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Progressive Trade Principles: Reframing the Trade Debate

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During the 2016 presidential campaign, Trump repeatedly derided the "free trade" agreements (such as NAFTA, the proposed TPP, etc) that the US had executed and signed as "the worst deal(s) ever." Although the role this departure from orthodox neoliberalism played in that election is not clear, the issue of trade is rapidly becoming central to Trump's international policy agenda. Sometimes - much of the time - it's China but at other times it's Canada, Europe or maybe Mexico. And Trump has worked hard to connect the demand that the US stop being the "patsy" in global trade with the argument that Mexican (and other) immigrants are criminals (at least in the making), rapists and bringers of drugs into the US.

While they do not agree with Trump's characterization of Mexican immigrants, there are Democratic senators and representatives from Midwest states, including ones that are good progressives on many issues that supported the imposition of tariffs on steel and aluminum. And many leftists, and progressive or "radical" economists, have argued against the neoliberal Free Trade Doctrine" (FTD), claiming that it is the ideological equivalent of the "Free Market Doctrine" (FMD) – pure bunk and for many of the same reasons.[1]

So what would be a progressive trade policy? And what would be the goals of such a policy?

A progressive trade policy must seek to shift the distribution of benefits and costs. Neoliberal free trade agreements have been used to undercut labor rights, environmental protections and

[1] Even under the most idealistic orthodox (or Neoclassical – the school of thought that is presented as THE only version of "economics science" in 99% of economics and other social science, law, and business, classes) economic assumptions, the FTD, like the FMD, is mathematically inconsistent and unworkable, and under more realistic assumptions destructive (Baiman, 2016, Sections I and II). The dominant underpinning "Supply and Demand Model" (SDM) meme for the FMD, is based on a fictional and non-existent " supply curve" and an even more ghost-like "Walrasian Auctioneer" who blocks all exchanges until a market clearing price can be determined. Similarly, the dominant underlying "Ricardian Comparative Advantage Model" meme used to justify the FTD turns out to be mathematically overdetermined and thus a justification for managed trade, and any more realistic general FTD based global trade model can be shown to be mathematically unstable and thus similarly infeasible short of a global trade "Walrasian Auctioneer" who blocks all trade until exchange-rates are set at the unique values that alone can produce momentary balanced trade (Baiman, 2017, Section I).

destroy the political economies of subsistence farmers. And, even when measured using standard (orthodox Neoclassical) economic assumptions, the benefits have been scant compared to the costs, as low as $1 in societal benefit for every $50 in redistribution that largely benefits upper income households. Similarly, most recent estimates of potential growth from global free trade are miniscule, measured in tenths of one percent (Rodrik, 2010, Chap. 3).

It is vitally important therefore that progressives approach the debate over tariffs by thoroughly discrediting and discarding the neoliberal FTD and replacing it with an alternative set of Progressive Trade Principles (PTP). These principles should support democratically managed trade" rather than the corporate managed trade that underlies the so-called "Free Trade" agreements. The corporate soul of "free trade" agreements was starkly revealed in the proposed TPP. Of the TPP's original twenty nine sections, only five dealt with trade. The remainder were proposed rules for regulating (or preventing regulation) of for example: the internet; local investment content requirements; hospital, banking, and transportation; and patent rights for pharmaceuticals and media production. Most tellingly, as in almost all free trade agreements since the 1994 "North America Free Trade Agreement" (NAFTA), the proposed TPP included an "Investor State Dispute Settlement" mechanism that allowed private Transnational Corporations to sue governments for losses of expected profits deemed to be the result of public action, and gave these corporate lawyer "Tribunals" final say over any disputes with no right of appeal to domestic courts (Public Citizen, 2015).

