

Cato Scholar: Lawmakers Foreign Trade Focus Misplaced

Monday, 26 Sep 2011 05:12 AM

By Greg MdDonald

The nation's lawmakers place too much emphasis on breaking down foreign barriers to U.S. trade when they should be correcting policies at home that restrict the nation's ability to compete in the global market, says the Cato Institute's Daniel J. Ikenson.

"The incessant focus of politicians on fixing the policies and practices of foreign governments, as though they were the primary impediments to U.S. business success at home and abroad, is a diversion that should no longer be tolerated," Ikenson wrote in a recent posting on the <u>Cato website</u>.

"It gives the appearance that our elected officials are earnestly seeking appropriate solutions, while further obscuring the real solutions," he said. "Meanwhile, it protects incumbents from having to make substantive, consequential choices."

Ikenson, associate director of Cato's Herbert A. Stiefel Center for Trade Policy Studies, expanded on his comments in written testimony submitted to a hearing last week before the congressional Joint Economic Committee.

He told the committee it was "myopic and, frankly, irresponsible" for lawmakers to presume that "the major impediments to the success of U.S. firms are foreign born."

To the contrary, they reside at home, he said, in the form of subtle protectionist policies, regulations, tariffs, and other impediments that make it difficult for many businesses to operate in the United States, much less compete on a world stage.

Ikenson went on to suggest that the United States is lagging behind other countries already making changes and reforms to their own domestic policies that address not only trade regulations, but other areas important to job growth and commerce like infrastructure, education, and immigration.

"The decisions made now . . . will determine the health, competitiveness, and relative significance of the U.S. economy in the decades ahead," he said.

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