

# Why Trump's trade war alarms me

By Jonathan Knutson  
Agweek Staff Writer

There are several things that alarm or annoy me about President Donald Trump's trade war. Here are the three most troublesome:

First and foremost, I'm concerned for U.S. farmers and consumers worldwide. The Trump tariffs have cut into U.S. ag exports and threaten to hurt consumers worldwide. Yes, as I've heard many times from some Agweek readers, other countries, especially China, are cheating. Yes, as I've heard many Agweek readers say, let's be optimistic that things work out in the end.

But there's no denying the economic pain that farmers and consumers are feeling already. If you think "Trade wars are good and easy to win" — if you think the Earth is flat and the center of the universe — you're confident the pain won't last long. If you think trade wars are bad and impossible to win, you're as worried as I am.

The trade war annoys me because of the partisanship attached to it. Some people support it simply because President Trump launched it, while others oppose it for the same reason. These partisans don't seem to care about facts or the issue itself; as far as I can tell, they're merely using it a club to bash each other. Farmers and consumers deserve better; we *need* better.

My other big gripe with the trade war is the level of economic illiteracy it reveals. Earlier this year, I wrote a column about the silliness of labeling salt as non-GMO; salt doesn't have genes, so of course it hasn't been genetically modified. That column lamented the low level of scientific literacy, or degree of scientific knowledge needed to make productive daily decisions, that many Americans possess.

Our collective economic literacy, or the degree of economic knowledge needed to make productive daily decisions, isn't much better. The level of ignorance — and I stress that ignorance does not mean stupidity — is especially high about comparative advantage, a sort of economic Holy Grail.

## A simple example:

Country A and Country B both raise wheat and make bicycles. Country A is a lot better at growing wheat and a little better at making bikes. It has an absolute advantage in both wheat and bikes and has a comparative advantage in wheat. (Compared to Country B, it's better at raising wheat.)

Comparative advantage causes the two countries to specialize and increase efficiency. Country A focuses on wheat and Country B focuses on bikes, with the two countries trading bikes and wheat. Doing so allows them to produce more wheat and bikes combined than they could alone. The higher production leads to lower prices, benefiting consumers in both countries.

Comparative advantage has a downside. In this hypothetical example, bicycle makers in Country A lose sales to imports from Country B, while wheat farmers in Country B lose sales to imports from Country A.

So, yes, there are losers — wheat farmers in Country B and bike makers in Country A — in this example. But the gain for the winners — wheat farmers in Country A, bike makers in Country B and consumers in both countries — more than offset the pain.

Magnify this simple example a thousandfold, with multiple products and countries, and you begin to understand how comparative advantage affects the world in mostly positive ways.

Scientific and technological advancements often are credited with the huge, ongoing improvements in the everyday lives of people around the world. And, yes, those advancements are essential. But don't overlook the importance of comparative advantage and the overall beneficial international trade it fosters.

I won't argue with anybody who complains that some countries are cheating in international trade. But if you complain too long and too much — if you ignore or overlook the immense benefits of comparative advantage and international trade — your scientific illiteracy or political partisanship, or both, may be showing. 



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Maple River Grain & Agronomy photo

A pile of soybeans awaits loading onto a train in Casselton, N.D. Maple River Grain & Agronomy posted this photo to Facebook with a post that said, "The famous Casselton Soybean pile will start being picked up next week. This year we hired an excavator with a custom grain loading bucket on it. If all goes well it should be off the ground before Thanksgiving. Fun fact: The pile is almost exactly the same size it was last year."

# Casselton soybean pile draws Senate race attention, but confusion abounds

By Jenny Schlecht  
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CASSELTON, N.D. — Terry Johnson wasn't sure why the soybean pile outside Maple River Grain & Agronomy became a political issue. The pile, however, became a talking point in one of the most watched U.S. Senate races in the country, due to a debate comment and a flurry of social media posts.

The pile, Maple River's CEO explained on Nov. 5, is a regular part of the elevator's operations. Soybeans have been piled in the same spot for several years around harvest.

"You can pile fast and pick it up fast," Johnson said. "It's put out there with full intentions of picking it back up within a few months."

Johnson said the process of loading the already-sold soybeans onto a train was scheduled to begin Nov. 5, unless the rain interfered. The entire pile should be loaded onto four trains by Thanksgiving.

Trade — and soybean trade in particular — was one of a number of big issues in the race between Heidi Heitkamp, the incumbent senator, and Kevin Cramer, the state's

lone member of the House of Representatives. Cramer won big in the Nov. 6 election, taking 55 percent of the vote.

But during a lengthy back-and-forth on trade at their Oct. 26 debate, Heitkamp, a Democrat, mentioned a pile of soybeans.

"If I had my phone here, I'd show you a picture of a mound of soybeans on the ground in the rain in Casselton. There are no bins, Kevin. Those beans will be wrecked by that rain. They'll be wrecked by exposure to the elements," Heitkamp told Cramer, in response to Cramer's assertion that farmers aren't concerned about tariffs.

Cramer, a Republican, appeared ready to argue about the unshown picture but instead switched the conversation to trade negotiations.

On Oct. 27, Heitkamp's Twitter account posted a video featuring the pile at Maple River Grain & Agronomy, along with the text, "This huge pile of unsold soybeans in Casselton is what the trade war looks like. Our farmers can't sell their beans & it's hurting our economy. But @kevincramer doesn't care — he's

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