# **Trump and Trade: A Baseline Study**

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**Abstract** It is well-known that since World War II the United States has exercised global leadership in the promotion of an open world trading system. The election of Donald J. Trump, however, appears to call this policy into question. Indeed, the balance of opinion among students of American trade politics is that President Trump's trade actions in his first two years in office are a radical break from those of his postwar predecessors. Yet studies of President Trump's trade actions fail to develop a framework through which to evaluate those actions. This study advances such a framework. It does so in the form of a baseline study that compares President Trump's trade actions with those of other postwar presidents, from Harry Truman through Barack Obama. It focuses on three types of trade actions: multilateralism, protectionism, and aggressive bilateralism. The study finds that with respect to multilateralism and aggressive bilateralism, the President's trade actions are not outside the postwar norm. With respect to protectionism, it finds that although President Trump is the most protectionist postwar president in terms of actions, he is not the most protectionist in terms of the percentage of imports affected.

Keywords: American trade politics, Donald J. Trump, multilateralism, protectionism, and aggressive bilateralism.

*JEL Classification:* F1

#### 1. Introduction

It is well-known that since World War II the United States has exercised leadership in the creation, maintenance, and expansion of an open world trading system. The election of Donald J. Trump, however, appears to call this policy into question. Since taking office, President Trump has imposed tariffs on solar panels, washing machines, lumber, steel and aluminum. He has withdrawn the United States from negotiations to establish the Trans-Pacific Partnership (TTP). He has threatened to levy tariffs on automobile imports. He has initiated a trade war with China. He has brow beaten Mexico and Canada to renegotiate NAFTA. And he has declared that he prefers a policy of bilateral trade agreements over ones that are multilateral. Yet how do President Trump's trade actions compare to those of other postwar presidents?

#### 2. Literature Review

The balance of opinion among students of American trade politics is that President Trump's trade actions during his first two years in office are a radical break from those of his postwar predecessors. Indeed, some analysts argue that the President's actions are so far outside the

mainstream as to threaten America's postwar policy of world trade leadership. David P. Fidler, for example, argues that the President's trade actions represent a "scorched earth" strategy, "against how the United States has managed trade in economic and foreign policy for decades" (2017, 5). G. John Ikenberry contends that the President's actions threaten to "bring to an end America's role as leader of the liberal world order" (2018, 7). Eswar Prasad maintains that the President's trade actions represent a "body blow to the multilateral trade system that the U.S. has helped to build up" (cited in Paletta and Swanson, 2017). Douglas A. Irwin avers that the President's actions risk "triggering a global trade war" that threatens to do "irreparable damage to the open world trading system that the United States [has], until now, so assiduously promoted since World War II" (2017, 46). Deborah Elms and Bhargav Sriganesh maintain that the President's actions have "upended the traditional politics around trade" (2017, 250). Marcus Noland contends that President Trump's trade actions mark a "turning point where the United States could reverse course on 80 years of movement toward freer trade and enhanced multilateral cooperation" (2018, 262). Stewart M. Patrick suggests that President Trump's trade actions risk "driving away U.S. allies and partners. exposing Americans to global instability and economic retaliation, and accelerating the demise of the world the United States made" (2017, 7). Joseph E. Stigliz asserts that the President's trade actions are a "dark cloud hanging over the global horizon" (2018, 527).

Such statements sound an important warning. Yet every postwar president has engaged in trade actions that seemed at the time to run counter to a policy of multilateral trade liberalization. Despite these actions, however, the United States has maintained a commitment to the exercise of leadership in the creation, maintenance, and expansion of an open world trading system. Given this history, how are we to evaluate the trade actions of President Trump? Other than generalizations to the effect that every postwar president, save Trump, has embraced a policy of multilateral trade liberalization, there is little in the way of analysis by students of American trade politics to support such broad assertions. Statements such as these are illustrative. "Every postwar president has regarded this open system as integral to the prosperity of the United States and to its larger geopolitical goals - until Trump" (Ikenberry, 5). "Since the administration of Franklin Roosevelt, 13 successive U.S. presidents have agreed that the United States must assume the mantle of global leadership. ... That is about to change" (Patrick 2017, 1). Since World War II, American presidents have played a "leading role in defending, institutionalizing, and advancing the liberalization of trade in goods and services . . . . President Trump's trade proposals and actions . . . reject . . . [this] commitment to open markets in American grand strategy" (Fidler 2017, 5 and 7). President Trump "has headlined proposals aimed at reversing many years of trade liberalization embraced by both Democratic and Republican presidents" (Hufbauer 2016, 5).

