

FEATURE

We need a plan, not trade war

Here's what we should have instead of a trade war



By [Linette Lopez](#)

Excerpted from <http://www.businessinsider.com/we-should-have-a-plan-instead-of-a-trade-war-2018-5>

Opinion

- **Instead of a trade war we should have a plan to boost our economy.**
- **I'm not talking about tax cuts that create miracle growth. I'm talking about actual goals that we set and meet that will help us domestically.**
- **We will not advance the US economy by trying to hurt the rest of the world's. That's just stupid.**

Here's what we should have instead of a trade war — a plan. We should have a plan for the US economy.

I'm not talking about some kind of socialist quota-based system, I'm talking about a reasonable set of goals and ways to achieve them.

...

Instead of coming up with a plan to enrich the United States and advance its economy, this administration thinks that if it punishes the rest of the world, the US will somehow come out unscathed and on top. This is silly on its face since other countries can retaliate, but

even worse since it's taking up valuable time that we could be using to come up with an actual plan.

And as [I've written before](#), we desperately need one. America has been living off short-term thinking for too long.

- We do not have a real plan for [healthcare](#), and [costs continue to gobble up American wages](#).
- We do not have a plan for dealing with globalization and economic change, but that change continues to shape our economy.
- We do not have a plan to update our decrepit infrastructure.
- The one plan we did have — the Federal Reserve's post-financial crisis program — is being unwound, marking the end of the last clear, executable plan to bolster America's economy.

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Sick of whiners

There seem to be two main thrusts for every Trump administration argument about trade. The first is that we need tariffs to aid in the resurgence of American manufacturing, and second we need to force countries to treat the US "fairly," especially China.



The first argument has us putting steel and aluminum tariffs on our friends and allies (the European Union, Canada, and Mexico). No matter that the [last time the Bush administration](#) put a tariff on steel it lasted all of 30 months and when all was said and done, the Institute for International Economics (IIE) estimated that as many as 26,000 jobs were lost in steel-using industries (like the auto industry, for example).

In other words, it was no magic bullet for the steel industry. All it did was make the United States look like a bunch of whiners who can't solve their own problems.

[According to the Financial Times](#), EU officials were planning tariffs on everything from orange juice to whiskey to dairy, if the tariffs are enacted against them. In 2002, threats like that were enough to get Bush to back down, luckily.

"The proposed cure is worse than the disease," Lee Branstetter said of these tariffs when Business Insider caught up with him a few

months [ago](#), adding that it's "quite likely" US allies and rivals would retaliate.

"The WTO will give them a right to inflict equal pain on other industries," he said.

What's more, we're whiners who invoke national security for every little problem. This too has consequences. It could "set a precedent that anyone, especially the Chinese, can use against us," Branstetter said.

No Planistan

Speaking of the Chinese — who Trump feels have treated the United States more unfairly than any other nation — they have a plan. It's called the "Made in China 2025 Plan," and it's basically a plan to conquer technological space. It's why China's been doing things like quietly buying [US "crown jewel" tech companies](#).

And we, stupidly, have been letting them. Perhaps because we didn't have any respect for plans (though [we're working on that](#)).

The United States used to be better at this, especially in the technological space. Back during the Reagan administration we used technological planning to out maneuver the USSR. Part of that was a [Department of Defense project called Project Socrates](#), it was directed by a then 30-something physicist named Michael Sekora. Reagan moved to make the project a government agency, but President H.W. Bush shut it down.

To Sekora, the way the Trump administration — and in fact most people in corporate America — look at technology is inherently flawed. They look at it as one off products or companies, when in fact it's an entire space.

"We have [cell phones](#), [laptop computers](#), smart watches, etc. as individual products," Sekora explained to [Business Insider](#) over email. "And people think in terms of the impact of these individual products. [They think] if the Chinese gain a technology the impact is they can produce these individual, separate products. MBAs are taught to put products in small little silos which they can then address as neat little [packages](#).

"They don't think of technologies as nodes in the technology space, which is the foundation of all competitive advantage... The nodes give the Chinese more ability to maneuver in tech space to increase and maintain the competitive advantage via excelling at satisfying various customer needs through a variety of various products and services (interconnected in tech space) that will come and go over time."

In other words, China is looking at the entire rink and skating to where the puck is going to be and we...

"While we are 'playing hard ball' with the finance [tariffs]. China continues to out maneuver us in the technology space that fully dictates the finances," Sekora said.

We aren't thinking hard enough. We aren't thinking long-term enough. We're not looking forward, we're desperately trying to reshape a past that's already gone. It's a losing strategy.

We need a real plan.