



US President-elect Trump picks economist Peter Navarro to head new national trade council

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US President-elect Donald Trump on Wednesday picked Peter Navarro, an economist and a professor at University of California, Irvine, to head the newly-created National Trade Council at the White House, the latest move to reshape America's trade policy.

"The formation of the National Trade Council further demonstrates the President-elect's determination to make American manufacturing great again and to provide every American the opportunity to work in a decent job at a decent wage," Trump's transition team said in a statement, adding Navarro will develop trade policies that shrink US trade deficit and help stop the exodus of jobs to other countries.

"The National Trade Council will also lead the Buy America, Hire America program to ensure the President-elect's promise is fulfilled in government procurement and projects ranging from infrastructure to national defense," the transition team said.

It marked the first time that there would be a council within the White House focusing on American manufacturing and American workers, and it would work collaboratively with three other offices at the White House: the National Security Council, the National Economic Council, and the Domestic Policy Council, according to the transition team.

Trump had made trade as a centerpiece of his presidential campaign, trying to appeal to angry and frustrated blue-collar voters who have seen manufacturing jobs lose in an increasing global economy. He had vowed to renegotiate the North American Free Trade Agreement (NAFTA) and pull the United States out of the controversial Trans-Pacific Partnership (TPP) trade deal.

During the campaign, Navarro and Wilbur Ross, Trump's pick for commerce secretary, had worked together to help Trump develop the trade, regulatory and energy policy agenda, which focused on reducing US trade deficit and boosting manufacturing.

Wednesday's announcement sent a strong signal that Trump could carry out most of his trade policy promises on the campaign trail. But many economists have argued that the trade deficit is driven by macroeconomic variables and it's not a problem for the US economy.

"The United States balance of payments has shown trade deficits for 41 straight years-a period during which the size of the US economy tripled in real terms, real manufacturing value added quadrupled, and the number of jobs in the economy almost doubled," Daniel Ikenson, director of trade policy studies at the Cato Institute, wrote in a recent article, raising concerns that misguided views on the trade deficit could lead to protective trade policies.