



## The Daily Dish

# Trade As Foreign Policy

DOUGLAS HOLTZ-EAKIN | JUNE 1, 2026

Eakinomics was fortunate enough to attend the 2026 version of the [Reagan National Economic Forum](#). Among the excellent panels and other speakers, Treasury Secretary Scott Bessent used his luncheon address to provide a spirited defense of Trump Administration policies. Eakinomics has some thoughts.

First, “Eye of the Tiger” is a questionable choice for walk-on music. The Treasury Office of Musical Impressions might want to re-think that one.

Second, it was a defense and defensive in tone. The Reagan Library is a shrine to optimism and confidence in the capacity of the American people to succeed. The tone was simply out of place. The cusp of the second 250 years of the great American experiment is the time to be optimistic about the future.

But most important, it was not convincing. Bessent starts with the straw man assertion that for too long trade policy and foreign policy have been operated in silos, and that a central contribution of the Trump Administration is to integrate the thinking on both fronts. That’s ludicrous.

Consider the North American Free Trade Agreement ([NAFTA](#)). Even at its inception in the George H.W. Bush Administration there was no illusion that it would be a transformational moment for the U.S. economy. The United States was a large, successful market economy that would have a big impact on the tiny Mexican economy and a substantial impact on Canada. The impact on the United States would be minimal.

Instead, it was essentially *all* about foreign policy. It would serve to solidify a democratic neighbor on our southern border. Good. And adherence to the terms of the treaty was a way for Mexico to justify privatization of inefficient state-run companies and otherwise move toward greater reliance on private markets. It could also serve to tame the most leftist impulses of Canada. NAFTA was a way to spread U.S. values.

NAFTA also reflected the optimistic vision of the power of lower trade barriers and more economic freedom to benefit Americans. In contrast Mr. Trump has bemoaned NAFTA for decades and his trade policy is infused with finger-pointing and blaming. The Trump Administration seemingly views U.S. workers as unable to hold their own and able only to survive behind a wall of protectionism. It is fundamentally defensive.

NAFTA's successor, the United States-Mexico-Canada Agreement (USMCA) is up for review this year. It is an opportune time to reaffirm the original vision and spirit of NAFTA. But there is little reason to suspect the administration will take that route.