Although suggestive, these studies do not establish a framework through which to evaluate President Trump's trade actions. Absent such a framework it is difficult (if not impossible) to assess how far outside the mainstream are the President's actions. This paper advances such an evaluative framework. It does so in the form of a baseline study. Baseline studies are used routinely in the administrative sciences to provide an information base against which to assess the effectiveness, or outcome, of a program or policy. They provide a starting point from which one can make comparisons. For our purposes, the comparison is between

President Trump's trade actions and those of other postwar presidents, from Harry Truman though Barack Obama.

#### 3. Analytical Framework

Although words have power, especially when spoken by a president, our focus is on presidential trade *actions*, not rhetoric. We can define a trade action as a political intervention that regulates the relationship between a nation's economy and the world economy with respect to the cross-border exchange of goods and services. For our purposes, the trade actions of postwar presidents fall into three categories: multilateralism; protectionism; and aggressive bilateralism. Multilateralism refers to presidential actions that support the postwar world trading system. Protectionism refers to presidential actions that close the American market to imports. Aggressive bilateralism refers to presidential actions or threats of action to close America's market in an effort to force an exporting country to change trade-related policies and practices deemed antithetical to the interests of the United States as defined by the president.

### 4. Findings

This section exams the study's findings with respect to President Trump's multilateralism, protectionism, and aggressive bilateralism.

## 4.1 Trump's Multilateralism

How are we to measure President Trump's actions in relation to the world trading system? One way is to assume the extreme case, which is the withdrawal of the United States from the GATT/WTO. This measure, however, is too blunt an instrument. Indeed, if we were to use it there is only one conclusion: the President supports the multilateral world trading system, since he has not withdrawn the United States from the WTO.¹ Another way to answer this question would be to compare the President's trade actions with the rules of the GATT/WTO. This measure, however, is fraught with difficulty; for the meaning of these rules is open to interpretation.

If these approaches fall short, where are we to look for measures that allow an analysis of the President's trade actions with respect to the GATT/WTO? The answer advanced here is to compare these actions to those of other postwar presidents in terms of participation in GATT/WTO trade negotiations (rounds); as well as their actions with respect to the WTO's dispute settlement mechanism (DSM).

GATT/WTO Trade Rounds. The GATT/WTO world trading system did not emerge overnight. It was constructed through a series of eight multilateral trade negotiations, known as "rounds." Every postwar president has supported these rounds. They have done so in one or two ways: initiating U.S. participation in a new trade round, and/or maintaining American's participation in an ongoing round. Table I presents these actions.

As can be seen in the table, Harry Truman initiated United States participation in three trade rounds. These were the Geneva Round (1947); the Annecy Round (1949); and the Torquay Round (1951). Dwight Eisenhower initiated United States participation in two trade rounds. These were the Geneva Round (1956); and the Dillion Round (1960-61). John Kennedy initiated United States participation in the Kennedy Round (1964-67); Richard Nixon the Tokyo Round (1973-79); Ronald Reagan the Uruguay Round (1986-94); and George W. Bush the current Doha Development Round (2001- ongoing). Presidents Johnson, Ford, Carter, Bush (H.W.), Clinton, and Obama did not initiate a GATT trade round because there was a round already in progress during their tenure in office. That said, since it is within the power of the president to withdraw the United States from an ongoing round, the fact that every postwar president has maintained American participation in a round is *prima facie* evidence of support for the multilateral world trading system. Viewed in this light, President Trump's maintenance of American participation in the current Doha Development Round is consistent with the trade actions of other postwar presidents.

