

## TRADE AND AMERICAN LEADERSHIP

From the nation-building of Alexander Hamilton to the trade wars of Donald Trump, trade policy has been a key instrument of American power and wealth. The open trading system that the United States sponsored after the Second World War has served US interests by promoting cooperation and prosperity, but has also allowed the allies to become more independent and China to rise. The case studies in *Trade and American Leadership* examine how the value of preferential trade programs is undercut by the multilateral liberalization that the United States promoted for generations, and how trade sanctions tend to be either too economically costly to impose or too modest to matter. These problems are exacerbated by a domestic political system in which the gains from trade are unevenly distributed, power is fragmented, and strategies are easily undermined. *Trade and American Leadership* places special emphasis on today's challenges and on the rising danger of economic nationalism.

Craig VanGrasstek teaches at the Harvard Kennedy School and has previously taught at American University's School of International Service, Georgetown University's School of Foreign Service, the World Trade Institute, and the University of Barcelona. He is the author of *The History and Future of the World Trade Organization* (2013).

# Trade and American Leadership

THE PARADOXES OF POWER AND WEALTH FROM  
ALEXANDER HAMILTON TO DONALD TRUMP

CRAIG VANGRASSTEK

Harvard University



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For Janet

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## Foreword

At a time when the esoteric topic of tariffs on trade fills headlines in newspapers, claims clicks on computer screens, and inspires emphatic messages in presidential tweets, there is need for an informed and insightful explanation of how we got to where we are in American trade policy. If we understand how we got here, we can understand better where we should go from here. Whether we Americans should turn inward toward insularity from international trade or turn outward toward more engagement with international trade is one of the most pressing of all questions in the making of American economic and foreign policy. Moreover, it is a question central to whether we see the future of the United States as a more closed or a more open society, with repercussions extending far beyond the commercial matters of trade.

In this book, Craig VanGrasstek provides the information and the insight needed to help answer this question. He is both professor and practitioner, with decades of experience in teaching about trade and in making trade work. Professor VanGrasstek is an Adjunct Lecturer in Public Policy at the John F. Kennedy School of Government at Harvard University, where he teaches courses on the political economy of trade policy. He is also a longtime participant in making and implementing trade policy, having advised such international institutions as the World Trade Organization, the Organization for Economic Cooperation and Development, the United Nations Conference on Trade and Development, and the World Bank, and having consulted for private firms and individual countries. As reflected in his latest book, his dual roles as professor and practitioner combine to shape his thinking on trade and on trade policymaking. The author knows the most subtle of the nuances of textile tariffs – a sure sign of trade expertise.

Previously, Professor VanGrasstek authored a well-received history of the World Trade Organization.<sup>1</sup> In this book, he turns his attention to the history of the trade policy of the United States of America. He does so with fluency and with a flair, wearing the depth and breadth of his learning lightly while telling a tale that demonstrates how American trade policy has changed over time with changing circumstances. He shows us that our current quandary over whether we Americans want our domestic economy to be open to commercial engagement with the wider world is not new but is only the most recent iteration of a long-running dilemma. Together with a wealth of documentation, he mixes in every now and then a felicitous turn of phrase or an apt literary allusion that help communicate his message.

Professor VanGrasstek is clearly on the side of those (like me) who seek more open trade as an essential ingredient of more open societies. He asserts, at the outset, “It is not utopian to hope that states can collaborate in the establishment and maintenance of a more or less open trading system, especially when that system can meet most of the needs (if not all of the demands) of its many and diverse members. This task requires greater imagination and energy in a time when US influence is on the wane.” He adds, “I find it impossible to be objective regarding the possible extinction of the trading system as we know it. For all its faults, that system has better served the interests of the United States and its partners than any conceivable alternative.”

Yet his personal preference for global cooperation in lowering barriers to global trade does not affect the quality of his historical analysis of American trade policy, which is scrupulously even-handed while ranging far and wide. Indeed, there is not much the author omits in his historical *tour d’horizon* of how we Americans got to where we are as a country on trade. Every region of the world and virtually every major sector of the American economy appear in the explication in this book. From China to Russia, from Japan to the Middle East, from steel to oil to textiles to agriculture, they are all here, and they are all discussed here with considerable authority.

