

Day 2 Hour 3

Trump's Protectionist Policies -- Exercises

Here is a very useful, contemporary link to [Trump's policy actions](#), but it is very long (16 pages).

Trump claims that his policies are being used to ultimately force other countries to open their economies and to treat US goods in a fairer manner. However, some people think that his actions are intended to introduce permanent protection of US industries. As the link shows above, there have been a large number of actions taken by the Trump administration with respect to trade.

1. Trump's trade policies have mainly been aimed at _____ (**China, the EU, Mexico**).
2. In one of the most talked about policies, Trump raised tariffs on _____ (**soybeans, steel, movies**) and _____ (**toys, aluminum, bicycles**).
3. Trump provided short term _____ (**quotas, subsidies, exemptions**) to the producers of steel and aluminum in the EU and other places, but not China.
4. The most recent estimate of China's trade surplus with the US is about _____ (**450, 630, 820**) billion USD.
5. China has responded to US tariffs by raising tariffs on US goods, especially _____ (**paint, movies, soybeans**).
6. The trade war is primarily a blackmail of the US to gain interests. It is an old trick of the US that forces trading partners to _____ (**close, reduce, open up**) markets and give up economic _____ (**interests, costs, pollution**) by starting or threatening to start a trade war. Such approach has been applied by the US to many countries. (**popular 人民日报 opinion piece**)
7. The direct motive is to force China to further expand its market access to the US in trade and investment, and _____ (**maintain, decrease, increase**) the purchase of US products. By doing so, the US can obtain more economic benefits, while shifting its domestic contradictions outwards. (**popular 人民日报 opinion piece**)
8. In addition, the US has impeded the normal operation of the WTO by intentionally obstructing the _____ (**impeachment, appointment, firing**) of new judges of the organization's Appellate Body. China has always stuck to its WTO _____ (**demands, attendance, commitments**), abiding by the rules of the multilateral economic and trade system, and made every endeavor to promote trade and investment liberalization and facilitation. (**popular 人民日报 opinion piece**)

enforcing withdrawing promises flawed NAFTA agenda

President Trump is keeping his _____ to the American people on trade, from _____ the United States from the _____ Trans-Pacific Partnership, to renegotiating _____, to strongly _____ U.S. trade laws. We are already seeing the results of President Trump's _____ pay off for American workers, farmers, ranchers, and businesses.

---- Ambassador Robert Lighthizer, USTR

Reading from the USTR

The Trump Administration will seek an extension of Trade Promotion Authority until 2021 and aggressively use that authority to negotiate or revise trade agreements so they are fair, balanced and support American prosperity. However, the President's Trade Policy Agenda warns that the U.S. Senate's failure to confirm President Trump's nominees to serve as Deputy U.S. Trade Representatives and Chief Agricultural Negotiator "could significantly undermine" efforts to move forward with trade negotiations.

As part of its trade agenda for 2018, the Trump Administration will continue renegotiating the North American Free Trade Agreement (NAFTA) to modernize and rebalance the 24-year-old trade pact, as well as negotiations to amend the Korea-U.S. Free Trade Agreement (KORUS) in order to seek fairer, more reciprocal trade.

The Trump Administration intends to reach other agreements designed to promote fair, balanced trade and support American prosperity. As part of this effort, the United States and the United Kingdom established a Trade and Investment Working Group in July 2017 to lay the groundwork for commercial continuity and prepare for a potential future trade agreement once the UK leaves the European Union. The Administration will continue preparing for other potential bilateral agreements, including in the Indo-Pacific and African regions.

The Trump Administration will continue to use all tools available under U.S. law to combat unfair trade. In January 2018, President Trump exercised his authority under Section 201 of the Trade Act of 1974 to provide safeguard relief to U.S. manufacturers injured by imports of washing machines and solar panels. This was the first time Section 201 had been used to impose tariffs in 16 years. The Trump Administration in 2017 launched a self-initiated Section 301 investigation with an in-depth probe into Chinese practices related to forced technology transfer, unfair licensing, and intellectual property (IP) policies and practices. The Trump Administration has successfully litigated a number of World Trade Organization (WTO) disputes, helping force countries to abandon unfair practices and preserving the U.S. right to enact fair laws.

