



## Global Ethics Corner: Buy American? Is There a Choice?

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The dangers of protectionism are tomorrow's problem while saving jobs is an urgent task; hence the "Buy American" steel clause in the stimulus package. Taxes of Americans should buy American products.

Nayan Chanda in *The Straits Times* suggests, "...one unavoidable consequence...would be retaliation from...other countries now...allocating funds to boost their sagging economies." Hence, major employers like General Electric and Caterpillar oppose "Buy American," fearing to lose contracts abroad.

First, do we follow classical theory and "buy globally?" Ricardo's theory of comparative advantage remains a compelling case for free trade.

Fair trade is a second option, but fair can mean: a) providing market access to the small and developing, like Honduran coffee growers, or b) making sure American labor and pollution standards, which add cost to products, are met in Mexico, or c) using American resources to support American companies, like steel. Which version of fair do we follow?

Finally, another perhaps more universal ethical principle is worth remembering in making policy, the Golden Rule. To recover, America will have to export more, not less, and "Everyone for themselves" won't work. So, how do we keep the Golden Rule and recover?

Adapted from a [blog posting](#) by [Devin Stewart](#) on [Fairer Globalization](#)

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