



Written by [Bob Adelman](#) on January 2, 2012

Whirlpool Wants Gov't to Force Consumers to Pay More

In its complaint, Whirlpool demanded an investigation into their rivals' practice of "dumping" washers at prices that Whirlpool couldn't match, and then demanded sanctions — tariffs — against the offending competitors and their products.

It's worked before. Last March Whirlpool filed a similar petition about their competitors dumping high-end refrigerators and the Commerce Department agreed, applying a 37-percent duty on those refrigerators as well as forcing those competitors to post bonds if they didn't raise their prices to "fair value."



Whirlpool is the [largest home appliance maker in the world](#) with revenues exceeding \$18 billion annually, employing 71,000 workers, and marketing its products under familiar names such as Whirlpool, Maytag, Kitchen Aid, Jenn-Air, and Amana. [According to the Wall Street Journal](#), the company already enjoys a market share approaching 95 percent of all large washers made in the United States.

The only party not mentioned in the petitions filed with the U.S. Department of Commerce and the U.S. International Trade Commission was the American consumer. If Whirlpool is successful in its bid to have the government raise the prices of its competitors, consumers will get to pay more. Economist Mark Perry [had some fun](#) "editing" a few essential paragraphs in the *Journal's* story:

Whirlpool Corp., battered by price competition on home appliances, asked the U.S. government Friday to impose duties on imports of **[to impose taxes and higher prices on American consumers who purchase]** residential washing machines made by South Korean rivals Samsung Electronics Co. and LG Electronics Inc.

This marks the second time in 2011 that Whirlpool has sought to use U.S. trade laws **[to engage in rent-seeking]** to protect itself from **[more efficient]** imports **[foreign rivals by imposing higher prices on Americans who purchase appliances for their homes]**. In March, the company asked **[its government enablers]** for duties on **[to impose higher prices on every American who decides to purchase]** an imported refrigerator.

It's the consumers who make the final and binding decisions on what they spend their money on, and Whirlpool has done well over the past 100 years, buying up its rivals and competing successfully in the global markets. Consumers have rewarded Whirlpool in the past by purchasing their products after determining that they were the best value for their money. But when Whirlpool found that it was unable to compete in the high-end refrigerator and mid-level washing machine markets, it ran immediately to the government for protection.

In its petitions Whirlpool complained not only about unfair price competition but that South Korea had been providing subsidies to Samsung and LG to help them compete in the U.S. market, which they also



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characterized as unfair competition. But as Perry expressed it:

To the extent that Korean taxpayers have subsidized washers sold in the U.S., some consumers have expressed their gratitude to the Koreans for the generous foreign aid they have provided to American households during these tough economic times.

Whirlpool is engaging in the promotion of "[mercantilism](#)" — government intervention in the private market to benefit certain producers — with tariffs, duties, and penalties on those considered to be "offenders" by offering superior products and/or superior prices, or both. In other words, Whirlpool is all for free enterprise and open competition as long as they are winning. But let some outside producer that Whirlpool doesn't already own come in and dare to compete successfully, and then Whirlpool runs to Momma. This is not only the perfect definition of hypocrisy, but an exquisite example of crony capitalism. Pity the consumer who gets no benefit but instead bears the burden of the intervention, all in the name of "fairness" and "equity."



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