Any number of passages in the book are worthy of highlight.

One is his discussion of how “foreign economic policy begins and ends at home.” The author fully understands that, like all politics, trade politics is local. Everyone who has ever served as a trade negotiator for the United States knows that often the most difficult negotiation is not with other countries but with domestic interests and with those members of Congress who speak for domestic interests. There is no point in securing an agreement with another

<sup>1</sup> Craig VanGrasstek, *The History and Future of the World Trade Organization* (Geneva: WTO Publications, 2013).

country to reduce barriers to trade if that agreement will not be accepted back home. Thus, in trade, the “contagion of conflict at home and abroad can erect new hurdles to the negotiation, approval, and implementation of trade agreements, making it ever more difficult for the trading system to function effectively.”

Another is his discussion of “sociotropism” – meaning a notion of fairness that transcends self-interest to inspire a motivation that proceeds from a concern for the welfare of others. Harking back to fundamental notions of human empathy found in Adam Smith’s theory of moral sentiments and in John Donne’s poetry, Professor VanGrasstek sees evidence of “domestic sociotropism” emerging in how the American people view trade. Instead of basing their view of trade on how trade may affect them, people who do not feel threatened by trade may nevertheless oppose freer trade “based on the concern that opening the US market to foreign competition might cause other Americans to lose their jobs.”

Still another passage deserving highlight is the lengthy chapter on trade between the United States and China. Here the author provides a valuable historical account of how trade with China moved from back stage to center stage in US trade politics. Especially worthwhile is his discussion of something every reader ought to know: the long history of Western trade discrimination and, indeed, humiliation of China leading up to China’s gradually opening to the world economy following the death of Mao Tse-Tung. Professor VanGrasstek helps us understand why – although China was a charter member of the General Agreement on Tariffs and Trade (GATT) – Mao withdrew GATT compliance port-by-port as he marched his armies across China in 1949, and his Nationalist antagonists withdrew China from the GATT after he chased them off the mainland. Any attempt to understand the Chinese hesitation about international treaties now must take into account how international treaties were long used by Western countries to oppress China.

Likewise deserving of particular attention is the author’s passage explaining clearly the various obscure US trade statutes that have been unearthed by the current president of the United States and his trade advisers to use as unilateral clubs in flaunting multilateral trade commitments – Section 232, Section 301, and more. He tells us why these laws exist. He explains to us why, until the ascendancy of Donald Trump, they were used rarely or not at all. He spells out for us the dire economic implications of using them now. Especially interesting is his narrative of the history of the development in trade law of an exception for national security and his lucid explanation of why it would be far better if countries continued for another seventy years without using this exception and without defining it.

Equally noteworthy is the brief passage on “hegemony and international law” in which Professor VanGrasstek provides us with a variety of historical antecedents for the current American ambivalence over international law. A reliance on international law, he informs us, has always been a challenge for those who have the power to impose their will without law. Hugo Grotius, the great Dutch originator of the use of law to ensure the freedom of the seas, nevertheless “defended a Dutch admiral who took a Portuguese merchantman as a prize even though the two countries were then at peace.” Similarly, although they too helped create and establish international law, “the British in hegemony did not always consult the law books before weighing their interests.” The United States as well has waxed and waned in its commitment to comply with international law, including in trade. The skeptics of international law in the Trump administration – inclined to employ international law when it suits them and to ignore it when it does not – are not without predecessors.

There is much more in the book: The trade debate between Thomas Jefferson and Alexander Hamilton; the historical antecedents of trade sanctions; the enduring relevance of sea power to trade; the domestic sources of the ebb and flow of the tariffs imposed by the United States over more than two centuries; the effects on trade policy of the gradual shift from Great Britain to the United States as the leading power on the world stage; the key role of the United States in laying the foundations for the WTO-based multilateral trading system; the back and forth on trade between the United States and the Soviet Union during the Cold War; the Arab boycott of Israel. The ins and outs of trade policy on energy; the efforts, increasingly, to reconcile trade liberalization with social goals; the proliferation of free trade agreements and the motivations underlying them; and the implications of the looming threat of a possible withdrawal by the United States under President Trump from membership in the WTO.

