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James Gill: Why did Louisiana want a protectionist president?

BY JAMES GILL FEB 9, 2017 - 6:00 AM



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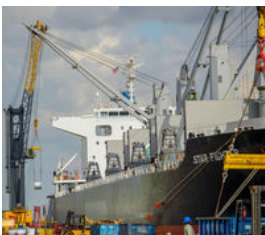
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Ships including the Marigoula and Star Fighter unload cargo at the Port of New Orleans near the Louisiana Ave. Wharf in New Orleans, La. Thursday, Feb. 2, 2017.

It was international trade that made New Orleans Queen of the South before the Civil War, and, while that glorious dominance may never be regained, international trade remains key to a prosperous future all along the Lower Mississippi.

This is the last place on earth with any reason to elect a protectionist president, but there was never any question that Donald Trump would carry Louisiana. Given the alternative, what were we supposed to do? Where Hillary Clinton stood on free trade was, by the end of the campaign, a mystery.

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Not so with Trump, whose next move on the economy is awaited with some trepidation in the ports that stretch from New Orleans to Baton Rouge. So far Trump has been as good as his protectionist word, presaging a slump in both imports and exports. As Caitlin Cain, CEO of the World Trade Center in New Orleans put it, "Trade and keeping trade open and expansive is incredibly important to Louisiana in particular since trade is the bedrock of our community."

It always was. "This levee is the grandest quay in the world. Tyre, nor Carthage, Alexandria nor Genoa, those afore time metropolises of merchant princes boasted no quay like the levee of New Orleans," according to J.H. Ingraham's "The Sunny South," published in 1860.

Today the ports of New Orleans, South Louisiana and Baton Rouge handle vast cargoes, employ huge numbers and contribute mightily to the tax coffers. That the trade barriers advocated by Trump are a disaster for us is obvious, but the entire country stands to lose big-time from Trump's policies. Whether they spring from a failure to grasp basic economic principles, or populist expediency, it seems unlikely that he will suddenly see the light.

He is, after all, hardly alone in clinging to the belief that government serves the national interest by propping up uncompetitive industries. Protectionism is like creationism – a shibboleth that would not have survived the 19th century in a rational society, but continues to attract fierce adherents.

Trump continues to hearten his supporters, and horrify everyone else, by moving swiftly to implement his campaign pledges. Thus he wasted no time ditching the Trans Pacific Partnership, a trade agreement then-President Barack Obama signed to eliminate 18,000 tariffs imposed on American goods by 11 countries.

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That partnership never got off the ground anyway. The World Trade Center was all for it, because it would have opened up Asian markets for Louisiana farmers, but it was blocked by Congress, in large measure, perhaps, because it had Obama's name on it.

But, if we won't miss the TPP, it's a different story with the North American Free Trade Agreement, which has been in effect since 1994, proving an economic boon for us, for Mexico and Canada. Trump, however, believes that NAFTA has been a "catastrophe for our country."

That is a view widely shared in, say, the rust belt. There is no doubt that trade deals produce the greatest good for the greatest number, and reduce the prices paid by American consumers, but workers who lose their jobs when factories move overseas can hardly be expected to take the broader view. There might be a case for more generous government assistance to the displaced.

But artificially sustaining jobs in, say, Ohio, bleeds money from the economy that could have been put to more productive purposes. Overall, tariffs depress trade, kill jobs and hurt the countries that impose them as well as their targets. This is generally regarded as axiomatic, particularly in regions such as ours

Of all the metropolitan areas in the country, Baton Rouge, according to the Brookings Institution, is the most dependent on exports, which account for 25 percent of its gross domestic product. The largest element of the complex along the Lower Mississippi, the Port of New Orleans, accounts 160,500 jobs and generates \$800 million a year in state taxes, according to its website.

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Any move by Trump to dismantle NAFTA would have “significant ramifications” in Louisiana, state Economic Development Secretary Don Pierson says. Trade within the bloc accounts to \$800 billion a year,

Trump detractors are demonstrating in the streets a lot these days, and there is even a secessionist movement in California. Experience will not encourage Louisiana to follow suit. We were doing fine until we tried that.

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