

President Bush seems to be widely successful selling his foreign policy to the American public, but disappointingly ineffective in convincing people of the merits of his economic policy. As evidence of the failed domestic initiative, consider Congress's reluctance to adopt Bush's signature economic proposal – eliminating taxes on dividends. Because Bush's economic policy has no relationship to his foreign policy, Congress, and indeed the American public, have been able to separate the two. Bush needs to propose an economic stimulus that he can tie into his war on terrorism, so his foreign policy approval will carry over and influence his ability to implement domestic policies. Unilaterally eliminating tariffs fits this bill.

A tariff is a tax on goods made in another country. They serve to increase the costs a foreign company faces when trying to sell a product in the United States – often to the point of making them uncompetitive.

Eliminating tariffs will help us fight terrorism by making it cheaper for firms in other countries to sell their products in the United States. In developing countries, the opportunity to sell clothes, food and other low tech products to the United States gives people in poor countries a chance to obtain good paying jobs that will improve their lives. With economic opportunity readily available, people will not be as attracted to the terrorist causes. Destitute people give up very little to join terrorist causes, but people with economic opportunity at their doorstep are unlikely to be attracted to the dark messages and promises of terrorism.

Of course, eliminating tariffs stimulates the economy in the United States as well. Now consumers can buy products for lower prices. If a consumer wants to buy Iraqi lamb, and an Iraqi

farmer wants to sell her the lamb (through a super market) at a lower price than U.S. ranchers offer, these people can make the exchange. A tariff does nothing more than force the U.S. consumer to buy the lamb at a higher price from a U.S. rancher. With the money U.S. consumers save from paying lower prices for Iraqi lamb, they can purchase even more goods.

Critics may claim that the tariff saves American jobs, but they would be guilty of not understanding the mechanics of the trade. While it is true that American ranchers might lose their jobs to the Iraqi ranchers, the Iraqi rancher will be left with U.S. dollars after selling the lamb. The Iraqi rancher will want to get something for his dollars since the paper isn't good for much except purchasing items. The Iraqi will purchase an American product, such as a cell phone, with the dollars. The cell phone company gained the jobs that the ranchers lost. Because it is harder to keep track of the jobs gained in a trade, the critic would have missed it.

A unilateral elimination of tariffs also stimulates the economy because it forces the U.S. to use its labor more effectively. We are wealthier when we trade cell phones for lamb. It takes us less resources to make enough cell phones to trade for lamb, and more resources for the U.S. to make its own lamb. For example, it may take 10 U.S. people to make enough lamb for a super market to sell in a month. Alternatively, 5 people can make enough cell phones to buy this amount of lamb from the Iraqis. The other 5 people can make something else – perhaps more cell phones.

Eliminating tariffs also is immune from the criticism leveled against Bush's current dividend plan – that it favors the rich. Since, low and middle income Americans consume a high percentage of their income, they gain. Since eliminating tariffs only reduces the cost of consuming, not saving, it will not help the rich as much because they save a higher percentage of

their income than do less wealthy Americans.

Even if other countries do not follow our lead and eliminate their tariffs, we should still get rid of ours. Of course, we would gain if other countries dropped their tariffs, but we can not control their policies. However, we can control ours, and should take advantage of the opportunity to increase trade.

Those in the tariff protected industries will be against allowing consumers to have an international choice from whom to buy their products. They want to limit their competition to domestic companies. Usually, because a few manufacturers split up the gains from tariffs, they each have a lot at stake if a tariff passes, so they will work very hard toward this effort. On the other hand, the cost is split among all consumers, so they each contribute a little bit to the overall cost. Because the smaller group has more at stake per person, they worked harder for the tariff protection. However, with the war on terrorism, consumers can make common cause with those concerned with national security. Now eliminating tariffs not only lowers prices but it also reduces the amount of terrorism in the U.S. By eliminating unilaterally tariffs, Bush can offer an economic stimulus that helps fight terrorism as well as improves the economy. The foreign policy component of tariff elimination should help him sell it politically.