Throughout the book, the author emphasizes the need for “economic statecraft” – for fully informed and far-sighted thinking in making trade policy. His book, as he puts it, “mixes scholarly and practical aims.” He explains, “This book is premised on the hope that a proper understanding of history may promote a sense of retrospective empathy, remind us of the times when policymakers succeeded in promoting high ambitions, and offer practical observations on what does and does not work.” His book fulfills this hope, if only we had more such practical idealists engaged in such an enlightened “economic statecraft” on trade.

**James Bacchus**  
*University of Central Florida*

## Preface

“Discovery commences with the awareness of anomaly,”<sup>1</sup> as Thomas Kuhn trenchantly noted, and two great anomalies have perplexed me for years. Chief among them is the late arrival of a resurgent protectionist movement in the United States, and the consequent abandonment of America’s leadership position. Had I written this book just a few years ago, I would have stressed not the lateness but the near-absence of protectionism. The level of protection that the private sector demands, and that politicians supply, had long been lower than one might expect. This was a phenomenon that had puzzled me ever since I was a graduate student in the 1980s, when the theory of hegemonic stability still had that new-paradigm smell. The theory predicted that when the United States inevitably declined it would adopt a more insular policy. These concerns extended well beyond the academy. In the 1980s one could open the *New York Times* – not just to the business section, but the cover story of the Sunday magazine<sup>2</sup> – to find discussions of such books as Paul Kennedy’s instant classic, *The Rise and Fall of the Great Powers*. The recognition then accorded to trade nerds was Warholian in its brevity, but helped to shape the tone and direction of the national debate.

While many then took American decline virtually as an article of faith, I was in the minority who thought the case was overblown.<sup>3</sup> In those days I commuted weekly between my classes at Princeton and my fledgling consulting practice on Capitol Hill, and what I saw from the latter perch did not square with what I was told to expect in the former. Presidents still favored

<sup>1</sup> Kuhn (1970), p. 52.

<sup>2</sup> See, for example, Schmeisser (1988), Wade (1988), and (in the same vein if not the same place) Brownstein (1988).

<sup>3</sup> See, for example, Russett (1985, p. 231), who correctly concluded that American hegemony (like Mark Twain) would eventually die, but that “in both cases early reports of their demise have been greatly exaggerated.”

multilateral liberalization, began to supplement it by negotiating bilateral trade agreements, and rejected protectionist entreaties more often than they appeased them. While I appreciated the broader historical sweep that my professors offered, I began to fear that they might personify how Dante described the shades in Hell: “You see beforehand that which time will bring, /but cannot know what happens in the present.”<sup>4</sup> Time and experience made me reassess that impression.

This book starts from the premise that the underlying assumptions of hegemonic stability theory were correct, but that its earlier proponents were precisely that: early. Exploiting the hindsight that is the historian’s prerogative, we can now see what they could not anticipate. The theory’s original proponents correctly devoted much attention to the transfer of hegemony from London to Washington, but they would have made an even greater contribution if they could foresee who would become the challenger this time around. They looked too far east and too near into the future, failing to anticipate how soon the Japanese challenge would crumble and how, after an interval, China would take Japan’s place. This would prove to be a switch not just in role but in type. Whereas Tokyo had foresworn militarism in the constitution that Douglas MacArthur bestowed, Beijing challenges Washington in both the economic and security spheres. This full-spectrum competition will likely make the first half of our own century less predictable and more tumultuous than was the latter half of the twentieth century.

