

## **INTERNATIONAL TRADE: THAT WHICH ONCE ENSLAVED, CAN IT NOW HELP LIBERATE?**

Speech by Commissioner Irving A. Williamson  
at the U.S. International Trade Commission's  
Commemoration of Black History Month  
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Thank you for this opportunity to talk about Black History month and its relevance to international trade.

For the ancestors of those who today consider themselves African Americans, their first experience with international trade was not a positive experience -- international trade led to their enslavement. We cannot ignore the pervasive impact of slavery on our country. John Hope Franklin noted that slaves were used to build the capital and were even bought and sold on Pennsylvania Avenue within view of the capital. They well may have been sold on this site which is now 500 E St. SW. Our whole economy in the colonial era in some way depended on slavery. For example, my alma mata, Brown University, in a 2005 report entitled "Slavery and Justice," examined the complicity of many of Brown's founders and benefactors in slavery and the slave trade. The report outlines the direct benefits that accrued to the University. We still have not resolved whether our country has adequately addressed or responded to the role of slavery in our history and the consequences of that role.

Today, I want to focus not on the legacy of the 17<sup>th</sup> and 18<sup>th</sup> century slave trade, but on the meaning of international trade for us in the 21<sup>st</sup> century. All of us make our living because of international trade and in some ways trade is our chosen profession. We should be concerned that so many in our country today are, to put it mildly, skeptical about international trade, trade agreements, and the process of globalization. In particular, we need to think more about how to alleviate the problems and conditions which lead people to oppose international trade not only in our country, but all around the world.

For me the first clue to answering this question comes from an examination of this year's theme for Black History Month: "G. Carter Woodson and the origins of multiculturalism." The Association for the Study of African American Life and History has prepared some very useful materials to help us understand how a 1933 paper entitled "the Mis-education of the Negro" by Woodson laid the foundations for what we now call multiculturalism. The heart of multiculturalism is the idea that a truly democratic society should embrace the cultural differences of the groups that make up the nation. Woodson believed that denying blacks their rights denies them of their historical and cultural contributions to the nation and allows American society to justify its unequal treatment of blacks. Democracy demands the expansion of rights and cultural recognition. Woodson stressed that we must teach people through their own cultural experiences. The phrase scholars now use is "culturally responsive learning." Woodson criticized the practice prevalent in his day of teaching students at predominately black schools only about white

society and culture. Because Woodson had spent time in the Philippines, he also criticized comparable practices in China and in the Philippines.

Before turning to the question of the relevance of Woodson's views to our concerns about international trade, let's look at the role of international trade in our economy and the global economy. When I started my career in the mid-1960's, international trade accounted for only about 10% of US GDP. However, by 2007 international trade accounted for 29.5% of GDP. To understand the fundamental nature of this change, we should note that between 1929 and 1970, international trade never exceeded the 1929 level of 11.1 percent. Beginning in the early 1970's international trade gradually grew as a percentage of US GDP. By the early 1990's international trade accounted for just over 20 percent of US GDP and that percentage has steadily increased since the mid-1990's up to its present level. Between the time when I started my professional career in the 60's and today, international trade has had an enormous impact on the types of jobs that are available in our economy and the types of jobs that will be available in the future. International trade plays a much larger role in our daily lives than it has at any time in the recent past.

Let me give you one quick example of how the ability to focus on international business will increasingly be the way to succeed. Many of you have heard of Reginald Lewis, who was the first African-American Wall street financier to own a billion dollar company. Lewis first bought the McCall Pattern Company in 1983 and was able to turn it around in part by increasing sales to China. He had his biggest success when, in 1987, he bought Beatrice International Foods for \$985 million. In short, Lewis made it to the top through international trade and investment.

The growth of international trade has some important implications for us today. Clearly for the African-American community, as for any other group in our country, the next generation will not prosper if they do not get the skills needed to compete in the global economy. We need to ensure that our children are being prepared for the jobs of the future rather than the ones of the past. We all know that the best jobs require higher levels of education than in the past and that there is a clear correlation between income and education. I think we all need to give more attention to preparing the next generation for jobs of the future; we need to do this at several different levels: as individuals, as members of communities, and as a government agency.

In response to the *Slavery and Justice Report*, Ruth Simons, the President of Brown, observed that institutions of higher education must take a greater interest in the health of their local communities, especially Kindergarten through 12th-grade education. She added that "Lack of access to a good education, particularly for urban schoolchildren, is one of the most pervasive and pernicious social problems of our time."

Government institutions involved in international trade also have an obligation. I am pleased that one of the activities that some people here are engaged in is tutoring at nearby schools. As an institution, I believe the ITC needs to be sensitive to the contribution that it can make in helping prepare young people to have jobs that enable

them to benefit from international trade. One way we can do this is to ensure that we give opportunities for internships to the broadest range of people; if international jobs are the jobs of the future, then we at the ITC should do more to help prepare all young people for these jobs. For those of you who are graduates of Historical Black Colleges and Universities, you need to help ensure that they are teaching the courses that will enable their students to get good international trade jobs. Also, do not forget that acquiring skills to compete in the global economy comes not just from what one learns in school, but from the exposure one gets through travel and working with people from different cultures. Growing up and being limited to one quadrant of the District of Columbia does not help.

