

Macro Roundup Article

Headline: [He Helped Trump Remake Global Trade. His Work Isn't Done](#)

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Tweet: Robert Lighthizer argues that a universal tariff would better manage America's chronic deficits than either capital controls or Warren Buffett's proposed import certificates. "Every country should be exporting in order to import." @greg_ip

Summary: "What we really need is balanced trade. Not balanced every year and with every country, but over time and globally. Every country should be exporting in order to import. If you're running chronic surpluses for decades, then you are by definition a protectionist. You're engaging in industrial policy to help yourself, you're transferring resources from your consumers to your producers, you're trying to...acquire other countries' assets." Lighthizer backs Trump's proposed universal tariff of 10% plus a higher tariff on China. There are two other possibilities. Warren Buffett proposes that imports require a certificate issued only with a corresponding export. The other is a "market access charge" on any country investing the proceeds of its trade surplus into U.S. assets such as Treasury bills. This amounts to reimposing capital controls, controls and could destabilize the Treasury market. Open to both ideas, Lighthizer prefers the simplicity, flexibility, and familiarity of tariffs.

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Primary Topic: China

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