Another, later anomaly concerned the apparent decline of US policymakers’ interest in trade. This had been a top-tier issue from the early 1980s through the mid-1990s, but by the dawn of the new millennium it was relegated to the second or third level. My initial perception of that downgrade was only impressionistic, but then I began devising ways to measure the diminishing resources that Washington invested in this subject. Whatever metrics I tried, they all confirmed that the salience of this issue had fallen as quickly as it had risen; readers will find that evidence in Chapter 6. My perplexity was only deepened by countervailing directions in the real economy. Cross-border transactions accounted for a growing share of GDP, and the merchandise trade balance turned progressively more negative. There were only two ways to reconcile the rise in trade’s economic significance with its declining political salience. One was to conclude that the trade issue had been solved, with a critical mass of leaders having concurred that globalization was in the national interest. That explanation seemed persuasive for quite some time, to the embarrassment of the theory of hegemonic stability. Another

<sup>4</sup> Dante (c. 1306), *Inferno* canto X, p. 191.

possibility was that those same leaders had fallen out of step with a significant slice of the electorate, and that by sublimating the voters' instinct for economic nationalism they were allowing a dangerous buildup of pressures. If so, something had to give.

Here, too, the early proponents of hegemonic stability theory made the mistake of being right too soon. They did not know how resilient Washington's attachment to trade liberalization would prove, or how adept the executive would be in devising mechanisms to cope with protectionist demands. One was the perennial maneuver of "two steps forward, one step back," allowing presidents to wheedle favors from Congress by making judicious compromises on some demands for protection or a stricter reciprocity policy. More consequentially, they made up for the formerly pro-trade sectors that had gone rogue by adopting new negotiating objectives that spoke to the interests of capital- and knowledge-intensive sectors. Legacy industries might switch from free trade to protection, but they could be replaced by service industries and the owners of intellectual property rights. The move from multilateral to discriminatory liberalization was also critically important, as it injected elements of managed trade into an otherwise liberalizing project. By reforming the form and substance of policy, pro-trade policymakers delayed a reckoning with that portion of the electorate that was on the losing side of globalization and the process of Creative Destruction. That postponement might have been indefinite but for the advent of Donald Trump. We cannot fault either policymakers or analysts for failing to predict a swan so black.

This book aims to resolve those two anomalies. What follows is an extended exploration of the international and domestic political economy of trade, focused primarily on the place of the United States in two successive hegemonies. I argue that Washington behaved as we would expect in both eras, moving from free-rider to leader, but that its options in late hegemony were constrained by the choices it made at earlier stages. To the extent that the United States succeeded in negotiating down its own tariffs, it also diminished its future capacity to use preferences as a tool of foreign policy. To the extent that it succeeded in building up its allies' economies, it also ensured that any future sanctions campaigns would require the cooperation of those countries. And most significant of all, in establishing a more open trading system the hegemon provided the means by which its challengers could rise. I present the evidence and arguments both chronologically and thematically, with sections devoted to overviews and case studies in hegemony, domestic trade policy-making, and the use of discriminatory options (i.e., preferences and sanctions) as tools of commercial and foreign policy.



The sources and methods that I use to explore these issues are deliberately eclectic. “It is astonishing what foolish things one can temporarily believe if one thinks too long alone,” Keynes noted, “particularly in economics (along with the other moral sciences).”<sup>5</sup> While reserving judgment as to whether political science may be characterized as moral, I do take to heart the admonition that we ought not to dwell too long within our walled gardens. That has been as true of my professional work as it is of this book, which some readers may find difficult to pigeonhole. I learned long ago that one can quickly carry the division of labor too far, and that in this field the only thing more pathetic than a lawyer who does not understand economics or an economist who does not understand the law is a political scientist who does not understand either. This book might best be described as the work of a political scientist who never got over a youthful dalliance with historiography, and who has tried to mimic the better habits of the economists and lawyers with whom he has worked over the past four decades. My analysis nonetheless gives primacy to politics, and I thus feel obliged to define that term.

The distinction that separates politics from economics, law, and other fields comes down to two related points. We may say that an issue or position has taken on a political hue whenever it amounts to either an exercise of power or an appeal to fairness – two concepts that tend to baffle economists and lawyers. Power can be simply defined as the capacity of one actor to compel another. Or as Dahl so memorably put it, “A has power over B to the extent that he can get B to do something that B would not otherwise do.”<sup>6</sup> By fairness I mean a sense of equity, whether expressed in personal or abstract terms. That equity sometimes relates to procedural justice (e.g., B retorts to A that coercion is unfair), but more often concerns distributive justice (e.g., B objects that A has more wealth). Power and distributive justice are alike insofar as each concept is relative (A’s share is measured against B’s) as well as zero-sum (A’s gains are B’s losses). Or to let Occam’s razor do its parsimonious work, a political perspective will typically involve one form or another of zero-sum conflict.