While education is clearly one component of preparing people to compete in a global economy, there is another component that relates to this year's theme for Black History month and to why multiculturalism is relevant to our concerns about international trade. I believe a person cannot compete successfully in a global environment if they cannot work well with people from different cultures. You cannot successfully complete international trade transactions if you are not sensitive and respectful of the culture of the person who is your business partner. This is true whether you are selling widgets, providing investment or financial services, or trying to negotiate a trade agreement. Let me illustrate:

I recently heard Carlos Ghosn speak about why the alliance of the French car company Renault and the Japanese car company Nissan has been successful. Ghosn is president and CEO of both Nissan and Renault. While Ghosn is French, he is a true global citizen who was born in Brazil and headed a company in the US for a while. In the Renault-Nissan alliance both companies own shares of the other, but they have maintained their separate identities.

Ghosn believes the alliance has worked because both companies recognize they have a vested interest in the other partner's success. They have also successfully met the biggest challenge facing the alliance - overcoming the cultural differences between the two companies. This does not mean that the cultural differences melted away or disappeared; rather Ghosn succeeded in capitalizing on the cultural difference by respecting the identities and self-esteem of all people in both organizations. In this way he was able to create synergies between the two companies so that the companies used the best technologies and management practices that existed in the two organizations. We have only to look at Mercedes' recent sale of Chrysler to see an example of a global alliance that did not work. One can only speculate on whether there was sufficient respect for the identities of the two organizations, sufficient respect to enable the alliance to capitalize on the cultural differences and to create synergies between the organizations.

I believe this example has direct relevance for our institution. Many of the people who come to work at the Commission have already had significant multicultural experiences. Some of you may have been Peace Corp volunteers or studied abroad. Some of you come from multicultural families and have had to deal in a very intense way with the challenges of respecting or trying to merge different cultural experiences. However, I

still wonder if we are sufficiently diverse given that: international trade is of growing importance to our economy, global alliances are often the strategy of choice in international business today, and more and more we at the ITC are studying trading partners whose cultural heritage is very different from the Western one that is familiar to most of us. Therefore, just as in the recruitment of interns, I think we need to do more to ensure that we are attracting new employees from as broad a base as possible.

In a global economy diversity does matter, whether the institution is the US armed forces, an international company, or a great university. We have to ensure that we are making maximum use of the people who are already working here. For this reason, I think we need to look again at an upward mobility program. I realize that for such programs to succeed managers have to exercise creativity and be committed to finding the right opportunities. At the same time, those employees who want to take advantage of upward mobility programs have to be prepared to put in the hard work and time and endure sacrifices if they are going to acquire the academic training and demonstrate the skills that will enable them to succeed in a new position. I also believe that attention needs to be given to diversity in the ranks of the decision-makers who are responsible for formulating trade policies because this is one way to ensure that the needs of all are taken into account and to increase confidence in the process. The bottom line is benefiting from international trade is a shared responsibility.

I noted earlier that many people are skeptical about international trade and the benefits of trade even though economists have conducted countless studies that show that open economies grow faster than closed ones. This suggests to me that more work needs to be done in determining how a society ensures that the gains from trade will be more widely distributed. It is no longer enough to say that a trade agreement will lead to certain percentage increases in trade volumes or values. We must address the changes that are needed in terms of work force, company orientation or efficiency, and the like to ensure that these benefits will be more evenly distributed. I realize that at times this type of analysis may be politically sensitive, but I believe it ought to be done and more people ought to be asking that it be done.

To sum up, G. Carter Woodson in starting Black History Week (now Month) helps us in two ways to cope with the challenges posed by the dominant role of international trade in our 21<sup>st</sup> century economy. First, he has helped African Americans acquire an appreciation of their history and has increased their ability to compete in a global economy. Second, he has helped our nation to realize that we must be a multicultural country where we honor and respect the history, culture, and contributions of all of the peoples who make up our nation.

Yesterday I was talking with the Rev. James Forbes who, for twenty years, was the senior minister at the Riverside Church in New York City and who is widely regarded as one of the best preachers in America today. I was asking him about a sermon in which he said that every race and ethnic group must be able to say that they are beautiful. In other words, it is not enough to say "Black is Beautiful" if others cannot feel and say the same about their ethnic group. I told him that I was trying to address the question "if

international trade led to enslavement in the 17<sup>th</sup> century, can it lead to liberation today?” He said don’t forget the human factor. International trade in the 17<sup>th</sup> and 18<sup>th</sup> centuries degraded human beings and those who practiced slavery. We now need to ask can we ensure that international trade in the 21<sup>st</sup> century empowers and advances human beings.

This is a challenging and daunting task. I have suggested only a few small things in the areas of training our youth, increasing diversity here, and ensuring that our analysis is relevant. These are things that we can do in our immediate communities and in our work to help. I would welcome anyone who wants to engage me at a later point to discuss practical steps in these areas.

The celebration of Black History month provides us with a key to how we should proceed with the foregoing challenging task. When we sing “Lift Every Voice,” we are reminded that no one is completely free until everyone is free. We are also reminded that, if we sing a song full of the faith that the dark past has taught us, if we sing a song full of the hope that the present has brought us, if we face the rising sun of our new day begun, we can march on till victory is done.