The debate over trade should instead be based on a general recognition that, contrary to what orthodox economists claim, the issue is *not* to come up with appropriate "societal choice" remedies for the "market failures" of free trade, such as fair labor, environmental and social, agreements; free movement of workers as well as capital; and constraints on corporate ability to override domestic regulation through Investor State Dispute Settlement mechanisms. **Rather, we need to recognize that the appropriate frame is one where the guiding principles are based on societal choice within which markets have *a subordinate role*.** Although we have been conditioned to believe in the lack of an alternative to the domination of markets, there is in fact no alternative to the dominance of *societal choice* both in the domestic and international economy. Moreover, democratically managed trade driven by societal choice is likely to be *more* important in the international economy, as turbulent price, profit, and wage equalization are likely to be less robust globally than domestically (Shaikh, 2016, Chap. 2).

What we need is a trading system that goes beyond the 1944-1971 Bretton-Woods achievement, designed in part by Keynes, that gave nations the ability to manage their domestic economies in the interests of "National Self Sufficiency" as Keynes put it in a famous 1933 essay, or as Kuttner (2018a) puts it in light of Trump's recent tariff announcements:

> "Trump has belatedly changed the game plan, but in a ham-handed way. A competent trade diplomacy, with the U.S. working closely with Europe, could compel China to open more of its markets. But America can't win a tit-for-tat, unilateral tariff war with China.

> The naïve globalist fantasy lies in ruins. The sooner the political mainstream admits that, the greater chance we have to take the appeal away from Trump and his counterparts among Europe's neo-fascists.
>
> In fact, there is more than one form of globalism and more than one form of nationalism. The brand of globalism devised at the Bretton Woods conference of 1944, which ushered in 30 years of broad prosperity, was intended to limit the sway of global private capital and allow each nation to create social contracts that harnessed markets for the broad public good."

Our goal, then is to design a trading system that not only allows countries to pursue independent Keynesian/Kaleckian macro policy for broad national public good, but one that lifts both individual nations and the world economy. The major problem with FTD doctrine, and the corporate managed trade that flows from its assumptions is that in the absence of strong state power as with China (or one-sided cold-war driven U.S. market opening as was the case with Japan, S. Korea, and Taiwan) the FTD produces a global "race to the bottom" that undermines global prosperity, sustainability, and democracy, in order to benefit transnational corporate and investor profits.

Progressive Trade Principles (PTP)

Like many things in economics, once the underlying values are made explicit, the basis for sensible policies also become clear (Baiman, 2016). The "free trade" doctrine that dominates orthodox Neoclassical economics and international trade policy is based on the supposed (i) self-adjustment properties and (ii) beneficial social virtues, of individual agent pursuit of self-interest within a competitive market. The dominant underlying value driving this type of economic thinking is efficiency and maximum freedom of individual choice for capital not social choice, fairness, and democracy, for workers. A trading system that includes goals of fairness, democracy, and global development and raising of standards, rather than maximal "freedom" of choice for capital based on the FTD, would be constructed based on the following Progressive Trade Principles (PTP).[2]

[2] If the economy is fundamentally viewed as means for sharing labor to produce material sustenance, global trade can be described by two fundamental forms of economic analysis: a) one based on the principles of Classical and Keynesian/Kaleckian Political Economy as best articulated by Shaikh (2016) where relative prices and exchange rates roughly correlate to direct and indirect labor costs and productivity, and b) a second form of analysis based on "Unequal Exchange" that addresses the, sometimes very long-term, deviations from turbulent equalization of prices and incremental profits, causing unequal flows of labor value within domestic economies and from developing to developed countries, and massively unequal accumulations of wealth or stocks of claims on labor value between and within countries (Baiman, 2017, 2018) (Ricci, 2018). The former analysis characterizes exchanges of the goods and services produced by mature industries within and among advanced economies with roughly similar social standards and levels of development. The latter, in the international context, is more characteristic of much of the, increasingly intra-firm, international supply-chain, based, exchange between countries at very different levels of economic and social development. A fundamental goal of a good international trading system should be to reduce unequal exchange, much of which is based on income from property (rent) rather than labor, and move the world economy

