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Expanding the Reach of the USMCA and a Look at Economic Patriotism

This month, we want to highlight for you two very important developments in the field of trade—both emanating from members of the NADEC Trade Policy Committee.

The first is an article on the Southbound Trade Initiative which has been written by Ernesto Pinal, a member of the Idaho DEC. This piece is important in that it lays out the big picture of an expanded USMCA that is essentially designed to incorporate the entire Western Hemisphere. This new trade initiative is entitled, *“The Southbound Trade Initiative,”* and you can access it [here](#). This article was a handout to the program participants at the recent NADEC Annual Conference in Washington, D.C. You should know that Ernesto Pinal is the architect of this initiative and that it was included in some initial discussions with Members up on the Hill last month.

The SBTI is the first trade initiative developed by the NADEC as an organization. We plan to roll out the SBTI to selected Federal officials later this Fall. In the future, we will be discussing with you how this new trade initiative is likely to be implemented, including some of the critical details as to how existing FTAs in the Americas can be utilized/interpreted to reach the hemispheric coverage goals of the SBTI.

The second important development has to do with the concept of economic patriotism outlined by NADEC Director Luke Lindberg. Luke is the former Chief of Staff and Chief Strategy Officer at the Export-Import Bank of the United States. He is now a member of the South Dakota DEC and Head of Thought Leadership at Sanford Health. On May 27, 2022, the Daily Caller published a piece of Luke’s entitled, *“Luke Lindberg: The Case for Economic Patriotism”* which you can access [here](#).

This concept of economic patriotism becomes essential when viewed through the lens of China’s global Belt-and-Road Initiative (BRI) which pits large, state-owned enterprises with staggering manpower and resources against our own firms in markets all over the world. Without U.S. firms engaged in international markets, a consequence of China’s BRI is the potential for U.S. firms to simply be shut out of given foreign markets in the future.

The article emphasizes that the private sector has a critical, long-term strategic interest in defending the U.S. economy so that it can continue to return earnings to shareholders and contribute to the prosperity of country. Luke outlines several steps that businesses can take that will empower the Federal Government to better assist the private sector in competing in international markets.

Among the interesting points Luke makes in his [piece](#) is the notion that instead of a double-bottom-line approach that focuses on corporate social responsibility, we should deploy the concept of a double-bottom-line that puts profits and the United States first. That is, he underscores, the most important fiduciary responsibility that a management team has to its shareholders/owners. Luke is absolutely correct here. We have all seen far too many instances in which U.S. firms, focused entirely on the next quarterly report, have engaged in business activity that is adverse to the long-term interests of the United States. Both profit and patriotism have to go hand in hand, otherwise our long-term economic prospects dim.