Letter

Letter: US and allied trade policy needs leadership, not retrenchment

From Andrea Durkin and others



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YESTERDAY

In her May 27 opinion "Trade must transform its role in the social contract", Katherine Tai, US trade representative (USTR), paints a grim portrait of the global trading system. This however ignores the 41mn US workers and 6.5mn UK workers, as well as all the consumers in the US and UK whose payslips and spending power depend on trade. Trade is linked with higher paying jobs, increased living standards, upward mobility and reduced inflation, benefiting both workers and consumers at home and globally.

Forward-looking trade policy and agreements play a vital role in promoting supply chain resilience and security through engagement with allies. President Joe Biden has affirmed that "America's alliances are our greatest asset" and has further stated that "if we don't write the global rules of the road for trade, cyber, [and] . . . climate change, they may be written by China or other nations that don't share our values."

For example, the Biden administration has stressed US-Allied exchange of knowledge and information to "realise the benefits of data free flows with trust based on our shared values as like-minded, democratic, open and outward looking partners". USTR's contrary positions have raised alarms among US allies, academics, civil society, think-tanks, human rights advocates, cyber security and national security experts, small businesses, economy-wide and sectoral associations, and business groups representing thousands of companies and millions of US workers. Back in November 2023 a third of all US Senators warned that "USTR has not only turned its back on our democratic allies . . . but it has also empowered authoritarian regimes like China and Russia, who are eager to fill the void."

A better approach can be found in the 1941 Atlantic Charter, which emphasises the principle of non-discriminatory “access, on equal terms, to . . . trade”, as well as the 2021 New Atlantic Charter, which contains a call “to open new markets; to promote the development and deployment of new standards and technologies to support democratic values; to continue to invest in research into the biggest challenges facing the world; and to foster sustainable global development”.

A visionary, confident, and proactive trade agenda is a vital tool in tackling shared global challenges; achieving strength through diverse sources of inputs and information; and promoting democratic values.

Now is the time for strong US and allied economic leadership — not for retrenchment.

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