As was effectively the case during the early Bretton-Woods period, countries should have the power to limit imports through tariffs and other regulations in order to maintain long-term balanced trade (Stretton, 1999, Chap. 51). However, PTP seek a global trade regime that not only allows each nation to individually manage its economy in the public interest but also raises social standards for poorer countries. For this, tariffs can play an important role, especially in addressing the problems of (i) goods and services produced in a regime where the right of workers to organize are absent; (ii) an absence of basic and health and safety measures for workers and consumers; and (iii) goods whose production is environmentally destructive (MacEwan, 2017). More generally, the underlying cost of production aspect of international trade and finance should be governed by the following principles, derived from the unequal exchange perspective described above.[3] The concept of "social costs" refers to the total real cost of labor, taxes and regulation that reflects existing exchange rates (Baiman, 2017, Chap. 4, 5, and 8):

a) Prices in any society should reflect the true social costs of production in that society. This should apply to "specific" goods produced only in one country as well as "non-specific" goods produced in more than one country as proscribed in b) below.

b) Societies with higher social costs have the right to impose tariffs on goods and services produced in lower-social cost societies up to a level that equalizes these costs to producers in both societies, and rebate these revenues to support broad-based increases of social benefits in lower-standard societies.

   In practice one way to implement this would be to set prices for both countries to be equal at the beginning of a base period of say seven years during which time producers who were able to lower their costs with productivity improvements could lower their prices. There would be little incentive to lower costs by further reducing social standards since if these were still not roughly comparable at the end of each seven year period, countries with higher social standards could again equalize prices for another seven year period. Attempts to game this regime by lowering costs by temporarily lowing social standards would also be blocked by an international trade agency (see f) below).[4]

c) When, for political reasons or in order to support economic development, a higher social-cost society subsidizes production in a lower social-cost society by not imposing tariffs at this level, the burden of these subsidizes should be shared by *all* producers and workers in the higher social-cost society, and not just by directly affected domestic producers and workers. This would include publicly funded, long term retraining and jobs programs for workers negatively impacted by the subsidization policy.

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toward more equal exchanges of labor and a more equitable distribution of wealth, or claims on the products of current and past labor (Baiman, 2017). The following principles of international trade are designed to foster a "race to the top" and reduce income from property or "rentierism" and unequal exchange (Hudson, 2015, 2012).

[3] Op. cit.

[4] This seven year period might be linked to a more general seven year "Jubilee" that would erase rentier financial and income earning real property claims in line with the periodic "clean slate" economic rectification mandated by rulers in the early Mesopotamian Bronze Age (Hudson, 1994, Chap. 2).

d) Only tariffs on trade between societies with comparable social costs, or tariffs that exceed levels that can be justified based on b) above, should be considered "predatory" and not permitted.

e) Developing country "infant industry" protective tariffs should be permitted and encouraged, along with other global development initiatives including large grants to support green development, job creation, and sustainable trade growth. Subject to c) these should include "productivity pricing off-sets" that take into account generally lower *overall* developing country productivity when applying social-standard raising tariffs as in b) above.

f) Additional national policies for controlling imports that are deemed necessary to achieve long term balanced trade should be negotiated by an international world trade authority that would also set guidelines for these temporary exceptions to a)-e) for developing countries, and for countries with trade balance difficulties. These would include policies requiring countries with large trade surpluses to lend foreign exchange to deficit countries at below market rates of interest as a means of both assisting countries with trade deficits and of reducing the incentive for countries to run-up large long-term trade surpluses. These policies would broadly follow the more complete Bretton-Woods principals advocated by Keynes for constructing a sustainable managed exchange-rate global trading system (Stretton, 1999, p. 709-710).

g) Trade policies should help foster international growth of employment, with full employment as a goal for all countries. Full employment will empower workers and put upward pressure on wages, leading to a decrease in inequality between richer and poorer countries.

h) History demonstrates that politically motivated trade sanctions have generally not achieved their stated goals. Hence countries should be discouraged from using trade sanctions for political purposes.