WTO Dispute Settlement Mechanism. Another way to measure President Trump's trade actions with respect to the multilateral world trading system is to look at his actions regarding the WTO's Dispute Settlement Mechanism (DSM), which provides an institutionalized process for the settlement of disputes among Members. If one or more WTO Member believes that another Member is violating its commitments under the Final Act of the Uruguay Round of Multilateral Trade Negotiations, they can file suit in the DSM. The DSM has three stages. First, the claimant requests consultations with the respondent. If the issue is not resolved at this level, the complainant or respondent can request the establishment of a Dispute Settlement Panel to hear, adjudicate, and make a determination. The decision of the Panel is final unless either party to the dispute appeals the decision to the Appellate Body (AB). The decision of the AB is final. Because presidential use of the DSM is usually in lieu of taking unilateral actions, its use by presidents demonstrates at least some support for this quasi-judicial process.

President Trump's actions with respect to the DSM have taken two forms. The first is his use of the DSM to settle trade disputes. Chart I compares President Trump's use of the DSM to that of Bill Clinton, George W. Bush, and Barack Obama. (Since the WTO came into force on 1 January 1995, the Chart begins with the second term of Bill Clinton). As can be seen, in the first two years of his presidency, President Trump initiated more DSM cases than did Bush and Obama during the first two years of their terms. Moreover, it is significant that on the date he announced his intention to place tariffs on Chinese imports (22 March 2018), he directed the United States Trade Representative (USTR) to request consultations with that country within the DSM process (USTR 22 March 2018). Thus, although the President's trade actions with respect to China have taken the form of protectionism and aggressive bilateralism (see below), the negotiations between the United States and China have occurred (at least formally) pursuant to the first stage of the DSM process.

The second type of DSM action engaged in by President Trump concerns its Appellate Body. Although President Trump has shown a willingness to use the DSM, he has also taken action to reform the appellate stage of the process. He has done so by blocking the appointment or reappointment of judges to the Appellate Body. Because of these blocking actions, the AB

now consists of three judges, the minimum required for its functioning.<sup>5</sup> President Trump's justification for his blocking actions is his view that the AB has increasingly overstepped its intended purpose as an arbiter of disputes among Members pursuant to the rules established in the Uruguay Round of Multinational Negotiations, and has moved into the realm of rulemaking, especially with respect to the creation of new rights and obligations for Members. Because the rules of the WTO are supposed to emerge via negotiations among Members, the AB's foray into rulemaking appears to subvert this process. By taking blocking actions, President Trump seeks to apply pressure on other WTO Members to reform the AB by bringing it back to first principles, which he hopes will mean more decisions in the favor of the United States.

Although the blocking actions of President Trump raise the specter of a breakdown in the DSM, his actions are not without precedent. Both George W. Bush and Barack Obama charged that the AB is overstepping its bounds and that reform is necessary. Furthermore, in pressing the case, Bush blocked the appointment of one judge, and Obama blocked the appointment or reappointment of three. In his first two years in office, President Trump has blocked the appointment of two judges and the reappointment of one. Thus, in terms of blocking actions and reform goals, President Trump has followed in the footsteps of George W. Bush and Barak Obama.

# 4.2 Trump's Protectionism

In his seminal article, "International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order," John Gerard Ruggie, argues that since world War II, America's drive to create a liberal multilateral world trading system has been coupled with policies designed to protect society from the vagaries of the international market (1982). Therefore, it should come as no surprise to find that the commitment of postwar American presidents to a policy of world trade leadership has also included protectionist actions. These actions have taken a variety of forms: tariffs, quotas, tariff-rate quotas, exclusion orders, and cease and desist orders. Chart 2 presents the protectionist actions engaged in by postwar presidents in the first two years of their term(s). As can be seen, every postwar president has engaged in some sort of protectionist action(s).

Harry Truman took protectionist actions regarding agricultural, textile, and chemical products, cotton, crude oil, and wood products. Dwight Eisenhower took protectionist actions on agricultural products, textiles, clinical instruments, paper products, and crude oil. John Kennedy took action on bicycles, sheet glass, and textiles. Lyndon Johnson took protectionist action on textiles from 26 countries. Richard Nixon took action on textiles, sheet glass, chemicals, ball bearings, and agricultural products. Gerald Ford placed restrictions on agricultural and steel products. Jimmy Carter took action on steel, consumer electronics, chemicals, and agricultural products. Ronald Reagan placed restrictions on chemicals, steel and base metals, machines, agricultural products, consumer electronics, textiles, lumber, and wood products. George H. W. Bush took protectionist action on machines, chemicals, and computer memory chips. Bill Clinton placed restrictions on integrated circuits, telecommunications chips, computer components, machines, textiles, agricultural tractors, flash memory circuits, and agricultural products. George W. Bush put

