have recently spent much time putting lipstick on the corpse of “free trade” as though such an act would actually bring it to life. “Free” trade has never existed, doesn't now exist and cannot exist unless it takes place: **1)** by barter, where substance is exchanged for substance without force or inducement. This is what most people have in mind when they hear “free trade:” no party was coerced or induced to make an exchange; or **2)** between parties using the same money.

How does a foreign buyer pay our money to us for our exported goods or services? How can we pay foreign suppliers their money to them for goods or services we import from them? This fundamental aspect of our general welfare, *our money*, is crucial to our “balance of trade” situation. How does the purchasing power of our money relate to the purchasing power of a specific foreign money? What does an hour of our labor purchase, when compared to an hour of some foreign laborer? How much historical investment in productive development, environmental protections, distribution efficiencies, etc., are evident in and necessarily part of our price structure?

Today's “free trade” regime and the “treaties” that supposedly establish such relationships, do not consider purchasing power differences. The fact that an agreement must be negotiated to establish “free trade” tells us that it isn't and cannot be “free,” but is in fact *regulated trade*. We usually fail to but must demand that trade be *regulated to serve our general welfare* not specific private interests. Art. IV, Sect. 2 states, “The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.” Our government is not to grant privileges to some and not others.

Our general welfare as united States conducting foreign trade must, to promote equal justice to all, neither grant privileges to nor impose disabilities on the various domestic producers of exports or the consumers of imports. *Tariffs, properly used, are monetary adjustment measures*. They can and should be used to equalize differences in the purchasing power of our (domestic) money with respect to any particular foreign money.

Shifting “import tariffs” into domestic business tax policy is simply a further extension of privileges granted to private interests rather than a policy that aims to promote our general welfare. It should not be accepted or tolerated as sound foreign trade practice.

A revolving fund for import/export exchanges based on *parity* tariffs that compensate for the differences in purchasing power of native currencies is easily established. As disparities in currency purchasing power diminish, parity tariffs decrease. Importers pay the tariff into a fund assigned to the country of origin. That country would have a limited time (perhaps one year) to use those funds toward purchasing whatever production we may have to sell. Purchasing power parities are currently calculated by our CIA and would not present particular difficulties.

This **Equitable Trade** policy expresses proper respect for our labor and that of our neighbors and trading partners. It serves our common interest in elevating our standard quality of living as well as theirs, and promotes our General Welfare by paying our prices for our and their products or services.