I share Gilpin’s belief that “the fundamental nature of international relations has not changed over the millennia,” and that it continues to be “a recurring struggle for wealth and power among independent actors in a state of anarchy.”<sup>7</sup> There are means by which we may contain that anarchy, or at least dress it up so as to be more presentable in polite society. Chief among these is

<sup>5</sup> Keynes (1935), p. vii.

<sup>6</sup> Dahl (1957), p. 201.

<sup>7</sup> Gilpin (1981), p. 7.

the creation of domestic and international institutions that we task with maintaining order and enforcing property rights. To the extent that these institutions function efficiently and effectively, they may well give the appearance that the world has outgrown its chaotic and violent past. Appearances can easily deceive and lead one to the erroneous conclusion that hard political realities have been softened by the rule of law or the rational pursuit of mutual gain. We still live in a tough neighborhood, and rather than looking for economic cooperation to replace political competition we would do better to consider how they relate to one another.

Recognizing a problem does not mean resigning oneself to it, and in acknowledging these harsh realities I do not mean to imply that progress is impossible. I would not have written this book if I thought that there was no chance of encouraging policymakers to elevate their aims. This book is premised on the hope that a proper understanding of history may promote a sense of retrospective empathy, remind us of times when policymakers succeeded in promoting high ambitions, and offer some practical observations on what does and does not work.

Empathy is a virtue too often in short supply, and it will do current and prospective policymakers no harm to understand their own history. This is especially important when appraising the policies that a smaller, poorer country might adopt, bearing in mind that there was a time when those two words were just as applicable to the United States as they are to any developing country today. A recurring theme of this study concerns the many ways in which the perspectives and objectives of US policymakers changed on the acquisition of hegemony; a similar process is again underway as the country adjusts to circumstances that, if not exactly straitened, are not as grand as they once were. It is entirely understandable when legislators, diplomats, and others approach such issues as political neutrality and trade discrimination according to their country's current level of economic development and political power. Those same persons often fail to acknowledge the evolutionary character of these positions, or to recognize that the views expressed today in other countries are comparable to what their own predecessors had to say. Many developing countries pursue economic policies that would please Alexander Hamilton and foreign policies that echo George Washington or Thomas Jefferson. It is much more unusual to see modern American politicians who are willing to own up to that fact.

While the study of history ought to give us a proper appreciation for the roots of different countries' perspectives on power and wealth, it need not inhibit us from aiming high. When Peter Berger sought a generation ago to reset the debate over economic development he called for the blending of "two

attitudes that are usually separate – the attitudes of ‘hard-nosed’ analysis and utopian imagination.”<sup>8</sup> It is hard-nosed to acknowledge the stern realities of a world in which sovereign states are not only economically selfish but also politically narrow-minded and demonstrate a disturbing predilection toward violence. While those states may thus appear self-centered, they may also be persuaded that it is in their interest to cooperate. There are enough historical examples of such cooperation to confirm that “utopian” is not a synonym for “impossible.” It is not utopian to hope that states can collaborate in the establishment and maintenance of a more or less open trading system, especially when that system can meet most of the needs (if not all of the demands) of its many and diverse members. That task requires greater imagination and energy in a time when US influence is on the wane. Above all else, it demands that the United States not respond to inexorable economic forces with a fit of pique. However tempting it may be for the United States to pick up its marbles and go home, US interests would be better served by using its influence – diminished though it may be – to adapt the trading system to the shifting realities of a more dynamic world.

