

# The Detroit News

## **Ford hypocritical on free trade**

By: Dan Ikenson – November 7, 2013

Ford Motor Co.'s chief lobbyist, Stephen Biegun, took to The Detroit News last week (Nov. 1, "Free trade should address all barriers") accusing Japan of manipulating its currency to gain an unfair competitive advantage and demanding that the Trans-Pacific Partnership agreement include an enforcement mechanism to rein in such abuse.

Accusing foreign competitors of unfair practices has long been a staple in Ford's — and the other Detroit automakers' — public relations strategy to get Washington to tilt the playing field to its advantage.

Oftentimes, there is nary a kernel of truth to these tales, and sometimes, such as the present, the assertion is hypocritical.

What Biegun calls "currency manipulation" is nothing more than the residual effects of a large-scale monetary expansion in Japan, which Federal Reserve Chairman Ben Bernanke characterized as nearly identical to the ongoing U.S. episode of quantitative easing.

In Bernanke's own words: "They're not manipulating their exchange rate, they're not directly trying to set their exchange rate at a given level. Japan is trying to expand its overall economy. ..."

Devising currency provisions is imprecise and subjective. Economists disagree widely on how to determine whether a currency is undervalued, let alone whether undervaluation is the product of a deliberate policy to secure a trade advantage.

And if Mr. Biegun thinks expansionary monetary policy with the goal of securing a trade advantage is evidence of intent, he should remember that it is the United States, not Japan, that has the National Export Initiative with its goal of doubling exports by 2014.

Currency provisions would kill the TPP negotiation, which appears to be the real aim of Ford and the other Detroit automakers.