Unlikely Allies in the Fight Against Free Trade

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They met in the 1990s, at an event about the North American Free Trade Agreement, where they were the only people arguing against it. He was a conservative trade lawyer who filed anti-dumping cases on behalf of American steel companies and predicted that the treaty would hurt American jobs. (It did.) She was a liberal activist with a consumer advocacy organization who planned protests featuring giant puppets. Her worry was that NAFTA's rules would hurt working people and override U.S. legal standards on food safety and the environment. (They did.)

These two had something else in common: Both had grown up in Midwestern towns that suffered when manufacturing moved overseas. She hailed from Wausau, Wis., where her family had run a scrapyard. He grew up in Ashtabula, Ohio, and his father put himself through college by working in a steel mill. After that first meeting, they kept in touch, swapping notes on how to throw sand in the gears of a free trade machine that seemed unstoppable.

Thirty years later, this unlikely friendship — between Bob Lighthizer, Donald Trump's U.S. trade representative, and Lori Wallach, the director of the ReThink Trade program at the American Economic Liberties Project, a nonprofit research and advocacy group — continues. And it played a role in bringing about one of the biggest shifts in U.S. trade policy in decades: the astonishing reversal of U.S. support for the international trading system that American officials had long championed.



Jason Andrew for The New York Times



Gesi Schilling for The New York Times

Mr. Lighthizer is best known as the implementer of Mr. Trump's agenda of economic populism. He renegotiated NAFTA, slapped tariffs on China and put the World Trade Organization's appeals court on ice by refusing to nominate new judges. What is less well known is that he did all that

with the help of Ms. Wallach and other progressive Democrats, who proved to be some of his most reliable allies — over the howling objections of corporate-oriented Republicans. In the acknowledgments of his book "No Trade Is Free," Mr. Lighthizer singled out Ms. Wallach as "a longtime friend and co-conspirator."

His policies were hated by Wall Street, but they <u>are popular with many ordinary Americans</u>, which is one reason that the Biden administration has not rolled them back and in some cases has <u>even expanded them</u>. Like Mr. Lighthizer, Mr. Biden's U.S. trade representative, Katherine Tai, speaks of trade policies that should be <u>centered on the needs of American workers</u>, not multinational corporations.

Neither progressives nor Republicans are eager to talk about the success of this alliance. It's awkward in an election year, especially for those, including Ms. Wallach, who are understandably more focused on Mr. Trump's pledge to be a dictator on Day 1 than his attitude toward commerce. But it also illuminates something the Trump administration got right and why this part of its agenda has endured, despite the chaos and polarizing behavior of Mr. Trump.

Mr. Lighthizer and Ms. Wallach were free-trade skeptics before it was cool. In the early 1990s, they lobbied against the creation of the World Trade Organization and against China's admission to it. In 1997, Mr. Lighthizer <u>warned</u> that "if China is allowed to join the W.T.O. on the lenient terms that it has long been demanding, virtually no manufacturing job in this country will be safe."

They came to their skepticism because of a deep concern that, left unchecked, free trade would sacrifice the economic well-being of working-class Americans at the altar of corporate profits. Trade deals were hammered out by people who cared about gaining geopolitical clout, not what was happening in Wausau or Ashtabula.

"It was 'Sell out the working people — they are not important," Mr. Lighthizer told me, describing what he believed to be the mentality of some trade negotiators. "What's important is 'The French like us."

Yet every U.S. president since Bill Clinton pushed it forward, regardless of party, until 2016, when both Mr. Trump and Bernie Sanders spoke out against free trade agreements. Mr. Lighthizer knew that Mr. Trump felt passionately about the subject — thanks to an ad Mr. Trump took out in 1987 — but the two had never met. Shortly after Mr. Trump won the election, Mr. Lighthizer got a call and soon had his dream job: U.S. trade representative.