trade restrictions on steel, integrated circuits, chemicals, consumer electronics, rubber products, machines, medical devices, and computer peripherals. Barack Obama took action on machines, GPS devices, agricultural and food products, semi-conductors, communication devices, LED photographic devices, medical devices, certain rubber products, digital televisions, liquid crystal display products, and computer peripherals. For his part, President Trump placed import restrictions on steel, aluminum, lumber, washing machines, and solar panels, as well as on imports of Chinese chemicals, rubber, machinery, vehicles and transport equipment, precision instruments, mineral fuels and products, stone and glass, iron and steel, aluminum, certain agricultural goods, leather, wood and paper products, textiles, footwear, and base metals.<sup>7</sup>

Although every postwar president has engaged in some sort of protectionist action(s), it is clear from Chart 2 that during his first two years in office President Trump is by far the most protectionist. However, three caveats are in order. First, the value of imports affected by the President's protectionist actions is less than 10 percent of the total value of U.S. imports of goods in 2018 (Varas 2019; USTR 10 July 2018; U.S. Bureau of the Census, 2019).8 Second, the bulk of the President's protectionist actions have come in his dispute with China. Thus, they are bilateral, not global. The bilateral nature of these actions limits their impact on America's postwar policy of liberal multilateralism and the world trading system because they only target one country.9 Finally, and most importantly, Chart 2 only scores protectionist actions during the first two years of a presidency. As a result, the chart misses the most significant protectionist action ever taken by a postwar president: President Nixon's 15 August 1971 surcharge of up to 10 percent on 52 percent of the total value of U.S. imports of goods, which he levied as part of his effort to drive down the value of the dollar (Irwin 2013). Thus, although President Trump is by far the most protectionist postwar president in terms of actions, in terms of the total value of imports affected, he is well behind Richard Nixon.

### 4.3 Trump's Aggressive Bilateralism

In his book, *National Power and the Structure of Foreign Trade*, Albert O. Hirschman argues that national power in foreign trade is a function of the degree to which an importing country can disrupt the economy of an exporting country by closing its market to the exporting country's products. The more an exporting country requires access to an importing country's market to maintain domestic economic growth and employment, the more political leverage the importing country has over the exporting country (1945).

Since World War II, the United States has been the largest importing country in the world; and it has leveraged that position to attain trade concessions from other states. United States action in this regard has taken two forms. The first is to use the opening of the American market as an incentive for trading partners to lower their trade barriers in exchange for reciprocal actions by the United States. We might call this approach, reciprocal bilateralism. The second way the United States has leveraged its status as the world's largest importer is threatening to close America's market to an exporting country unless that country takes unilateral actions that make changes to policies and practices deemed by the president to be antithetical to the interests of the United States. This second form is aggressive bilateralism.

As can be seen in Chart 3, every postwar president has engaged in some sort of aggressive bilateralism. Some of these actions included threats to close the American market if countries did not limit their exports to the United States in the form of Voluntary Export Restraints (VER). Others included threats to close the American market if countries did not change domestic policies and practices objected to by the president (Market Opening Initiatives [MOI]).

Harry Truman threatened to terminate a 1936 trade agreement with Switzerland unless that country included an escape clause provision in its trade laws. Dwight Eisenhower negotiated VERs on certain agricultural products from Canada, Argentina, and Paraguay; and on certain textile and steel products from Japan. John Kennedy secured VERs on textile products from more than 20 countries, the bulk of which were negotiated within the framework of the Short-Term Arrangement Regarding International Trade in Cotton Textiles, and its successor, the Long-Term Arrangement Regarding International Trade in Cotton Textiles (LTA). Lyndon Johnson negotiated textile VERs with more than two dozen countries within the framework of the LTA. Richard Nixon secured textile VERs with nearly three dozen countries, most within the framework of the LTA; and steel VERs with Japan and the European Coal and Steel Community (ECSC). Gerald Ford negotiated meat VERs with a dozen countries, steel VERs with Japan, and certain agricultural products from Canada. He also negotiated a MOI with Guatemala regarding its shipping practices. Jimmy Carter negotiated textile VERs with Egypt, Yugoslavia, and Japan; footwear from South Korea and China; color TVs and leather products from Japan; and certain agricultural products from the European Community (EC), Taiwan and South Korea. He also negotiated a MOI with the EC regarding its minimum price system on certain agricultural products.

