

NATIONAL REVIEW

Will the Liberals Take the Lead on Trade?

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The libertarian tendency in the United States has in the modern era been associated with the Right and with the Republican party, often to the dismay of such thinkers as David Boaz of the Cato Institute and the editors of Reason magazine, who find it difficult or impossible to make common cause with those conservatives, especially Christian moralists, who would stand in the way of various social- and sexual-liberationist projects so dear to the heart of the the more hedonistic style of libertarianism. The libertarians have been stuck with the Right because the defining moral question of the past century is not the prospect of same-sex marriage or whether florists can be pressed into service celebrating those unions. The defining moral question of the past century has been — pick your nomenclature — capitalism, free enterprise, economic liberalism . . . the thing that happens when people enjoy free association, free exchange, and property rights.

The Left in the English-speaking world and in Europe has been hostile to capitalism since well before Lenin and Hitler began trying to implement alternatives to it. From time to time, that hostility has been manifested as outright Communism, as it often is in Latin America and Asia. Splendidly democratic India has an amusingly large number of competing Communist parties, and, to this day, the Communist Party of India and the Communist Party of India (Marxist) both are in government but cannot quite see eye-to-eye, while the Communist Party of India (Maoist) is suppressed as a terrorist organization.

But the Left's hostility to capitalism comes in colors other than red, from labor unions (some of them staunchly anti-Communist) seeking to put industrial production under political discipline to the progressive tendency to regard the pursuit of profit as inherently distasteful, especially when it is used to provide services such as education and infrastructure development, which they see as the moral property of the state. That leads to some strange outcomes, such as the American Left's obsession with privately operated prisons, as though the abuses at lockups such as Rikers Island were somehow less horrifying for having been conducted by government employees. The Left's opposition to doing things like helping poor black kids from Washington attend better schools is similarly rooted in revulsion to free-market alternatives to political duchies.

There also is a tradition, small but persistent, of anti-capitalism on the right, one that is bound up in primitive attitudes about shadowy “elites” — very much back in fashion — associated with big business, especially bankers, and especially especially Jewish bankers. From Henry Ford to Charles Lindbergh to Pat Buchanan to the so-called alt-right, right-wing anti-capitalism has been very closely associated with a belief that Jews exercise an occult and outsized influence on American affairs. Right-wing anti-capitalism is rooted in hostility toward foreigners and in a bias against economic interactions with them, which are believed to be necessarily impoverishing. (Left-wing anti-capitalism is not immune to this, but has a more developed ideological basis.) The anti-Semitism associated with right-wing anti-capitalism is a reflection of the fact that in the Western mind the Jew is simply a native foreigner, in Christendom but not of it. Like the anti-Semitism that almost invariably accompanies it, anti-capitalism is a superstition, a religious conviction that is absolutely impervious to argument and evidence. It has, at its extremes, effects that are indistinguishable from those of mental illness.

Opposition to free trade has long been at the center of populist and right-wing anti-capitalism, partly because it has long been associated in the right-wing mind with projects for one-world government. Here the Left and the Right exhibit similarities in their political imaginations: The John Birch Society’s one-world super-state under the United Nations is not really so different from what Senator Sanders calls, with his endearingly goofy accent, “allah-garchy.” (One fears that there may be future uses for that term, if capitalized.) In his apocalyptic 1907 novel *Lord of the World*, the Reverend Monsignor Robert Hugh Benson imagines a triumphant future British Empire that has embraced Communism, fallen under the influence of the Antichrist (in the person of a U.S. senator from Vermont with a Jewish-sounding name), and set upon a course of worldwide . . . free trade. Pope Francis, a good populist and no friend of capitalism, recommends the book to anyone who will listen, calling it “prophetic.”

Having abandoned their Adam Smith, their Milton Friedman, and their F. A. Hayek, our contemporary right-wing anti-capitalists rediscovered Nikolai Bukharin, whose slogan they stand on its head in demanding “capitalism in one country.” They are enthusiastic about free enterprise within the United States (provided there is not too prominent a role played by nefarious financiers with names such as Goldman or, angels and minsters of grace defend us, Rothschild) but, as soon as an American looks to do a little business with a nefarious foreigner, then it is necessary for government to stick its snout in, as President Trump proposes to do in putting federal bayonets between Americans and invading foreign hordes of . . . washing machines. It’s almost comical at times: Hungry unemployed people get lectured about their work ethic, but when a multi-billion-dollar company loses a little market share to a feisty Korean upstart, conservative talk radio starts whining about “fairness” like a bunch of damned hippies.

Anti-capitalism is, at the moment, very much ascendant on the right, and it is not limited to Trump or to Trumpism. The financial crisis of 2008–09 and the consequent bailouts badly damaged the prestige not only of Wall Street and General Motors but that of capitalism itself. It is difficult to think of a time since before World War II in which government regulation of enterprise has been more in vogue on the right.

