



Trump eyes role of negotiator in chief

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Donald Trump is signaling that he will take a hands-on approach to trade policy, placing himself in the role of negotiator in chief.

The president-elect campaigned on his business acumen and his deal-making skills, promising voters he would bring jobs back to the United States. So far, Trump's personnel moves during the transition indicate he plans to fulfill his vow.

"I think he absolutely, from what we've seen, he's going to play a more visible role," one business source said.

Even before being sworn into office, Trump has sought to expand the number of White House officials working on trade policy.

He created a new office, the White House National Trade Council, to work on trade matters, elevating the importance of the issue.

Peter Navarro, a University of California, Irvine economics professor who has been a vocal and aggressive critic of China's economic policy, will lead the office.

Trump has also announced that his longtime business attorney, Jason Greenblatt, will serve as his special representative for international negotiations, giving him a trusted confidant in a position related to trade.

Greenblatt has experience negotiating "substantial, complex transactions," according to Trump.

In addition, Trump has nominated Wilbur Ross, a longtime business associate, to be secretary of Commerce, and signaled that Ross will be given a more active role on trade than that of his predecessors.

Finally, Trump has nominated Robert Lighthizer for U.S. Trade Representative, putting a prominent attorney who logged government trade experience in the 1980s into a central role.

Under President Ronald Reagan, Lighthizer battled with Japan over tariffs and broader trade policy. He is known for his hard-nosed approach to negotiations, a trait that is likely to sync up nicely with his new boss.

But in the end, it is Trump himself who will be the most crucial player on trade.

Michael D'Antonio, the author of "Never Enough," a 2015 book about Trump's pursuit of success, said the president-elect "likes to be the face of the business." He predicted that would continue once he is in the White House.

"Trump can evaluate the person on the other side of the table and he has enormous confidence to win a deal on the assessment that he makes," D'Antonio said.

Trump is known to be forthright about what he wants during negotiations and to pit key people against each other to gain the upper hand.

When dealing with officials in Scotland over his golf course near Aberdeen, for example, D'Antonio said Trump was "very good at boxing in local politicians with promises of jobs and development."

"He knows how to seduce the other side with the notion of getting something in return," D'Antonio said.

One business source said that Trump's willingness to hold negotiations open until he gets what he wants "could really change the dynamic on trade negotiations in a way that give the U.S. a much stronger hand."

At his press conference this week, Trump reiterated his desire to improve U.S. trade agreements.

"I want to bring the greatest people into government, because we're way behind," Trump said.

"We don't make good deals any more. I say it all the time in speeches. We don't make good deals anymore; we make bad deals," he said.

"Our trade deals are a disaster. We have hundreds of billions of dollars of losses on a yearly basis — hundreds of billions with China on trade and trade imbalance, with Japan, with Mexico, with just about everybody. We don't make good deals anymore."

In a 2013 tweet, Trump wrote: "Remember the golden rule of negotiating: He who has the gold makes the rules."

During the campaign, Trump heaped scorn on the Obama administration and elected officials in general, suggesting they have struck "bad deals" that have hurt the country.

He has promised to withdraw the United States from the Trans-Pacific Partnership on his first day in office, renegotiate the North American Free Trade Agreement (NAFTA) with Mexico and Canada and levy higher tariffs on U.S. firms that move their operations overseas and sell their products here.

Simon Lester, a trade policy analyst with the Cato Institute, said that "maybe by trying to get tougher, [Trump] gets some things other people don't get."

One clue to Trump's likely approach to trade is the looming negotiation with Mexico over NAFTA.

Trump has suggested that Mexico will reimburse the United States for a wall on the southern border — and that the renegotiation of NAFTA will leave them with little choice.

While the use of the wall as leverage in negotiations has been criticized, it's the kind of hardball approach that has long been used in the corporate boardrooms where Trump made his fortune.

"This is kind of a Madison Avenue approach to trade," said Ed Gerwin, senior fellow for trade and global opportunity at the Progressive Policy Institute.

Caroline Freund, a senior fellow at the Peterson Institute, said "there is a scenario where Trump's strategy is effective."

"By threatening to blow up the trade system — but not actually doing so — he is able to extract deeper concessions from China, Mexico and other trade partners. The threat has to be credible for this to work. Trump's extreme unpredictability may help achieve that," Freund said.

But Freund cautioned that, for Trump's hardball tactics to work, "the demands must be well thought out and clearly communicated."

"Unfortunately, the narrative here has been vague and the focus on bilateral trade deficits is misplaced."

D'Antonio compared Trump to former General Electric CEO Jack Welch, who made tough statements and in turn "instilled a certain feeling" across his company and the marketplace.

"Trump probably understands that if can create a certain belief then the negotiation is almost over," D'Antonio said.

"He's playing the game before the game begins; it can work, it has worked for others."