In 2017, as the Trump White House filled with sycophants and Wall Street guys, Mr. Lighthizer stood out. He had years of experience on Capitol Hill, having worked for Bob Dole, a powerful Kansas senator, and served as a trade negotiator under Ronald Reagan. Also, Mr. Lighthizer had built warm relationships with union leaders and Democrats. Ms. Wallach was thrilled, and she supported his nomination.

"It wasn't a question of 'Hey, Bob, are you going to do the right thing?" she told me. "It was that Bob's in there and he's going to do the right thing, but will he be able to, given that Donald Trump

is a walking, talking multinational corporation and all around him are a bunch of class-A corporate hacks?"

So they joined forces again. Mr. Lighthizer got to work on renegotiating NAFTA, which involved haggling with Canada, Mexico and Capitol Hill. He was already working with a group of <u>free-trade-skeptical Republicans</u>. Ms. Wallach urged him to reach out to Representative Rosa DeLauro of Connecticut, a liberal who led the charge against the Trans-Pacific Partnership, a free-trade agreement that the Obama administration had negotiated. After NAFTA went into effect, Ms. DeLauro's district lost a factory that had employed thousands of people. Mr. Lighthizer won her support after countless hours of meetings.

"I found him to be a straight shooter," Ms. DeLauro told me. "Bill Clinton called us thugs when we opposed NAFTA. Barack Obama said we didn't know what we were talking about when we opposed the Trans-Pacific Partnership. Bob Lighthizer listened to us and knew that there was room for change."



Gesi Schilling for The New York Times

The result was a trade deal that strengthened Mexican workers' right to unionize and added trade incentives for auto companies to locate production in plants that paid their workers at least \$16 an hour.

Their finest hour was when they managed to kill a sacred cow of international trade: a provision in NAFTA that gave three international judges the power to resolve disputes between investors

and countries, sidestepping domestic laws and courts. Ms. Wallach helped Mr. Lighthizer frame the argument against it in conservative terms.

"I talked to her all the time," Mr. Lighthizer told me of Ms. Wallach. "Never once did she not give me the best advice that she could. Never did she betray confidence. I didn't keep any secret from her."

When the <u>new NAFTA</u> passed overwhelmingly in Congress, the business world stood aghast as one of their most cherished models for neoliberal economics was dismantled. After decades of fighting a losing battle, the underdogs had finally won. Ms. Wallach sent Mr. Lighthizer homemade jam from Wisconsin. Mr. Lighthizer sent Ms. Wallach a bottle of champagne.

Miraculously, Mr. Lighthizer managed to make it to the end of the Trump administration on good terms with both Mr. Trump and Ms. Wallach — no small feat. Then came Jan. 6, 2021, the day Mr. Trump whipped up a mob of his supporters and pointed them at the Capitol. Mr. Lighthizer condemned the actions of the mob, but he never broke with Mr. Trump. Today he's working on trade policy with the America First Policy Institute, a pro-Trump think tank that several other former Trump officials have joined.

Mr. Lighthizer said that being successful in Washington requires staying in your lane and picking your battles. His lane is trade, and on this issue, he and Mr. Trump are in total agreement. A slew of Republicans urged Mr. Trump to overrule Mr. Lighthizer's populist moves. Mr. Trump never did.

"President Trump's instincts on this are exactly the same as mine," Mr. Lighthizer told me. "He used to tell me, 'Hang in there."

It has been hard for Ms. Wallach to accept her friend's enduring loyalty to a man she views as instigating an "all but unprecedented threat to U.S. democracy." Jan. 6 rocked her to the core. She avoided discussing it with Mr. Lighthizer for years. It had taken a wrecking ball like Mr. Trump to upend decades of conventional wisdom about free trade, but the country doesn't need a wrecking ball like that anymore.

Yet this friendship persists. Maybe it's because, after all these years, they genuinely like and respect each other. Or maybe it's because they understand how fragile victories in Washington can be. Armies of lobbyists are out there, trying to undo what they have done. The ability to keep working together, she said, "is worth fighting to preserve."

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