

## **Opinion:** How a humble metal box began the most beneficial economic development in human experience

Gene Seroka, a lifelong Democrat and the son of a Teamsters Union member, was not amused when in 2016 a reactionary presidential aspirant used the Port of Los Angeles, of which Seroka is director, as a venue for a speech declaring: “Free trade ships our jobs overseas.” Seroka lives in bustling reality — trade volume at his port has grown tenfold since 1985 — not Sen. Bernie Sanders’s (I-Vt.) fact-free nostalgia for a time before ocean-borne trade transformed the world.

“The Blue Age” — the oceans are “blue water” — is Gregg Easterbrook’s account of this transformation. He notes that the ports of Los Angeles and Long Beach generate 1.4 million of California’s 18 million jobs, about \$400 billion in economic activity, and fees that fund much of these cities’ municipal governments.

The Port of Los Angeles, this nation’s largest, ranks only 18th globally, although traffic through it measured in TEUs (20-foot equivalent units) has grown from 900,000 in 1994 to 9.4 million in 2018. Although a freeway was built for the truck traffic in and out of the port, transporting a TEU across Los Angeles from the port costs more than it does to bring a TEU from Shanghai to the port. Los Angeles port crane operators who move containers earn up to \$300,000 a year, a fact that might offend Sanders, tribune of the proletariat and scourge of the rich.

As of last Sunday, the world’s problem with supply chains was apparent as a record 73 ships waited offshore for spaces to unload hundreds of thousands of containers in Seroka’s port. Sanders must be aghast: Americans are getting what they want.

Weight has always moved more easily on water than on land, and much more cheaply than through air. “At every stage in history,” Easterbrook says, 95 percent of goods in commerce travel via water. He says the explosive growth of waterborne international trade has coincided with increased jobs and living standards “in nearly every nation.”

He notes that when Sanders was a child, 60 percent of humanity lived in extreme poverty, defined by the World Bank as subsisting on \$1.90 per day. Today, thanks largely to waterborne free trade that Sanders calls “a race to the bottom,” about 10 percent live in extreme poverty.

This decline in extreme poverty, to which Sanders seems either oblivious or indifferent, has happened primarily in Asia. An Oxford economist calculates that in this century, 130,000

Chinese had been lifted up from such poverty *every day*. But trade has brought to the West inexpensive imports and competition — improved domestic products — that have helped produce about 20 years with negligible inflation. This has directly and primarily benefited American workers, the objects of Sanders’s rhetorical caring.

All this has been made possible by a world-altering 1956 technology that few people, accustomed to digital marvels, count as a technology: large rectangular steel boxes — shipping containers. Meet the well-named ship Ever Loading: It is as long as four football fields, its crew of just 23 ride bicycles around its deck, and it carries 8,000 containers.

In the 100 years from 1920 to 2020, Easterbrook says, “global population trebled, while global GDP rose twentyfold.” The inflation-adjusted dollar value of global trade more than doubled in the quarter-century from 1994 to 2019. Since the World Trade Organization was founded in 1995, Easterbrook writes, “the United States has consistently led the West in job creation.” Today, the United States has 11 percent of the global trade market. China, with four times the U.S. population, has 13 percent.

Although teaching economics to Sanders is akin to tutoring a typhoon, Easterbrook notes that U.S. manufacturing employment, which peaked in 1979, had fallen by 5 million before Chinese imports became significant in 2001. And, “Research conducted by economists at Ball State University in Indiana and at the Massachusetts Institute of Technology” shows this net impact of trade with China: “The United States lost about 1.5 million manufacturing jobs — hardly inconsequential, but well less than the minus 5 million manufacturing employment that happened entirely for American domestic reasons.” These reasons include technology-driven productivity improvements and the rise of the knowledge economy.

Sanders, chairman of the Senate Budget Committee, oversaw drafting the \$3.5 trillion spending bill that he and like-minded progressives consider not merely compatible with, but essential to, national well-being. So, as congressional Democrats struggle to enact Sanders’s vision, bear in mind his incomprehension of, and hostility to, the most beneficial economic development in human experience: free trade across blue waters.