The idea here is to allow developed countries to defend their economies and social standards in-proportion to their relative prosperity, while contributing to lifting up poorer and less developed countries by rebating the proceeds of their tariff based "defense" to support raising standards of less prosperous and socially developed trading partners (a and b). Note that b) should be interpreted broadly to also include subsidies (or "negative" social costs) that may be provided to producers with exceptions as specified in c) for economic development - see discussion below. The principles also allow for larger productivity off-sets and "green development" grants and loans to developing countries to more rapidly raise global standards (c and e). Finally, it should be noted that "predatory trading", e.g. real "protectionism", or true violations of "rules based trading", particularly between countries with similar social standards, would still be prohibited under these principles. Thus the notion that a more equitable and sustainable world trading system will result in nationalistic trade wars between countries and global downward spiral of "protectionism" is not true. [5]

[5] Finally, though these principles are focused on trade and the Current Account, they would need to be coupled with more basic Bretton-Woods type controls on, especially portfolio and derivative based, capital flows underlying

Immediate Practical Trade Policy

So, what does the framework outlined above have to say about Trump's trade policies? The first problem in making any assessment is the ad hoc and at times contradictory nature of Trump's approach to international trade. Nonetheless, we can begin by focusing on his steel and aluminum tariffs.

On the one hand while the “outrage” by governments around the world over the 25% US tariff steel and 10% US tariff on aluminum from China and Japan[6] may be primarily politically motivated, this outrage is legitimated by the FTD that is the basis of the Neoliberal economic “rules” under which tariffs are forbidden. This is true, even though, as EPI’s Josh Bivens’ notes, tariffs and protection for key powerful U.S. industries lie at core of current “Free Trade” agreements (Bivens, 2018).[7] However, this is a position that would have no legitimacy if international trade were based on PTP rather than the FTD.

It also makes sense to begin trying to rebalance international trade by targeting the largest U.S. deficit with its largest trade partner, China, see Figure 2 below.[8] Though Trump reportedly rejected the use of more nuanced options for tariffs and quotas on specific types of aluminum that would have raised U.S. producers to a viable 80% of capacity, in favor of across-the-board tariffs on aluminum and steel, the use of a national defense rational for the need for tariffs to protect U.S. steel and aluminum producers from imports being sold below the cost of their production is not without merit.[9] In fact, many on the left have argued that China’s state capitalist mercantilist policies need to be confronted in the interest of preserving global economic diversity, competition, and democracy, and that the threat to the survival of what’s left of the U.S. steel and aluminum industries is real (Kuttner, 2018a, 2018b) (Baiman, 2017, Chap. 7)[10]. China’s 800 million metric ton steel production (compared to the U.S., formerly the world’s largest producer, 70 million metric tons) is estimated to equal half of total world steel production, and industry experts estimate that over half of it, 425 million metric tons is excess capacity (Kuttner, 2018a).[11] Similarly, Kuttner cites a Jan. 11, 2018 Dept. of Commerce technical report[12] that found that:

> “….relentless increases in import penetration had reduced U.S. steel production to below 70 percent of capacity, portending ‘a non-financially viable and unsustainable level of operation.’”

Financial Accounts as part of broader initiative including a global “financial transactions tax” and “wealth tax” to reduce the size and power of global and national finance, and induce it to serve rather than dominate national and global economies.