Ronald Reagan negotiated VERs on textiles with 80 countries; steel from Japan; and meat from New Zealand and Australia. He took MOI actions on automobile export performance requirements, practices regarding alcohol and tobacco, and customs valuations with Taiwan; export taxes on lumber with Canada; and intellectual property laws and insurance regulations with South Korea. He also took MOI actions on agricultural export subsidies and steel with the European Community; semi-conductors and leather with Japan; practices regarding informatics, agricultural export subsidies, and footwear with Brazil; and Argentinian postal regulations. George H. W. Bush negotiated VERs on steel with 16 countries and the European Union. He took MOI actions with respect to construction services, forestry products, tobacco products, supercomputers, semi-conductors, satellites, and construction services with Japan; intellectual property protection, agricultural export subsidies and air carrier practices with Argentina; and import licensing, intellectual property protection, and pharmaceuticals with Brazil. He also took MOI actions on hormone grown beef with the European Union; electronic highway toll ID systems with Norway; intellectual property protection, beef licensing and wine practices with South Korea; insurance with India; and metal scrap from the United Kingdom and the European Union.

Bill Clinton negotiated VERs on textiles from 23 countries. He also took MOI actions on intellectual property protection with Thailand, Brazil, Paraguay, Pakistan, and Honduras; automobile trade and investment measures with Brazil; agricultural export subsidies with

the European Union and Canada; export subsidies on leather with Australia; and regulations concerning taxes on box office revenues with Turkey. George W. Bush took VER action on textiles with China and Cambodia; and intellectual property protection with Ukraine. Barack Obama took MOI actions on hormone treated beef with the EU; and lumber export measures with Canada.

For his part, President Trump engaged in aggressive bilateral actions toward Mexico and Canada to secure a renegotiation of NAFTA after he threatened to tear-up the existing agreement and raise U.S. tariffs to their pre-NAFTA levels. He also has engaged in aggressive bilateral actions toward China. Here he has raised tariffs on Chinese exports of vehicles, chemicals, rubber, machines, precision instruments, minerals, plastics, glass and base metals in an attempt to pressure that country to change its policies and practices regarding intellectual property rights, technology transfer, industrial subsidies, and trade-related investment. Although we should not take President Trump's aggressive bilateral actions toward Mexico, Canada, and China lightly, as Chart 3 shows, these actions pale in comparison to those of most other postwar presidents; and are consistent with those of Barack Obama, George W. Bush, Dwight Eisenhower, and Harry Truman. <sup>10</sup>

# 5. Summary and Conclusions

Most analyses of President Trump's trade actions conclude that those actions pose a threat to America's postwar policy of world trade leadership. However, this baseline study shows that the President's trade actions are not so far outside the mainstream as many students of American trade politics seem to believe. More specifically, this study has examined President Trump's trade actions in light of those of other postwar presidents, from Harry Truman to Barack Obama. It has done so by exploring three categories of trade action: multilateralism, protectionism, and aggressive bilateralism. With respect to multilateralism, this study finds that President Trump's trade actions are consistent with other postwar presidents who came into office with a trade round in progress and thus did not have the opportunity to launch American participation in a new trade round. In terms of the DSM, President Trump's initiation of 10 cases in his first two years in office compares favorably to those of George W. Bush and Barack Obama during the first two years of their terms. Finally, while potentially posing a threat to the functioning of the AB, President Trump's actions blocking the appointment or reappointment of AB judges to create pressure for reform are in line with those of George W. Bush and Barack Obama. Indeed, the actions of Bush, and especially Obama, laid the groundwork for President Trump's blocking actions.

