

2020 Election And Trade

Far Beyond the Trade War

Trade School

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First Things First

- I AM NOT A LAWYER
- This isn't going to turn into your Facebook feed or Twitter We work hard to keep politics out of Trade School, and as hard as that will be today – this presentation will be no exception.
- Please keep this in mind as you comment and ask your questions – like Bob said – “Be Groovy or Leave Man.”

Agenda

- Elections – What is At Stake
- Role of the Senate and Congress in Trade
- The USTR, Secretary of Commerce and the President
- Role of the Courts in Trade
- Where Each Candidate Stands
- Global Issues and Trade
- Coronavirus Response and Logistics

Elections – What is At Stake

- The US is currently engaged in numerous trade wars.
- Many free trade agreements have been abandoned, put on hold or completely redirected during the last administration.
- Pandemic impacts have forced both the trade and the government to reconsider the resilient supply chains – and both will be expected to take part in changing the script.
- Budgets for how we manage enforcement and collaboration will be determined and assigned by the Legislature and signed by the President.
- New Leadership at every level.

Role of the Senate and Congress in Trade

- Until the 1930s, it was Congress that set the terms of U.S. trade negotiations with other countries and raised and lowered tariffs as it saw fit, while the president did little but sign his name.
- Over the ensuing decades, however, the legislative branch began to cede more and more power to the executive after a trade war sparked by protectionist tariffs worsened the Great Depression.
- But – they still approve cabinet appointees

The USTR, Secretary of Commerce and the President

- Both the USTR and the Secretary of Commerce are Nominated by the President.
- The direction and tenor of the agenda of both is determined by the President.
- The power of both offices has been historically undervalued by the President, until this last administration.

Role of the Courts in Trade

- The United States Court of International Trade, established under Article III of the Constitution, has nationwide jurisdiction over civil actions arising out of the customs and international trade laws of the United States.
- The President, with the advice and consent of the Senate, appoints the nine judges who constitute the United States Court of International Trade, which is a national court established under Article III of the Constitution.
- The judges, who are appointed for life, as are all judges of Article III courts, may be designated and assigned temporarily by the Chief Justice of the United States to perform judicial duties in a United States Court of Appeals or a United States District Court.
- Trump has Appointed two and two spots are vacant.

Where Each Candidate Stands

- “Foreign Policy for the Middle Class.” Before he would enter into any new trade agreements, Biden’s pledges that all future trade negotiations would include input from labor and environmental leaders.
- Biden still unashamedly embraces a U.S.-led, rules-based international order with an emphasis on reducing trade barriers and setting global trade standards.
- China should be held accountable for their unfair trade practices, but Biden believes Trump has mismanaged the response. Instead of unilateral tariffs, Trump should have built an international coalition to confront China.

Where Each Candidate Stands

- Much like Mr. trump, Biden sees trade rules as a useful tool in the U.S. arsenal.
- Vice President Biden believes the United States should be a rule-setter and work through multilateral coalitions to pressure bad actors.
- To make this point clear he states, “The answer to this threat is more openness, not less: more friendships, more cooperation, more alliances, more democracy.”
- This issue does not appear to be an important one to the base of Biden’s party.

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BIDEN
PRESIDENT

Where Each Candidate Stands

- President Trump will likely continue the weaponization of tariffs in order to achieve his goal of leveling trade imbalances.
- An “American First” agenda walks away from bi-lateral deals and pushes hard for unilateral action.
- Phase 2 and 3 China Deals
- India, Brazil, Vietnam, Cambodia and likely a return to the EU in part.
- Push for politically useful export commodities.
- See his re-election as a mandate for no mercy.

Global Issues and Trade

A world map where the landmasses are filled with a collage of various international banknotes, including US dollars, Euros, and other currencies, symbolizing global finance and trade.

- China understanding their place in the region and world.
- BREXIT
- Japan, North/South Korea
- Brazil and South America
- The impact of the pandemic on energy

Coronavirus Response and Logistics

- Strategic national stockpile bills are likely forthcoming.
- Potential future lockdowns?
- Air Travel and Air Cargo – Bailouts.
- Cold Chain being impacted by Warp-Speed
- Automation – the big show to drop – Will Congress fund research?
- Cybersecurity and the great unknown – How will Congress and the executive branch fund research and greater security?
- The Vaccine and future treatments.

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With Your Host Pete Mento