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Stuart S. Malawer: On the importance of international trade in the era of Trump.



The Mesabi Miner ore ship sails under the Ambassador Bridge in Detroit. The relatively free movement of goods and services around the world has historically increased prosperity at home and abroad.

BY STUART MALAWER

The founding of the Virginia colony in the New World by the Virginia Company reflected the British Empire's notion that enlightenment would come through trade. By the post-World War II era, this notion was unequivocally adopted by U.S. policymakers.

This belief in the linkage between trade and the spread of liberal values has been the cornerstone of U.S. foreign policy for more than 75 years. It was the underpinning of the U.S. architecture of an international trade and investment rules-based system that has evolved since the adoption of the Bretton Woods system, the GATT and subsequently, by the World Trade Organization (WTO). It resulted in historical U.S. and global economic growth and the spread of liberal democracy.

Now what?

The election of Donald Trump as a protectionist president proclaiming "America First" jeopardizes this post-war historical development of a firmly grounded international political system. State, national, and international economic development is at stake at well.

The recent failure of the Trans-Pacific Partnership (TPP) to even come up for a vote in Congress not only impairs the economic leadership of the U.S., but also the national security and foreign policy of the U.S. in Asia and the larger global system. This provides openings for other countries, namely China, to compete more effectively geopolitically and economically against the U.S. It puts U.S. firms and industries at risk.

The incomprehensible failure of U.S. domestic policy during the past eight years was marked by the country's failure to provide effective legislation and policies directly aimed at those left behind in this new era of hyper-globalization.

Yes, that was a terrible blunder. Instead of focusing on interest rates day after day, the Congress and the president should have specifically targeted jobs. Too bad. We can't go back. No, we can't have a do-over.

Many other countries are facing this same failure, including the United Kingdom, France and Turkey, among others. This is what has been called the rise of populist nationalism. It led to nothing good in the 1930s, when it was nurtured by unemployment, persecution of numerous populations, protectionism, and extreme nationalism.

The challenge now is for the U.S. to put in place immediately a broad range of domestic policies regarding trade adjustment assistance, public and private reinvestment in infrastructure, and global tax reform to recapture the billions of offshore dollars being hoarded by U.S. multinationals.

Walking away from the TPP, withdrawing from NAFTA and from leadership in the global trading system are not good trade or geostrategic policies.

It's certainly not too late to start over.

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