

Trump's anti-trade troops are already marching America backwards from greatness

Terence Corcoran

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As the Trump administration rips into the Trans-Pacific trade partnership and NAFTA, guess who seems set for a co-starring role in “Make America Great Again”? There he is, with just a cameo so far, walking through incoming U.S. Commerce Secretary Wilbur Ross’s written statement to the U.S. Senate Committee reviewing his nomination. “While I have worked with many people across many lands, the thing I’m proudest about in my whole career is working with Leo Gerard, the President of the United Steelworkers of America and other unions in saving the American steel industry.”

That’s some praise for Leo Gerard — the Canadian head of the U.S. steelworkers union, anti-dumping campaigner, steel industry protectionist, the man who led “Buy America” activism to the point where unionized Canadian steelworkers even campaigned against the Harper government’s attempt to stop Buy America policies from hurting Canadian steel firms. The same Leo Gerard who, behind trade barriers, helped plunge the U.S. and Canadian steel industry into assorted crises over almost three decades.

Is this the end of free trade in America? Certainly the words are foreign to Leo Gerard and Wilbur Ross. Ross talked of “our standards of fair trade” and “sensible trade” and “not trade that is detrimental to the American worker.” The corporate turnaround artist who, over the years, has benefitted immensely from assorted U.S. protectionist measures, including massive anti-dumping and countervailing duties to protect Leo Gerard’s steel workers, now seems to want to bring the same model to the U.S. economy as a whole.

So does President Trump, whose inaugural promises sounded like a Gerard plea for new government policy. “Every decision on trade, on taxes, on immigration, on foreign affairs will be made to benefit American workers and American families,” said Trump. “We will follow two simple rules: buy American and hire American.”

Such nationalistic America First policies can only have one outcome. Take the U.S. steel industry’s protection rackets as an example. The Cato Institute’s Daniel Pearson recently wrote that American steel producers “have been so successful with this strategy that the effective level of steel import protection today is higher than at any time since the Smoot-Hawley Tariff Act of 1930 was being unwound. The United States has become, in essence, a high-priced island in an ocean of low-priced steel.”

Along with Gerard-loving Wilbur Ross, Trump has surrounded himself with other anti-free-trade activists, including academic Peter Navarro as head of a new White House National Trade Council. Navarro, a University of California business professor, is author of two China-baiting books, including *Death By China*. For a taste of what *Death by China* is about, here's the blurb from Amazon: "The world's most populous nation and soon-to-be largest economy is rapidly turning into the planet's most efficient assassin. Unscrupulous Chinese entrepreneurs are flooding world markets with lethal products. China's perverse form of capitalism combines illegal mercantilist and protectionist weapons to pick off American industries, job by job."

The third anti-free-trader is Richard Lighthizer, Trump's choice for U.S. trade representative. As chief deal negotiator, Lighthizer will be the man at the other end of the Trudeau government's talks with the United States over a replacement for NAFTA.

So we have a troika of Buy America First protectionists — Ross, Navarro and Lighthizer — surrounding a president who already has demonstrated a deep ignorance of free trade. With his America First policy, Trump threatens to drag America and the rest of the world backward to the 18th century, to the very year America was founded. In 1776, Adam Smith wrote: "It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy. ... If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage."

Trump is marching America backward, based on his own ignorance of the working of international trade. He has clearly been following the ideas of others, such as Navarro, whose work on China and trade has been described by *The Economist* as "dodgy," and as "misguided" and "dangerous" by others.

Lost in the great Trump march backward is the great forward idea offered decades ago by Milton Friedman, the Nobel economist whose description of the benefits of free trade reveal the pathetic ignorance buried within the Trump trade agenda.

In one of his best-selling books, *Free to Choose*, Friedman declared in 1979 what Trump now pretends is no longer true. "We are a great nation," wrote Friedman. And free trade, unilateral free trade, is the route a great nation should take if it wants to liberate its own people and the people of the world.

Friedman's description of functioning free trade (outlined [in a book excerpt elsewhere](#) today in FP Comment), lays bare the numerous fallacies buried in the Trump/Ross/Navarro/Lighthizer view of international trade. Their message is a false message that imports are bad for U.S. jobs and workers. It is a con job for which Americans — and possibly Canadians — could pay dearly to discover that the premises are false.

To make America great, make it a free-trade nation.