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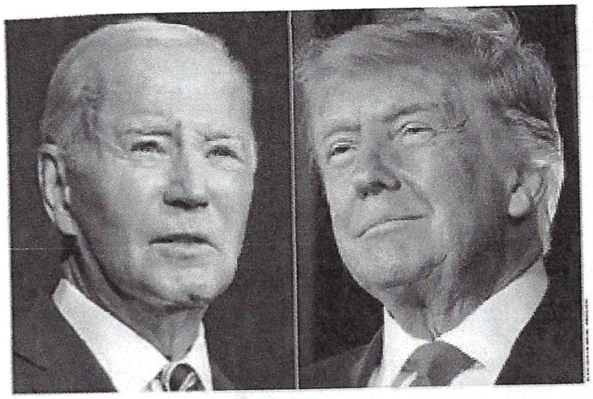
Looking past the debt and protectionism of the Trump-Biden era to an age of growth and openness.



Joe Biden and Donald Trump in the summer of 2023. ASSOCIATED PRESS

An Economic Agenda for the Class of 2028

By Robert B. Zoellick

Despite their political differences, Donald Trump and Joe Biden seem to agree on economics. Both believe the White House should direct the American economy by favoring companies and courtiers. Younger potential leaders from both parties with 2028 ambitions should be positioning themselves as alternatives to Trump-and-Biden-omics.

Presidents Trump and Biden have been big spenders, exploding the national debt. Both erected barriers to trade to protect friendly interests,

which were then supposed to dance to presidential tunes. Both viewed the U.S. economy nostalgically and favored older industries. Mr. Trump ignores America's competitive edge in the services trade, and Mr. Biden embraced the progressive wing's suspicion of tech.

Neither recognized that trade negotiations should establish rules to help the country's most vibrant and growing sectors. Their international economic policies presume a zero-sum, old-style mercantilist fight to divide wealth among nations, instead of enabling markets to enlarge win-win gains. Mr. Biden blocked foreign direct investments to please unions, while Mr. Trump opts for "golden shares" and par-tial corporate nationalization.

Note

Messrs. Trump and Biden financed their industrial policies through bigger deficits. Easy monetary policies hid the increased expense. But we are now entering an era of rising costs, higher prices, pressures on productivity, and nervousness about debt financing and the dollar. Just as the U.S needs to increase defense spending and modernize its forces, Washington's interest on the debt matches the nation's military budgets. Economic reckonings are looming.

After the Trump-Biden era fades into history, which party will offer an alternative to costly, backwardlooking industrial policies? While Vice President JD Vance lectures Europeans on democracy and philosophizes about state-led capitalism, some up-and-coming Republican might stand out by steering the GOP toward a vision of entrepreneurial growth and opportunity. Similarly, the next Democratic leader must do more than attend protest rallies and kowtow to failed progressive dictates. Spouting that Mr. Trump's tariffs are bad while Democratic tariffs are good won't help. America's purpose has to be more than making deals that don't last, spending money we don't have and feathering the nests of presidential offspring.

There's no shortage of signature issues for candidates. Many Americans are baffled and embarrassed by President Trump's bullying of our Canadian and Mexican neighbors. As Ronald Reagan explained when launching his campaign in 1979, the U.S. would be better off if both countries were stronger rather than weaker. Reagan even added that we should stop treating our nearest neighbors as foreigners. A stronger North America would be a more powerful global competitor and better armed to address continental problems such as illegal immigration, narcotics and crime, security, and the environment. By contrast, picking a senseless fight with our major trading partners will drive up costs of lumber and housing, cars, and food.

Americans want order at the country's borders and recognize that the broken asylum system needs stricter rules. But almost 80% of the public favors immigration and wants the country to be a place of promise, not prisons. Milton Friedman observed long ago that migration and an easily accessible welfare state don't mix. But legal migration brings new talent while strengthening America's workforce.

The U.S. should capitalize on its appeal. American universities draw talent from around the world. University boards and administrators need to reverse progressive fads and add institutes that challenge groupthink. The remedy should be through the public spotlight and private action, not federal government mandates. The U.S. should play to its national strengths: openness to ideas, people, goods, and capital, fostering continuous reinvention.

The U.S. is the best-positioned country in the world to face the challenges of energy security and additional supply while transitioning to a mix of sources that recognize climate costs. America has the resources, new technologies, entrepreneurs, and venture capital—plus unmatched capacity to integrate all four when prices drive incentives.

Public narratives shape U.S. trade policy. The disaster in the 1930s of Smoot-Hawley's high tariffs and international retaliation created an opportunity to lower barriers over the rest of the 20th century. Stories dramatizing the Rust Belt and fears of globalization have had the opposite effect. Mr. Trump's chaotic tariffs— reversing 80 years of greater opening at home and abroad—will raise prices and hurt U.S. competitiveness. Public dissatisfaction will make a new trade and growth agenda possible.

America's next leader will have to restore the country's financial credit. Following Alexander Hamilton's foresight and foundation, U.S. credit enabled Thomas Jefferson to buy Louisiana, preserved the Union in the Civil War, paid for victories in two World Wars and the Cold War, and countered financial crises and a pandemic. During the 1990s, political attention to deficits led to bipartisan deals that closed gaps and restored a cushion. But federal spending eliminated the buffer. A new leader could charge a bipartisan Congressional commission to make a compromise subject to an up-or-down vote; the last such effort during the Obama years failed because the president and congressional leaders wouldn't commit to such a vote.

By 2028 Americans will be weary of trade conflicts and costs, Washington's industrial favoritism, rising debt, and slow growth or even recession. People will be ready for a leader who solves problems, not sows division. The Republicans and Democrats who want to lead the next generation should be preparing their cases now.

Mr. Zoellick served as U.S. trade representative (2001-05), deputy secretary of state (2005-06) and World Bank president (2007-12). He is author of "America in the World."

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