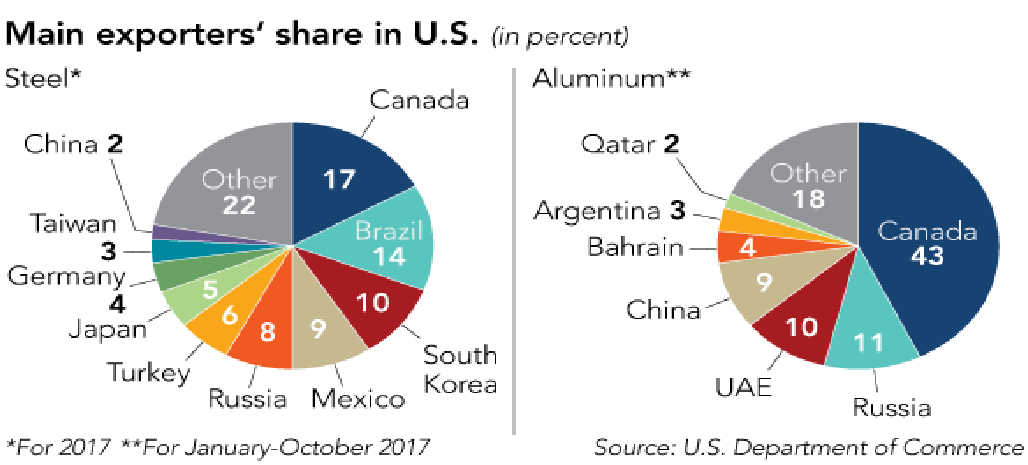
[6] http://www.dw.com/en/us-metal-tariffs-trigger-worldwide-criticism/av-42910703
[7] https://www.nytimes.com/2018/03/05/opinion/trump-tariffs-trade-recession.html
[8] https://asia.nikkei.com/Economy/Trade-tensions/Trump-s-steel-and-aluminum-tariffs-take-effect
[9] http://prospect.org/article/trump-bull-china-policy-shop
[10] http://www.cpegonline.org/workingpapers/CPEGWP2010-1.pdf
[11] http://prospect.org/article/trump-bull-china-policy-shop
[12] https://www.commerce.gov/sites/commerce.gov/files/the_effect_of_imports_of_steel_on_the_national_security_-_with_redactions_-_20180111.pdf

And that:

> "'[T]here is only one remaining U.S. producer of the high-quality aluminum alloy needed for military aerospace,' and that China was a prime source of subsidized global oversupply. In 2000, China produced 11 percent of the world's aluminum. Today it produces more than half. And, using coal-based smelters, it has the world's dirtiest production of aluminum in terms of carbon emissions."

The focus of critics on the fact that direct steel imports from China are a mere 2% of U.S. steel imports (see Figure 1 below) misses the reality that most of China's steel exports are re-exported, sometimes in the form of steel pipes and other products, through other countries like S. Korea.[13]

Figure 1



Source: https://asia.nikkei.com/Economy/Trade-tensions/Trump-s-steel-and-aluminum-tariffs-take-effect , downloaded 4/23/2018.

[13] http://prospect.org/article/trump-bull-china-policy-shop

Figure 2:

Top Trading Partners - February 2018						
Data are **goods** *only, on a Census Basis, in billions of dollars, unrevised.*						
Year-to-Date Total Trade						
Rank	**Country**	**Exports**	**Imports**	**Exports - Imports**	**Total Trade**	**Percent of Total Trade**
---	**Total, All Countries**	**253.3**	**391.2**	**-137.9**	**644.5**	**100.00%**
---	**Total, Top 15 Countries**	**182**	**303.5**	**-121.5**	**485.6**	**75.30%**
1	China	19.6	84.9	**-65.3**	104.5	16.20%
2	Canada	46.1	50.2	**-4.1**	96.3	14.90%
3	Mexico	42	52.2	**-10.2**	94.3	14.60%
4	Japan	11	22.1	**-11.1**	33.1	5.10%
5	Germany	9	19.8	**-10.8**	28.8	4.50%
6	United Kingdom	10.4	9.5	**0.9**	19.9	3.10%
7	Korea, South	8	10.6	**-2.6**	18.6	2.90%
8	India	4.5	8.4	**-3.9**	12.9	2.00%
9	France	5	7.4	**-2.4**	12.4	1.90%
10	Italy	3.3	8.3	**-5**	11.6	1.80%
11	Taiwan	4	7	**-3**	11	1.70%
12	Ireland	1.9	9	**-7.1**	10.9	1.70%
13	Netherlands	7.5	3.2	**4.3**	10.7	1.70%
14	Brazil	5.9	4.7	**1.2**	10.7	1.70%
15	Switzerland	3.8	6.1	**-2.3**	10	1.50%

Source: https://www.census.gov/foreign-trade/statistics/highlights/toppartners.html , downloaded 4/23/2018.

