Published on *Adam Smith Institute* (http://www.adamsmith.org)

Those temporary government programs [1]

Written by **Tim Worstall** [2] | Saturday 4 October 2008

As Milton Friedman pointed out, there's nothing so permanent as a temporary government program. Once again we see the proof of this [3].

> Consumer groups hit out at the European Commission after it moved to extend anti-dumping tariffs on shoes imported from China and Vietnam, arguing that the duties raised prices for their ailing members.

Ths duties were originally imposed for two years but they are now being extended. We know why, of course. Those who would benefit from the lifting of them are all of us. A highly dispersed constituency and one that's also not all that interested as we don't actually see the cost nor is it very high individually.

> Those complaints came as the Commission formally announced an extension of the duties, imposed two years ago, under pressure from Italian shoe manufacturers.

However, those shoe manufacturers are very interested indeed and are those motivated to lobby for the protections at our expense. The nett effect is a transfer of wealth, from us the consumers to those shoe manufacturers. And as long as we have a politically driven system that decides upon such tariffs then we'll always have such groups attempting to get such legislative picking of our pockets and many of them will succeed.

It's one of the arguments for free trade of course: that if the power to shaft the consumer via import restrictions just isn't there then the consumer won't get shafted by such import restrictions.

blog comments powered by Disqus [5]

Source URL: http://www.adamsmith.org/blog/tax-and-economy/those-temporary-government-programs

Links:
[1] http://www.adamsmith.org/blog/tax-and-economy/those-temporary-government-programs
[2] http://www.adamsmith.org/taxonomy/term/5778
[3] http://www.ft.com/cms/s/0/409d6a68-90e4-11dd-8abb-0000779fd18c.html?nclick_check=1
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com