Ironically, that has created an opening in the marketplace, and that opening is being filled in part by politicians from the center-left. President Trump abandoned the Trans-Pacific Partnership on his first day in office, but that has not derailed the emerging trade accord, which has proceeded partly under the leadership of Canadian leader Justin Trudeau, a member of the Liberal party. The old raging left-wingers remain as anti-capitalist as they ever were, and, being for the most part addled and ignorant, they never ask themselves why it is that Bernie Sanders holds views on trade substantially similar to those held by Donald Trump. And the Democratic party has by no means come around on the issue en bloc. But it also is impossible to deny the obvious fact that Barack Obama was on the matter of free trade a more free-enterprise leader than President Trump is or is likely to be, if not exactly pro-capitalism then at least less anti-capitalism. Hillary Rodham Clinton, at least paper, is somewhat more pro-trade than President Trump is, though her corruption and cowardice is such that it would be impossible to predict how she might actually have performed in office. So far, the Democratic party has largely resisted efforts to purge members who supported TPP, fast-track negotiating authority for the president, and other pro-trade measures.

Worldwide, right-wing populist parties have challenged many center-right parties' commitment to free trade, while TPP (recently renamed) has found the support of center-left politicians such as Trudeau and New Zealand's Jacinda Ardern, a recent convert. The wider cause of free trade is championed by Europeanist Christian Democrats such as Angela Merkel and Jean-Claude Juncker. Ms. Merkel is a member of a center-right party, but there are few more reviled world figures for the populist Right; the feeling is mutual and, in fact, she just gave a speech at Davos denouncing their "poison." The American Right at the moment is not especially friendly toward (or even interested in) center-right figures with robust groundings in classical liberalism who remain reliable friends on the issue: Malcolm Turnbull in Australia, David Cameron in the United Kingdom. And where there are liberals (properly understood) on the left and liberals (properly understood) on the right, expanding and deepening global trade relations is a priority, trade being one of the surest means toward improving real standard of living of real people living in the real world.

The American Left has the same populism problem as the American Right, and those Democrats who are excited about Bernie Sanders or Elizabeth Warren are unlikely to rediscover the virtues of trade-friendly "New Democrats" on the Bill Clinton model, not that there are a great many of them. The enthusiasm for free trade remains a minority taste, the result of a classical case of dispersed benefits being overwhelmed by concentrated costs. (The ways in which free trade makes most of our lives better are less dramatic than the ways in which global competition makes some of us worse off, if only temporarily.) There probably is not a great cache of votes to be had from embracing free trade. But it is possible to detect in educated American progressives a desire to be where the Europeans are, where the Canadians are, where the British are, and not only on social-welfare issues such as medical benefits. Sneer at "Davos Man" all you like, but if the alternative is Steve Bannon . . .

Brink Lindsey some years ago suggested that the Democrats had an opportunity to attract what he called "libertarians," people who are culturally put off by Republican social priorities such

as restriction abortion and maintaining what Republicans often called, until sometime around last January, “family values.” Some Democrats, he wrote, “have sounded some libertarian themes by being simultaneously pro-choice and pro-gun rights. At the same time, however, their anti-NAFTA, Walmart-bashing economic populism is anathema to free-market supporters.” But Walmart no longer bestrides the U.S. economy, Colossus-like. Depending on what the markets are doing on any given weekday, the largest American companies are Apple, Alphabet, Microsoft, Amazon, Berkshire Hathaway, ExxonMobil, Johnson & Johnson, Facebook, JPMorgan Chase, and Wells Fargo. Half of those are technology companies with notably progressive corporate cultures. Berkshire Hathaway is run by a billionaire supporter of Barack Obama whose great public crusade is raising his own taxes. With the possible exception of ExxonMobil, none of those firms pushes progressive buttons the way Walmart does. And that matters: The cultural tone of American capitalism in the 21st century is not going to be set by a corporate dinosaur like ExxonMobil or the big banks. Capitalism isn’t what it used to be.

And neither is free trade. Once largely an Anglo-American project, free trade today is a European project, a Canadian project, an Asian project, and a pan-Pacific and trans-Atlantic project, too. It is, properly understood, a global humanitarian project. For the moment, the leaders of that project are people such as Trudeau, Merkel, and Shinzo Abe. And Michelle Bachelet, too: The remarkable fact is that Chile’s socialist president is more pro-trade than is the nominally Republican president of the United States of America.

There’s an opportunity here for Democrats, and one that isn’t limited to the specific question of trade. With the Republican party dominated by Trump-style populism and its harrumphing, nickel-and-dime, zero-sum approach to practically every public question, there is an opening for a party with an interest in reestablishing responsible American in global economic and diplomatic affairs, and to leave the Republicans grousing about whether the Belgians are two-tenths of a point short of their NATO funding commitments. “Leader of the Free World” is a heck of a job title. Maybe Justin Trudeau or Angela Merkel wants it. Narendra Modi surely does. Xi Jinping isn’t so hot on the “free” part, but he is happy to step into the vacuum left by the willful absenting of American leadership. What does Donald Trump want? To save Americans from excellent washing machines offered at reasonable prices.

Liberals used to understand the value of free trade — of liberalism, properly understood. When the current populist convulsion has run its course, they may discover that it retains some interest.