On the other hand, applying these tariffs to Japan, a high-wage and social standard country (and close military ally of the U.S.) appears inconsistent with the PTP above, especially when other major exporters, and high social standard countries, like the EU and Canada, and lower-social standard, South Korea, have been exempted. At face value, without having investigated all of the production pricing details for these products and countries, the PTP would appear to support tariffs on producers in China, S. Korea, and other lower-standard countries and no-tariffs on higher-standard producers including Japan.[14]

. The further proposals made by the Trump administration to apply and raise tariffs to a (growing) list of Chinese products including aerospace, communications, and machinery may

[14] It is possible that a PTP case could be made against Japan if Japanese steel prices do indeed reflect large subsidies (negative social costs) from the state specifically designed to make Japanese steel exports more competitive vis a vis steel from domestic U.S. producers. If however, as reported, Japanese steel is specialty high-quality corrosion-resistant steel for which there are not many alternative domestic producers, the tariffs will simply raise prices for U.S. users, though higher domestic prices for this steel could stimulate more U.S. production in the longer term in the context of supportive U.S. industrial policy for this kind of transition (Baiman, 2017, Chap. 7).

also be justifed on both PTP and national defense principles.[15] Though China has responded by proposing tariffs on U.S. goods designed to put political pressure on Trump, announcements of possible auto-tariff, greater intellectual property rights enforcement, and technology transfer, concessions by China, suggest that imposing and threatening to impose tariffs on China may have a positive impact on the deficit, and more importantly on longer-term global trade structural rebalancing.[16]

A PTP response to these policies would be critically supportive. The PTP push in a direction long supported by progressives and a large majority of Democrats, and opposed by most Republicans. Though we need a multi-lateral consistent and coherent reframing of international trade policy along PTP lines, and Trump's policy is nationalistic, transactional, and sometimes wildly inconsistent (as when he recently said that he would re-open the TPP after which his staff quickly back peddled), the FTD corporate and foreign country lobby, and traditional Republican and Neoclassical economics, consensus is so dominant in Washington that any pushing against this should be welcomed by the left. And, as discussed above, in the case of China, this pushback against FTD based trade policies may be critically important not just for a more progressive global economy but for the survival of global democracy (Kuttner, 2018b).[17] Similarly, the left should offer qualified support for Trump's efforts to renegotiate NAFTA for similar reasons to the extent that improved and enforceable labor and environmental standards, and elimination or major restrictions on "Investor-State Dispute Settlement" mechanisms, patents, rules of origin, and other regulations are part of the agreement as detailed by Public Citizen's Global Trade Watch.[18]

The massive Chinese trade surplus with the U.S. has also meant that Chinese companies are able to increase not just Treasury purchases but direct investments and purchases of U.S. companies. This is a major concern as Public Citizen's Trade Watch has recently published data showing that of the $120 B in U.S. assets acquired by Chinese financial interests since 2002, almost 60% has been acquired by 15 Chinese Government sovereign funds, State Owned Enterprises, and government connected private sector firms.[19] The large and persistent trade deficit with China is thus not just undermining U.S. production capacity, employment, and income, but also increasingly transferring control of the U.S. economy to the Chinese government, a state actor with policies that may be contrary to the economic and political interests of the United States.