In terms of President Trump's protectionism, this study has shown that in terms of actions, he is the most protectionist president of the postwar era. Having said that, during his first two years in office, his protectionist actions affected less than 10 percent of the value of U.S. imports of goods. Moreover, the bulk of the President's protectionist actions have come in his trade dispute with China. Thus, they are bilateral, not global. The bilateral nature of these actions limits their impact on America's postwar policy of liberal multilateralism as well as their threat to the world trading system as a whole, since they only affect one country. Most importantly, the percentage of the total value of U.S. imports affected by President Trump's protectionist actions pale in comparison to those of Richard Nixon's, whose 15 August 1971 import surcharge affected 52 percent of U.S. imports.

Finally, with respect to aggressive bilateralism, President Trump's actions are among the fewest of postwar presidents. Although his use of aggressive bilateralism with respect to Mexico, Canada, and China are not without significance, his actions pale in comparison to those of Ronald Reagan; Richard Nixon; Bill Clinton; Gerald Ford; and John Kennedy; and are equal to those of George W. Bush, and Barack Obama.

Of course, it is impossible to know the direction that President Trump's trade actions will take in the future. To date, however, the evidence suggests that with respect to his multilateralism, protectionism, and aggressive bilateralism, President Trump's actions are not as radical as some analysts seem to think.

#### **Endnotes**

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<sup>1</sup> President Trump's renegotiation of NAFTA and withdrawal from negotiations over the Trans-Pacific Partnership are not included here since both were regional, not multilateral agreements. Furthermore, the changes made in NAFTA pursuant to renegotiations were largely cosmetic (Gertz 2019). With respect to the TPP, President Trump did not withdraw the United States from an extant agreement to which the United States was a party. Rather, he refused to send the TPP agreement to Congress for ratification. Furthermore, of the eleven countries with which the United States had negotiated the TPP, six already had a free trade agreement with the United States: Australia, Canada, Chile, Mexico, Peru, and Singapore. U.S. exports to these six countries in 2017 amounted to 86 percent of U.S. exports to all TPP countries. Trading Economics, "United States Exports by Country." <a href="https://tradingeconomics.com/united-states/exports-by-country">https://tradingeconomics.com/united-states/exports-by-country</a>. Accessed on April 14, 2019. Author's calculations.

<sup>&</sup>lt;sup>2</sup> Launched in 2001, the ninth round of multilateral trade talks, the Doha Development Round, is ongoing.

<sup>&</sup>lt;sup>3</sup> Truman's and Eisenhower's launch of multiple trade rounds was due to the fact that Congress was reticent about the GATT project and therefore granted only limited bargaining power to these presidents. Because Article 1, Section 8 of the United States Constitution grants to Congress the power to "regulate commerce with foreign nations," the president needs congressional approval to negotiate reductions in tariffs. The length of these early trade rounds reflects the short amount of time these presidents possessed trade-negotiating authority.

<sup>&</sup>lt;sup>4</sup> With respect to Bill Clinton, his outsized use of the DSM principally reflects a backlog of cases that had accrued under the GATT, which had a weak dispute settlement process.

<sup>&</sup>lt;sup>5</sup> When fully staffed, the AB has seven judges.

<sup>&</sup>lt;sup>6</sup> Tariffs are a duty on imports collected when an item crosses the boarder. Quotas are quantitative restrictions on imports that limit the physical quantity of a good imported into the domestic market. Tariff-rate quotas are quantitative restrictions that allow imports beyond the quota limit, but subjects them to an intentionally prohibitive tariff. Exclusion orders and cease and desist orders are administrative actions taken by the United States International Trade Commission (USITC) to limit or exclude the importation of goods which the Commission determines are the product of

unfair competition and that are causing injury to American producers. However, the Commission's actions are subject to a presidential veto. If the president does not veto the Commission's action, then that action goes into effect. If the president vetoes the Commission's action, then that action does not go into effect. The rules for the USITC's actions in this regard are pursuant to Section 337 of the Tariff Act of 1930, as amended. Section 337 eligible cases do not include dumping or subsidies, which are the subject of the nation's Anti-Dumping and Countervailing Duty laws. I do not include the nation's AD and CVD laws in this analysis since the president plays little role in their operation.

