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Supporters urged to educate public, Congress, Trump administration about trade's importance

BY TED GRIGGS | TGRIGGS@THEADVOCATE.COM MAY 9, 2017 - 11:22 AM



Grain sits in trucks at the grain elevator at the Port of Greater Baton Rouge. Gov. John Bel Edwards, who made an unscheduled appearance at the summit, said trade is critical to the state's economy. Among other things, 60 percent of the nation's grain passes through Louisiana ports, Gov. John Bel Edwards said Tuesday, stressing the importance of trade to the state.

Ted Griggs

Much of the United States' stance on trade remains uncertain, but the Trump administration is listening and trying to figure out the complexities involved, Louisiana Economic Development Secretary Don Pierson said Tuesday.

"The reflection of the Trump administration is a deal-making administration, and they're going to make smart deals ... at the end of the day. That's where they're headed," Pierson said. "Now getting there, that's going to be a very, very challenging process along the way."

Pierson was part of a panel at the state's first Future of Trade Summit. About 100 people attended.

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One of the major complexities involving trade is that globally, national economies are so intertwined. In Mobile, Alabama, AirBus is putting together jets with parts imported from all over the world. In Jackson, Mississippi, Nissan is doing the same with automobiles. New Orleans, where the Orion deep-space exploration craft is being assembled, is part of a Gulf Coast aerospace push.

"If you start to impact trade policies in a very negative way, you can quickly cut into a lot of the manufacturing jobs that are very important to our economy," Pierson said.

Pierson and other panel members said economic development officials, business groups and companies that export need to educate the Trump administration, the public and workers about why trade is important.

Gov. John Bel Edwards, who made an unscheduled appearance at the summit, said trade is critical to the state's economy. Among other things, 60 percent of the nation's grain passes through Louisiana ports.

"One of the things that concerns me most is we are blaming free trade for the demise of manufacturing," he said. "Well, if you don't diagnose the problem right, you're never going to fix it. I will tell you that it has *way more* to do with technology and robotics than it does with trade."

Some believe that stopping free trade will resurrect the country's manufacturing sector, Edwards said, but that path will kill both trade and manufacturing.

Meanwhile, Thomas H. Hudson, president of G2 LNG, said there are a number of reasons the United States, and Louisiana, are poised to dominate the export market for liquefied natural gas.

The U.S. has an abundant and steady supply of low-priced natural gas. Louisiana has more than \$88 billion in LNG projects planned, under construction or operating.

Although the country hasn't made a decision on global warming, the rest of the world has, Hudson said. That's good for natural gas, which has become a major tool for the country to achieve its economic, national security and diplomatic goals.

"Natural gas supports energy security throughout the globe. Natural gas tips the balance of trade in the U.S.'s favor," Hudson said.

Edward T. Hayes, a partner in Leake & AndersonLLP, said that educating people about trade's importance is critical.

"The Siemens of the world, the chambers of the world, even the Don Piersons of the world and his colleagues in various states need to get the message out about how important it is," Hayes said.

The other side of that argument, which the Trump administration has latched onto, is the people who have been harmed by trade agreements, Hayes said. The U.S. has never looked at that in a coherent way.

For example, Louisiana's seafood industry has been crushed by imports, whether those imports were illegal or a normal part of business, he said. Either way, it's happened.

The administration and Congress should work with the industries harmed by imports and offer some avenue other than filing a costly anti-dumping case with a 50-50 shot at success, he said. If that happens, the tide of anti-trade sentiment will be stemmed, and the trade agreements can be modernized.

"Having a conversation about trade is way overdue. It's just a matter of getting it right," he said.

Hayes said one thing that should help will be the Trump administration fully assembling its trade team, which now doesn't include the U.S. trade representative. Once those pieces are in place it's hoped that there will be a little more continuity and predictability about trade policies.