

Trump's trade hawk prepares to swoop on Beijing

Formidable negotiator Robert Lighthizer could make or break chance of US-China deal

James Politi

When Robert Lighthizer, America's top trade official, took a recent chance to engage with Donald Trump's conservative base, the issue that animated him most wasn't the deal clinched just days before to revamp North America's trade rules. It was China.

Giving a rare interview to Laura Ingraham, a rightwing talk radio host in October, the US trade representative said the country was the "elephant in the room" that was "stealing our technology". The tariffs imposed by the Trump administration on more than \$200bn of Chinese imports the previous month were already producing "strong" results.

"If we can't protect our innovation, we lose our edge," the steely 71-year-old Ohio native told listeners in his guttural voice.

As Mr Trump, the US president, prepares to meet his Chinese counterpart Xi Jinping on the sidelines of the G20 summit in Argentina at the end of November, Mr Lighthizer is the enigmatic and indispensable senior official who could make or break the chances of a deal between Beijing and Washington.

Mr Lighthizer seldom speaks in public and travels little, maintaining a low profile for a USTR. But amid the confusion of economic policymaking in the Trump administration, where it is never clear who is closest to Mr Trump's thinking, Mr Lighthizer appears to have the president's ear, which has given him a certain mystique in the administration and beyond.

Any agreement that produces a ceasefire in the trade war consuming the US and China will have to pass muster with him — and he is likely to set a high bar.

"He sees China as an existential threat along the lines of the way he viewed Japan in the 1980s," said one investor. "His focus is on trying to disrupt China's technological rise rather than on doing a deal that's best for the US economy."

A senior business lobbyist closely following the talks added: "He's made it very clear that dialogue with China hasn't worked over the years. He's going to be very sceptical of any commitments or future promises he's going to see. And if he's not going to get a good deal he'll be content keeping the tariffs on."

Mr Lighthizer hails from the protectionist, economic nationalist wing of the Republican party that was crowded out by free-traders for most of his career but is in the ascendant in the Trump era.

Over decades spent working in law and government, he became persuaded that the US needed to be much more aggressive in trade negotiations.

In the early 1980s under President Ronald Reagan, when Japan was seen as the greatest economic threat, he worked as deputy USTR to negotiate an agreement by which Tokyo reined in its sales to the US through voluntary export restraints.

He then plunged into a three-decade career in the Washington office of Skadden Arps, the law firm, where as a Porsche-driving corporate lawyer he represented US Steel, the Pittsburgh-based metal manufacturing company, in a string of cases challenging unfair Chinese trade practices. This experience forged his image of Beijing as a ruthless, dangerous economic predator, observers say.

“[Mr Lighthizer] conjures up this idea of essential Chinese-ness that is not going to change, ever,” said Quinn Slobodian, a historian at Wellesley College outside Boston. In Mr Lighthizer’s mind there would be “no hope for compliant China on the terms the US would want, because ‘they are not like that’,” he said.

Despite Mr Lighthizer’s well-known hawkishness towards Beijing, Chinese officials have learnt they will have to deal with him if they want to reach an accommodation with Mr Trump. So far, they have struggled.

Whereas Mr Lighthizer led the US talks with Canada and Mexico over Nafta, the main negotiating channel between Washington and Beijing has involved Steven Mnuchin, the US Treasury secretary, and Liu He, a top Chinese economic official — an axis that failed to produce an agreement in May.

A diplomat close to the talks complained that Mr Lighthizer was avoiding contact with the Chinese, while a US official retorted that Beijing was perhaps trying to circumvent Mr Lighthizer because of his hardline views.

What makes Mr Lighthizer different to other China trade hawks in the White House, and especially Peter Navarro, the White House adviser on trade and industrial policy, is that he is not as prone to public outbursts that might throw a wrench into the talks — as was the case this month when Mr Navarro lashed out at “globalist billionaires” who were putting pressure on Mr Trump to reach deal.

Mr Lighthizer is also far better versed in the intricacies of trade law and policy than other senior officials. In particular, he has deployed tools such as section 301 of the 1974 Trade Act, which allowed the US to investigate China for alleged unfair trade practices, and overturned decades of US policy by aggressively challenging the World Trade Organization.

“He absolutely knows what he’s speaking about and really brings a lot of substance to the president’s ideology. He’s the man who has the plan and the thinking underpinning the vision,” said a foreign trade negotiator who has faced him recently.

Mr Lighthizer seemed to relish his role, the negotiator added. “He’s controlling the game he was playing all this time — he’s like a kid in a candy store.”

To those who have questioned globalisation — including on the left of the political spectrum — all this has given Mr Lighthizer totemic status. “He’s well informed and he’s persistent,” said Leo Gerard, international president of the United Steelworkers union. “If he’s involved, he will be very thorough.”

Sherrod Brown, the Democratic senator from Ohio who is weighing a presidential bid in 2020, said in a statement to the FT that he had “worked closely” with Mr Lighthizer to “crack down on countries like China that cheat the rules”, and seemed satisfied with the path taken by the administration.

“Communities across Ohio that have seen steel mills shuttered and jobs lost know that we’ve been under attack, and now we’re fighting back,” he said.

Diplomats who have interacted face to face with Mr Lighthizer said he could be a difficult interlocutor. “He can be quite strict and severe. He has a charming side but it takes a while to appreciate it,” said one. Mr Trump’s “out-of-the-box” positions on trade gave Mr Lighthizer and his team “cover to aggressively ask for the most ludicrous things”, he said.

Nevertheless, Mr Lighthizer has forged a working rapport with Cecilia Malmstrom, the EU trade commissioner, and Toshimitsu Motegi, the Japanese economy minister, particularly in a trilateral group designed to find a common position on China. And after months of tense negotiations over the future of Nafta, Chrystia Freeland, Canada’s foreign minister, invited Mr Lighthizer to dinner at her home in October as friction between Washington and Ottawa abated.

But there is little doubt Mr Lighthizer is deeply invested in and loyal to Mr Trump’s aggressive stance on trade, despite the challenges involved. “He wants to repatriate global supply chains and bring manufacturing back to the US, is willing to make foreign investment more risky and expensive — and he’s willing to take the heat from business,” the business lobbyist said.

Derek Scissors, a China expert at the American Enterprise Institute, a conservative think-tank, remembers a conversation with him on the budding trade dispute in August 2017 when the US launched its investigation into unfair trade practices by Beijing.

“He said sincerely ‘we need to do this right’ and he was asking people he had never met before, including me, to help him,” Mr Scissors said. “When I said this was at least a three-year project and it could be longer and there’s gonna be some pain, he said ‘I know, I’m committed’.”

CV Robert Lighthizer
BORN

October 11 1947 in Ashtabula, Ohio

EDUCATION

University and law school at Georgetown University in Washington DC, graduating in 1973

CAREER

1973-1978

Worked at law firm Covington & Burling

1978

Moved to Capitol Hill, eventually serving as chief of staff to Republican senator Bob Dole

1983

Joined the US government, working as deputy USTR in the Reagan administration and playing a key role in trade negotiations with Japan

1985

Joined the Washington office of Wall Street law firm Skadden Arps, where he spent more than three decades, mainly representing US companies struggling to compete with foreign rivals

2017

Becomes USTR

FAMILY

Son Robert and daughter Claire

INTERESTS

Basketball