The Administration will work with all WTO members who share the U.S. goal of using the organization to create rules that will lead to more efficient markets, more trade and greater wealth for our citizens. However, the United States is also concerned that the WTO is not operating as the contracting parties envisioned and, as a result, is undermining America's ability to act in its national interest. The Trump Administration will work with other like-minded countries to address these long-standing concerns.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/february/trump-administration-sends-annual>

Find the answers in the reading dealing with each of the following:

- (i) Under President Trump, the US has raised tariffs for the first time in 16 years using a section of the 1974 Trade Act. What two products had tariffs imposed and what section did he use?**
- (ii) What major free trade agreements are being renegotiated.**
- (iii) US has objectives that it wants to work with WTO countries. What are these objectives?**
- (iv) What is hindering US trade negotiations?**
- (v) What is the US doing in preparation of Brexit?**

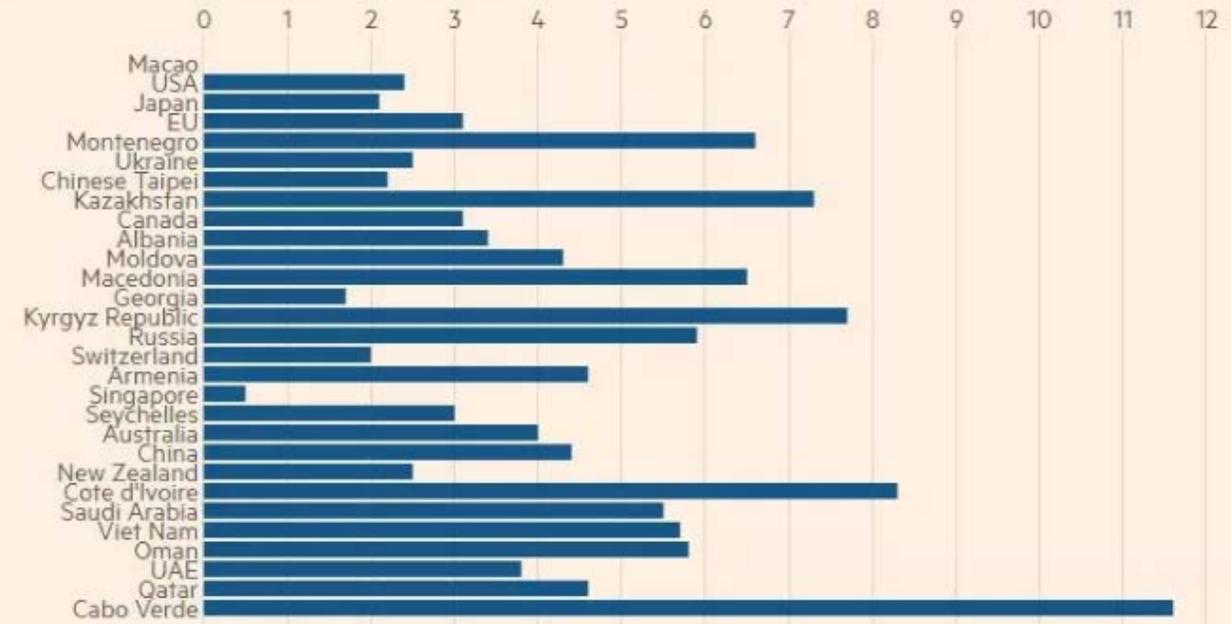
Here is an infogram showing trade weighted average tariffs – USA is not the lowest

Make a list of the countries that have lower average tariffs
Top Five Lowest Rates in order (from infogram on the next page)

<u>Country</u>	<u>Approximate Average Trade Weighted Tariff Rate</u>
(1)	
(2)	
(3)	
(4)	
(5)	

Trade Weighted Tariffs

MFN tariffs adjusted for relative volume, %



Tajikstan removed as data not available

Source: WTO