Trump Says He's a Free-Trader at Heart. He Isn't Acting Like It.

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Nearly lost in the uproar surrounding an intensifying trade war and a series of tiffs with longstanding American allies was President Trump's startling suggestion last month that he's really a free-trader at heart.

"You want a tariff-free, you want no barriers, and you want no subsidies, because you have some cases where countries are subsidizing industries, and that's not fair," he said at the Group of 7 meeting in Quebec. "So you go tariff-free, you go barrier-free, you go subsidy-free. That's the way you learned at the Wharton School of finance. I mean, that would be the ultimate thing."

But he also lamented that the United States is "a piggy bank everybody is robbing," spurned the G-7's joint communiqué that rejected protectionism, and is imposing tariffs on $34 billion of Chinese exports, all signs that he's actually moving in the opposite direction.

But let's take his statement at face value.

"If Trump is serious about zero tariffs, then let's make it part of the agenda," said Edwin J. Feulner, founder and former president of the conservative Heritage Foundation. "I'd be all for it."

Mr. Trump is correct that economists at Wharton, and at just about every other reputable business school, teach the virtues of free trade. It is one of the few propositions that unites economists across the political spectrum. (Its opponents are also odd allies: the populist, nationalist right and the anti-free-market left.)

"If President Trump would seriously say we want a comprehensive agreement reducing trade barriers among the G-7, there would be a lot of support for that," said Joshua Meltzer, a senior fellow and specialist in international trade at the nonpartisan Brookings Institution.

While free trade can cause short-term disruption to specific industries, in the longer term it redeploys capital and labor to their most productive uses, which benefits consumers, workers and investors.

Economists are nearly unanimous that trade between nations isn't a "war" in the sense that one country wins and another loses. "Every president since F.D.R. has acknowledged that free trade is a win-win," said Daniel J. Ikenson, director of the center for trade policy studies at the libertarian Cato Institute. "But President Trump sees it as a zero-sum game with the trade deficit the scorecard. That's an absurd approach."

Even if it is seen as a zero-sum game, the United States would come out substantially ahead in a zero-tariff world. That is because, on average, its tariffs are lower than those of its major trading partners — so it would be a net winner if all tariffs vanished.

Still, Mr. Trump hasn't acknowledged that many United States industries — not just foreign ones — benefit from tariffs. The reason Detroit's Big Three automakers still sell so many trucks in the United States, and at such high profit margins, is in large part thanks to an existing 25 percent tariff on imports.

The United States also has relatively high tariffs on imported food, clothing and building materials, and it maintains large agricultural subsidies. Eliminating those barriers would benefit American consumers, but at the expense of those favored industries. "It's basically the most regressive tax imaginable," Mr. Ikenson said of the American tariffs. "They hit food, clothing and shelter."

Larry Kudlow, Mr. Trump's chief economic adviser and a longtime free-trade advocate, has said Mr. Trump's commitment to lower trade barriers is real. The tariff threats, according to Mr. Kudlow, are just a means to that end, a "wake-up" call to America's trading partners who have long gamed the system to their advantage.

If so, that approach has yet to show any results, while drawing fire from economists of all political stripes. "Using tariffs as a bargaining chip makes no sense," Mr. Ikenson said. "They're just a tax on the consumer. They invite retaliation."

That Mr. Trump is simultaneously threatening all of our major trading partners is also puzzling. "I was always taught that if you spread yourself over a dozen fronts, you end up losing on all of them," Mr. Feulner said. "Why not go after China first, and then turn to whoever you think is the next troublemaker? We've caused them all to band together."

Mr. Meltzer agreed. "Why wage war on everyone at once? It shows a complete lack of strategy," he said. "This administration didn't have the faintest notion of how other countries would react and wasn't prepared for it. Trump thought the U.S. was big enough that it could bully people. That has proved manifestly wrong."

If anything, foreign leaders like Canada's Justin Trudeau and Germany's Angela Merkel have gained political stature by standing up to Mr. Trump's threats.

Many free trade supporters have argued that the United States should take the opposite approach and unilaterally lower its own barriers to lead by example. "If we did it, others would follow suit," Mr. Ikenson said.

There's been talk in Britain about such an approach after Brexit. Other economies, notably Australia, New Zealand, Chile, Hong Kong and Singapore, have done so with great success. "I'd love to see us do it unilaterally," said Mr. Feulner, while acknowledging that Mr. Trump's rhetoric makes the prospect highly unlikely.

Short of that, Mr. Trump could negotiate some bilateral free trade agreements as an incentive to other countries, a carrot in addition to the stick of tariffs. Mr. Feulner said both Switzerland and Taiwan have expressed willingness to reach such agreements, which Mr. Trump could simultaneously hail as victories in the trade war and point to as examples for the European Union and China.

For now, "it feels like we're a million miles from negotiating a productive trade deal with any country, let alone the G-7," Mr. Meltzer said. "No country ever launches a trade negotiation if there's a good chance of failure. It takes enormous amounts of preparatory work, as well as good will and a sense of trust in each other. Trump has none of that."