However, elaborating on the point made above, we need to be aware that Trump's tariff policies (unlike the efforts to change NAFTA being led by his appointed U.S. Trade Representative Robert Lighthizer) appear to be largely, like almost everything else that Trump does, based on political theatre and posturing rather than a serious effort to change U.S. and world trade regimes.[20] For example, Hartmann has pointed out that since everyone knows that tariffs

[15] https://www.nbcnews.com/news/us-news/china-imposes-additional-tariffs-response-u-s-duties-steel-aluminum-n861916
[16] https://www.usatoday.com/story/news/world/2018/04/09/xi-jinping-china-auto-import-tariff-trade-war/501816002/ and https://www.nytimes.com/2018/04/05/world/asia/china-trade-war-trump-tariffs.html
[17] http://prospect.org/article/failure-globalist-fantasy
[18] http://infographic.replacenafta.org/
[19] https://www.citizen.org/chinese-corporate-investment-database
[20] https://www.commondreams.org/views/2018/07/25/trump-simply-cant-pull-anything-even-his-most-nefarious-plots

determined by Executive Order will only last as long as long as he is President they will not motivate any long-term investment in U.S. production. In fact Trump's only significant and more long-lasting *legislative* "accomplishment", the December 2017 Republican corporate and billionaire tax cut scam, works directly against his purported tariff goals, as it gives an almost 50% corporate income tax break (10.5% compared to 21%) for outsourcing.[21] Indeed, regardless of what happens with Trump's temporary tariffs, if our more long-lasting tax policies are not changed, we are faced with the Spector of a total loss of U.S. car production in spite of the 2008 public bailout of the U.S. auto industry.[22]

Conclusion

A truly progressive approach to trade would attempt to enlist all countries in an effort to create a regime that lifts rather than pushes down standards. Rebating the proceeds of tariffs to lift standards as suggested in PTP principle b) would be a way to demonstrate this commitment, and we should argue for this to point out the limitations and superficiality of Trump's policies. Among other things such a fund could be used to support sustainable energy investment in the poorest and lowest income developing countries. Note that this principle does not specify that the funds raised by these tariffs must necessarily be rebated to the officially designated country of origin of the imports. There is considerable evidence, for example, that much of China's excess steel capacity is transshipped through other countries.[23] Similarly, cell phones, apparently a major source of the U.S. trade deficit with China, have less than 5% of their total value added accounted for by the assembly stage that is most of China's contribution to their production. Parts come from Germany, Japan, S. Korea - and even the U.S.

The issue of the role of industrial policy is more complicated. While we should support large scale public investment in infrastructure and technologies that improve human well-being, if these are being used primarily to stimulate export-led growth that leads to global excess capacity, this becomes a problem. We need to be broadly supportive of industrial policy and public investment more generally as critically necessary to move the global economy toward more sustainable human and planet supporting growth, but just as with domestic policy, we do not want to sanction predatory monopolistic positions in global markets (that appears to be in many cases the goal of Chinese industrial policy) whether or not they are obtained with public or private assistance. The aim of industrial policy and public investment should be to further general economic and political well-being and democracy, not to increase the centralization and monopolization of economic and political power, even if the exercise of this power is, or appears to be, benign in the short-run.

Similarly, we want to support technological diffusion for broad human and planetary benefit and limit rent (or property income) in global and domestic economies while retaining useful market-based entrepreneurial incentives. However, the recent rampant growth of global inequality suggests that the later are currently much too large. Though the task of reducing rent, or income

[21] https://thehill.com/homenews/administration/418853-sherrod-brown-on-phone-call-with-trump-about-gm-he-said-he-wants-to
[22] https://www.cnbc.com/2018/04/26/ford-is-basically-giving-up-on-us-car-business-and-gm-is-not-far-behind.html , https://thehill.com/policy/finance/418221-gm-to-cut-thousands-of-us-canadian-jobs-may-close-up-to-five-plants-reports
[23] http://prospect.org/article/trump-bull-china-policy-shop

from property, and more general economic democracy, in global and national economies, is a general democratic socialist economic goal that cannot be addressed through trade policy alone, progress toward PTP is a critical part of this. A highly progressive global wealth and income tax that produces an effective cap on individual wealth and income would be another good first step for this.

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