History of U.S. Trade Policy
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The Trump administration has recently done (things) to signal a shift toward protectionist policies, including: withdrawing from the Trans Pacific Trade Partnership; adopting tariffs on washing machines and solar panels; adopting steel tariffs for national security reasons; tariffs on Chinese goods; threatening car tariffs for national security reasons; threatening to withdraw from NATO, WTO.

Early American Trade Policy
- US trade policy has played a major role in shaping the course of US history
  - Mercantilist trade policies of British empire required all goods to go through England
  - Contributed to growing anti-British sentiment and revolution
- Early purpose of the tariff was primarily to raise revenues for the operation of the federal government that had limited means of funding

Nineteenth Century Trade Policy
- Pattern of US trade changed: rise in manufactured goods exported
- Protectionism became the tariff’s primary motive: restriction of imported manufactures to protect America’s growing industrial concerns
- Trade was divisive in American politics: northern manufacturers sought protection of high tariffs on competing imports and southern cotton producers backed open trade policies to promote exports

Early Twentieth Century
- Smoot-Hawley Tariff Act of 1930
  - Raised import duties to protect American business and farmers
  - Was a “molehill not a mountain” and did not cause the Great Depression (Eckes)
- 1934 Reciprocal Trade Agreement
  - Reduced tariff levels and promoted cooperation with foreign governments
  - New bureaucracy to advise Congress on tariffs
  - Attempt to avoid log rolling, favoritism, and excessive protectionism

Postwar Trade Policy
- Following WWII the US turned in the direction of free trade
- Postwar trade policies were based on foreign policy objectives and unresponsive to domestic economic interests (Eckes)
- Globalization of trade
  - General Agreement on Tariffs and Trade 1947 (GATT)
    - Set of multilateral trade agreements aimed at the abolition of quotas and the reduction of tariff duties among contracting nations
    - Enlarged at several succeeding negotiations
    - Played major role in expansion of world trade in second half of 20th century
  - World Trade Organization 1995
    - Successor to GATT
    - International organization established to supervise and liberalize world trade
- Rules Based trade: allows balance between protectionism and efforts to open markets; allows system to respond flexibly as protectionism changed over time from tariffs and quotas to differences among nations regarding regulatory policies (Aaronson)
  - Imperfect system further threatened by little success at WTO, trade liberalization, inability to govern new sectors like digital trade and investment