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A. Barton Hinkle column: Donald Trump's prescription for impoverishing America

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Among the endless injuries Donald Trump has inflicted upon the country, few might do more lasting damage than leading so many Republicans to abandon their commitment to free trade. Millions of people could end up poorer because of it.

“We are in the NAFTA (worst trade deal ever made) renegotiation process with Mexico & Canada,” the president tweeted while Houston was drowning. “Both being very difficult, may have to terminate?”

The awfulness of NAFTA is a refrain for the administration; not long ago the U.S. trade representative, Robert E. Lighthizer, claimed “at least 700,000 Americans have lost their jobs due to changing trade flows resulting from NAFTA. Many people believe that the number is much, much bigger than that.”

Many people do indeed. Many people also believe the moon landing was fake, George W. Bush knew about 9/11 before it happened, and Barack Obama is really Muslim. Many people are often full of it, as is Lighthizer.

The statistic comes from Department of Labor figures for job displacement as the result of trade. But as The Washington Post’s fact-checker Glen Kessler recently explained, some of those job losses had nothing to do with trade. For instance: “A sawmill in Port Gamble, Wash., closed because its timber supply dwindled from efforts to save the spotted owl, so company officials were ‘dumbfounded’ when the Labor Department certified every laid-off worker as a victim of NAFTA. ‘If anyone can find some legitimate connection to NAFTA in this, I’d sure like to see it,’ a former manager said.”

What’s more, the jobs-lost figure looks at only one side of the ledger. It ignores any jobs that NAFTA created: at least 1.8 million, for a net gain of more than 1 million jobs.

That should come as no surprise. Yet far too many people think erecting trade barriers is good for the economy.

The flaw in such reasoning should be intuitively obvious. If Americans prosper more when trade with Mexico and China is cut off, then Virginians should likewise prosper if they trade less with people in North Carolina and California. For that matter, Richmonders could improve their standard of living by ceasing trade with people in Chesterfield and Fairfax. And you, gentle reader, should grow fantastically rich if you stop buying and selling things altogether.

For those who doubt intuition, The Cato Institute's Scott Lincicome has done the homework. His new paper, "[Doomed to Repeat It](#)," reviews the academic literature concerning major trade policies of the past seven decades. The findings, he says, are "unequivocal: U.S. protectionism not only produced far higher total economic costs than benefits but also, more often than not, failed even to achieve its intended objective."

Out of all the various industries that won some type of trade protection, there has been "only one instance — the bicycle industry — in which protectionist measures apparently resuscitated the industry in question." On the other hand, protectionism has inflicted huge costs. A 1985 study by the New York Federal Reserve, for instance, concluded that "the effective price increases on clothing, sugar, and automobiles caused by ... import restraints were conservatively calculated as generating the equivalent of a 23 percent 'income tax surcharge' for the lowest-income ... American families."

Protections for the glassware industry have cost consumers \$468,000 per job saved. For orange juice, \$561,000 per job; and for bolts and screws, \$1.3 million per job.

A couple of months ago *The Washington Post* published an [astonishing chart](#) depicting the income gains and losses for every income group across the globe between 1988 and 2008. It showed that every group — every single one — had higher income, in real terms, than it did two decades before. This is not what the popular press often leads people to conclude, to put it mildly.

And no wonder: The accompanying article, on trade globalization, treats the progress as a contest between "winners" and "losers." In its telling, the losers consisted of the richest 75th to 90th percentiles, whose real-income gains are smaller, *in percentage terms*, than the gains of those less fortunate. Because middle-class Westerners saw only a small *percentage* gain in their standard of living, they supposedly lost out to people in the Third World whose lives improved more rapidly.

But as Chelsea Follett of humanprogress.org [points out](#), it's far easier to go from abject poverty to mere subsistence than it is to go from well-off to immensely rich. So we should not be dismayed that Chinese incomes are rising faster than ours, when America's GDP per capita is \$52,704 and China's is just \$8,104.

Besides: Without trade, nobody's income would be rising at all. Donald Trump might pretend otherwise for public consumption. But as a private businessman who sold products [made in 12 foreign countries](#), from China and Mexico to Bangladesh and Vietnam, he knows better on some level. Even if he won't admit it.