

Policies and Institutions: National, US

Jackson, Ch. 3, pp. 79-100:

- Should (according to Jackson), and do, international institutions like the WTO interfere with the sovereignty of its member states? **<a: Yes, and they must. Countries today have effects on other countries, and managing this requires some interference with sovereignty.>**
- To what part of the US government does the US constitution assign responsibility for commercial policy? What does this imply for the procedures by which the US enters into trade agreements? **<a: It is assigned to Congress, not the President. Thus the President must either get Congress to agree in advance to honor an agreement negotiated by the President, or must be asked to approve it afterwards.>**
- Once a trade agreement is negotiated and accepted, does it automatically become part of the law of the participating countries? **<a: This is confusing. Apparently in some countries the answer is yes, in others (the UK) it is no and further legislation is required. In the US, we are somewhere in between, with some agreements considered “self-executing” and therefore automatically part of domestic law, and others not. I can’t tell how one knows which is which.>**
- Can the US federal government enter into international agreements that constrain the US states? Does the same apply to other negotiating units’ (e.g., Canada, the EU) abilities to commit their sub-units? **<a: Yes, the US federal government can do this. Authority over commerce is given to it, not the states. This is less true in other places including both Canada and the EU. As a result, some international agreements have not required that their rules extend to sub-units, since other countries couldn’t do that even though the US could.>**
- Why did Fast Track, or something like it, become necessary only after trade negotiations were moving beyond tariffs to negotiating non-tariff measures? **<a: Because NTMs often “reach deeply into the interstices of domestic policy and regulation” which Congress reserves for itself.>**
- What are the four requirements of the Fast Track procedure that was first approved by Congress? Under what President was this done? **<a: The requirements were 1) consultation with Congress during the negotiations, 2) the bill not be amendable, 3) it would be reported out of committee within a short period of time, and 4) that debate be limited. It was done in the late 1979s, under Carter, though serious discussions had already begun under Ford.>**
- What units of the US government have responsibilities for aspects of US trade policies? **<a: Many: Agriculture for ag policy; Defense for export controls; Labor for workers unemployed due to imports; Commerce for anti-dumping and countervailing duties; State and Treasury for various international relations that may involve trade; and of course USTR.>**

Verrill, "An Introduction to Trade Remedies Available under U.S. Law," 1999.

- Who has "standing" under the antidumping law? Who determines whether there is dumping? **<a: Standing requires that the companies petitioning (or those who are neutral) account for 50% or more of domestic production. The Commerce Department's International Trade Administration decides whether there is dumpin.>**
- How do the injury requirements differ for antidumping and for safeguards? Do either require that the domestic firms make losses? **<a: For antidumping, imports must cause (or threaten to cause) "material injury," which means "harm that is more than inconsequential." Firms need not make losses; they may just be worse off than they would have been without the dumping. For safeguards, the aggregate of imports from all foreign sources must be a substantial cause of "serious injury," which is greater injury than needed for antidumping, and the imports must be as important a cause as any other. The source does not mention whether firms must make losses.>**
- What can a U.S. producer do if it believes that its competitors in another country are engaging in anticompetitive conduct that is being tolerated by their government? **<a: They can file a complaint under Section 301.>**

USTR, "USTR Releases President Biden's 2024 Trade Policy Agenda and 2023 Annual Report," Office of the United States Trade Representative, March 1, 2024.

- From this, does it appear that the Biden administration is pursuing any new trade agreements? **<a: No. It mentions negotiating historic trade arrangements with our allies and partners, and lists 4 of them, but they don't seem to amount to much. Perhaps the full document would give a different impression.>**
- Is there any mention of actions taken against China? **<a: No mention of China at all.">**

Economist, "Trade Mission: Taking Stock of America's Flagship Trade Programme for Africa," *the Economist*, February 9, 2023.

- What is AGOA? **<a: The African Growth and Opportunity Act, passed in 2000, grants tariff preferences to Sub-Saharan African countries.>**
- Has it succeeded? **<a: Yes and no. It has created jobs in Africa, mainly in the clothing sector, but it has not done nearly as much as expected.>**
- What interferes with its success? **<a: Mentioned here are uncertainty about its renewal and lack of infrastructure in many African countries. Also, outside of clothing, other tariffs are low enough that the preferences don't help much.>**
- Do the preferences require that inputs also be made in Africa? **<a: Apparently not, at least in clothing.>**

**Fefer et al., “Section 232 Investigations: Overview and Issues for Congress,”
Summary only, 2019.**

- Under what circumstances does Section 232 of the 1962 Trade Act permit the President to levy tariffs? **<a: If a product “is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.”>**
- Who conducts the investigation to determine if this is the case? If the answer is yes, must the President levy tariffs? **<a: Commerce does the investigation. The President has the option of not levying the tariff.>**
- Must the tariffs apply to all imports of the product? If not, do we know why not? **<a: At least in the case of the recent tariffs, Commerce accepts requests for exceptions, only some of which are granted. This doesn’t say what the basis might be for those exceptions.>**
- Is the use of Section 232 legal under the rules of the WTO? **<a: We don’t know yet. Countries have initiated complaints against the US there, but they have not been decided. And the WTO does allow an exception for “essential security interests.” [More recently, a WTO panel ruled against the US on its use of this for steel and aluminum.] >**

Tai, Katherine, “Trade must transform its role in the social contract,” *Financial Times*, May 28, 2024.

- Is her approach to trade policy different from that of her predecessors? **<a: Yes. She doesn’t trust “trickle-down” economics and wants to stress worker rights instead of profits.>**
- What feature of the USMCA is she using to benefit workers? **<a: Its Rapid Response Labor Mechanism.>**
- Does she support free international movement of data? **<a: No. It’s important for countries to protect their citizen’s data.>**
- Does she trust China? **<a: No. It is pursuing global dominance across key economic sectors.>**

Tankersley, “Biden’s Trade Moves Raise Tensions Abroad but Draw Cheers in Swing States,” *New York Times*, April 9, 2024.

- Who is more protectionist, Biden or Trump? **<a: This doesn’t say, but Biden wants to be as much “America First” as Trump, and he’s done a lot. But Trump has proposed what seem more drastic policies.>**
- Has Biden gotten any political benefit from this? **<a: Only mentioned is endorsement from United Steelworkers union.>**
- What actions has Biden taken? **<a: Lots: New tariffs and other measures to block cheap electric vehicles and other clean-energy imports from China. New limits on American investment in China. Restrictions on exports of advanced technology and subsidies for the U.S. semiconductor industry. Grants to Taiwan Semiconductor Manufacturing Company. Opposition to ... Nippon Steel’s proposed acquisition of ... U.S. Steel. Subsidies for technologies meant to reduce the fossil fuel emissions.>**

Optional to Read:

Rampell, Catherine, "What Women's Underwear Tells Us About Our Trade System," *Washington Post*, February 9, 2023.

- What are the average tariffs on men's and women's underwear? **<a: Men's 11.5%; women's 15.5%.>**
- What are "pink taxes"? **<a: The higher markups on women's goods than on men's goods.>**
- Is this true only of clothing and only of the US? **<a: Not only clothing – many other goods too. But pretty much only the US.>**
- Why is this the case? **<a: It's not entirely clear, but they mention having higher tariffs on labor-intensive products to protect from cheap labor abroad, and women's underwear, with lace, is more labor intensive.>**
- Is it only women who are discriminated against? **<a: No. Low-income consumers also.>**