## Introductory Remarks by Gary Hufbauer*

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Thanks. Let me just check first that you can hear me. Can the people in the back hear me? You cannot? Well, I'll try shouting a bit louder. How are we doing now? Better. Okay. Well, I'll try to shout directly into these microphones.

I'm Gary Hufbauer with the Peterson Institute. On my immediate right is Michael Smart with Rock Creek Global Advisors, which gives advice to companies all over the world on trade and investment issues. To his right is Warren Maruyama, former general counsel of the U.S. Trade Representative (USTR) and now with Hogan Lovells, a very well-known firm and a very well-known person. To his right is Rachel Brewster, now a professor of law at Duke University, previously a colleague of Warren's in the USTR office.

And on the far right is Aaditya Mattoo, who is extremely well known in WTO circles and in the World Bank, where he now works as one of the leading experts on services trade in the world economy, and generally on international trade. So he's an economist, Michael is an economist, I'm an economist, and we have two lawyers in the middle, I guess where they should be.

The way we're going to try to run this little panel is, first, Aaditya is going to speak. He is with an international organization, the World Bank. He doesn't want to get involved in U.S. politics, for obvious reasons. So he is going to give us a background on the backlash against globalization, which everybody here is well aware of, and what might be done to revive a spirit of international cooperation. After that, I'm going to field questions to the panelists and they'll all answer each of the questions but I'll choose a lead panelist to start off on each of them. And we expect to have a good twenty-five minutes, thirty minutes at the end for questions and comments from the audience, so we hope that at least we provoke something in this very interesting time.

So, Aaditya, please lead us off.

## Remarks by Aaditya Mattoo*

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Thank you very much, Gary. Thank you for inviting me today, Julie. I'm going to make four quick points—first of all, that the backlash has a certain sense of historical inevitability but it's fortunately very narrow in scope. Second, that it's not just against trade, which is the conventional wisdom. It's also against misplaced redistribution. Third, that if we are going to aim for more inclusive growth, in the sense that Oonagh spoke about, we need more, not less, globalization. And we also need more, not less, international cooperation, but it will need to take new innovative forms.

First of all, just one historical reference. Through most of the nineteenth century, when Britain was globally dominant, you might have expected it to trade on preferential exclusive terms with its colonies and with other countries. It didn't. It was a paragon of free trade imperialism, and for the most part trade followed nondiscriminatory most favored nation (MFN) principles. It's only when Germany and the United States got up toward the end of the nineteenth century and the beginning of the twentieth century that Britain abandoned this free trade and nonpreferential regime and reverted to, for example, the famous imperial preferences.

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