<sup>8</sup> Author's calculations. In 2019, President Trump dramatically increased the scale and scope of tariffs on Chinese imports. As a result, his protectionist actions increased from 186 in his first two years in office, to more than 400. Yet, even with this increase, the value of U.S. imports subject to tariffs (not just those from China) amounted to approximately \$524 billion, or about 20 percent of the total value of U.S. imports of goods in 2018. (Varas 2019; U.S. Bureau of the Census, 2019). Author's calculations. At the same time, President Trump is readying \$11 billion in tariffs on U.S. imports from the EU. I do not count this move as a protectionist action since it is pursuant to a finding by the AB that the EU is illegally subsidizing Airbus. Because of this favorable ruling, the retaliatory tariffs that the President might impose are consistent with the rules of the WTO; that is, they are WTO-legal. Finally, on 2 December 2019, President Trump announced that he was placing tariffs on imports of steel from Brazil and steel and aluminum from Argentina. Following the methodology for calculating Presidential protectionist actions (see note Chart 2), these actions amount to two. Furthermore, the combined total of U.S. imports of goods affected by these actions only amount to about 1 percent of total U.S. imports of goods in 2018. (Siegel, McCoy, and Nakamura, 2 December 2019).

<sup>&</sup>lt;sup>7</sup> The products listed in this paragraph are illustrative.

<sup>&</sup>lt;sup>9</sup> Support for the claim that President Trump's bilateral actions with respect to China do not pose a threat to the world trading system is found in the fact that China is the only Member of the WTO to file a DSM case challenging the President's actions toward that country. The lack of DSM action on the part of other WTO Members is *prima fascia* evidence that they do not see his China trade actions as threatening their interests. This is not the case with respect to his actions on steel and aluminum, where more than 30 WTO Members have challenged his actions, either as a complainant or as third parties.

<sup>&</sup>lt;sup>10</sup> The products listed in the paragraphs above are illustrative.

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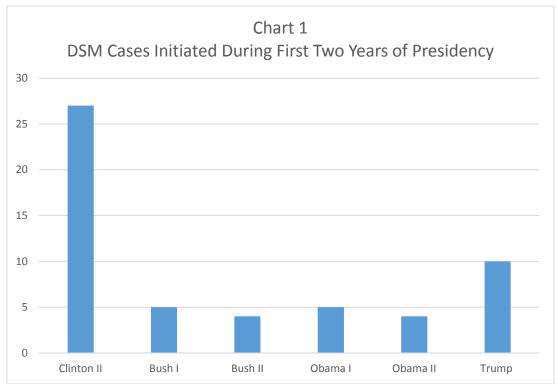
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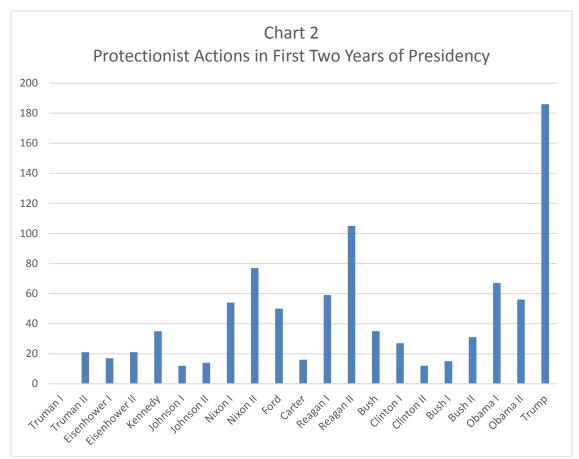
Table 1
Presidential Support for Multilateral Trade Rounds

<u>President</u>	<u>Initiation of Rounds</u>	Support for an Ongoing Round
Harry Truman	3	3
Dwight Eisenhower	2	2
John Kennedy	1	2
Lyndon Johnson		1
Richard Nixon	1	1
Gerald Ford		1
Jimmy Carter		1
Ronald Reagan	1	1
George Bush		1
Bill Clinton		1
George Bush	1	1
Barak Obama		1
Donald Trump		1

Sources: Robert A. Pastor, *Congress and the Politics of U.S. Foreign Economic Policy, 1929-1976* (Berkeley, CA: University of California Press, 1982), pp. 93-104; Sharyn O'Halloran, *Politics, Process, and American Trade Policy* (Ann Arbor: The University of Michigan Press, 1994), 131-137; *World* Trade Organization, *Trading into the Future,* 2<sup>nd</sup> ed (Geneva: World Trade Organization, 1999), pp. 9-13.

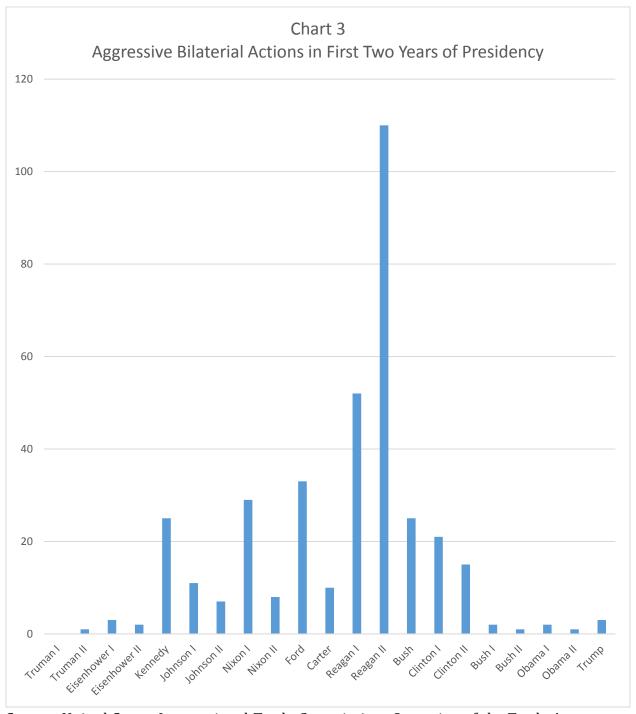


Source: World Trade Organization, Disputes Chronologically, <a href="https://www.wto.org/english/tratop-e/dispu-e/dispu-e/dispu-e-htma">https://www.wto.org/english/tratop-e/dispu-e/dispu-e/dispu-e-htma</a> (accessed on 28 February 2019.)



Sources: United States International Trade Commission, *Operation of the Trade Agreements Program*, 1945-2017, Report Numbers 1-69. United States Trade Representative, "USTR Issues Tariffs on Chinese Products in Response to Unfair Trade Practices," Press Release, 15 June 2018. USTR, "USTR Finalizes Tariffs on \$200 Billion of Chinese Imports in Response to China's Unfair Trade Practices," Press Release, 18 September 2018.

Note: It is difficult to make exact comparisons of the protectionist actions of postwar presidents. One of the problems is that the tariff nomenclature has changed several times since World War II. Another is the number of items covered in the current Harmonized Tariff Schedule (HTS) of the United States, which run to more than 16,000. In order to overcome these difficulties and to provide consistent scoring, I used the following rubric: All items covered in the HTS are aggregated to the 2-digit HTS level, which covers 99 product categories. (The HTS lists products down to the 10-digit level.) A protectionist action directed at a single country counts as one (1) protectionist action, two countries counts as two (2) and so on. If a protectionist action directed at a single country includes more than one product category at the 2-digit HTS level, each product category counts as one (1) protectionist action. If two or more actions are taken at the same time within a 2-digit HTS category, these actions are aggregated to the 2-digit HTS schedule and counted as one (1). Actions taken across-the-board (global actions) count as one (1) for each product category covered by the action at the 2-digit HTS schedule. I do not count actions taken on textiles once the Multi-Fiber Agreement (MFA) came within the purview of the WTO. Nor do I count protectionist actions taken pursuant to a finding of the DSM.



Source: United States International Trade Commission, *Operation of the Trade Agreements Program*, 1945-2017, Report Numbers 1-69. Author's calculations.

Note: The chart measures aggressive bilateral actions initiated and/or concluded during the first two years of a president's term(s). Actions taken at the consultative stage of the DSM also are included. Furthermore, the aggressive bilateral actions recorded in the Chart were not rhetorical flourishes; they were taken in the context of formal, ongoing negotiations. Finally, the fall-off of aggressive bilateral actions during the Bush and Obama admirations reflects the use of the WTO's DSM rather than a go-it-alone strategy.