Any work that mixes scholarly and practical aims will naturally raise questions regarding the author’s objectivity. That is a virtue that historians ideally ought to practice, but I have made a conscious decision to make no false pretense of impartiality. This is no small confession, as I was raised in that intellectual tradition that led Henry Adams to declare that “[n]o honest historian can take part with – or against – the forces he has to study.” He went so far as to opine that for an historian “even the extinction of the human race should be merely a fact to be grouped with other vital statistics,”<sup>9</sup> and while I can appreciate that position in the abstract I find it impossible to be objective regarding the possible extinction of the trading system as we know it. For all of its faults, that system has better served the interests of the United States and its partners than any conceivable alternatives. Much of this book is devoted to an explanation of the stresses that must inevitably build in a system that relies so heavily on the leadership of one country, especially when that country is challenged from without by a Law of Uneven Growth and from within by the process of Creative Destruction. It is beyond the scope of this book to propose a specific program by which those challenges might be met and those stresses overcome. It is also beyond the capacity of the author to be indifferent toward the gravity of the problem, or impartial with respect to proposed solutions that are more likely to exacerbate than to solve it.

<sup>8</sup> Berger (1976), p. xiv.

<sup>9</sup> Quoted in Seldes (1967), p. 474.

## Acknowledgments

My first and least payable debt of gratitude is to Sinclair Lewis, a fellow Minnesotan who died eight years before I was born. When I read his novel *Arrowsmith* during my first year of graduate school I saw in it a design for living. His title character longed only to conduct original research and to divorce himself from all the cares of business and office politics, and so he took up a chemist friend's offer of a two-room rural shanty. There he could subsidize his full-time research by making sera for pharmacists. If he spent just "two hours a day on the commercial end, and say about six for sleeping and a couple for feeding and telling dirty stories" he would still have "fourteen hours a day for research (except when you got something special on), with no Director and no Society patrons and no Trustees that you've got to satisfy by making fool reports."<sup>1</sup> Subtracting some dirty stories and adding many more fool reports, that formula admirably captures my approach to the work-life balance.

I can only guess whether the many analyses that I have written from my rural hermitage over these past decades did as much good for my clients and their constituents as *Arrowsmith's* chemicals did for his customers and their patients, but I gratefully acknowledge that their commissions subsidized my work and allowed me to reconnoiter the issues covered in this book. More than that, these sometimes random assignments have not infrequently sent me down analytical avenues that I might not have thought to explore in a life more ordinary, allowing for some serendipitous discoveries. Chief among these blameless if unwitting patrons have been (in chronological order) Stephen Lande, Miguel Rodriguez Mendoza, Murray Gibbs, Alejandro Jara, and Simon Evenett. I am also grateful to Clem Boonekamp, Evelyn Horowitz, Nicolas Imboden, Stefano Inama, Iza Lejarraga, Douglas Lippoldt, Patrick Low, Christopher Malone, Mario Matus, Roberto Matus, Eduardo

<sup>1</sup> Lewis (1925), p. 393.

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Martin Arrowsmith also depended on two other blessings. One was the inspiration of his mentor, Max Gottlieb, the professor of bacteriology of whom it “was said that he could create life in the laboratory, that he could talk to the monkeys which he inoculated, that he had been driven out of Germany as a devil-worshiper or an anarchist, and that he secretly drank real champagne every evening at dinner.”<sup>2</sup> While I have yet to meet anyone who precisely matches that description, it has been my pleasure to know mentors and colleagues who resemble Gottlieb in one or more of those particulars. I especially appreciate the lessons and opportunities provided by Doug Arnold, William Baumol, Kinley Brauer, Fernando Cepeda Ulloa, Robert Gilpin, Robert Z. Lawrence, Francisco Leal Buitrago, Frances X. Winters, and Gary Wynia on the academic side, and by Arancha Gonzalez, Gary Horlick, Gary Hufbauer, Pascal Lamy, and Rubens Ricupero on the professional side. I am also grateful to those many students in Barcelona, Bern, Cambridge, and Washington with whom I have engaged in reciprocal learning over the past three decades. The questions that they ask have forced me to think about how it all works, and then to rethink it a few times more.

Lewis’ hero could not have advanced in life without the support of his wife Leora. “They had that understanding of each other known only to married people, a few married people,” he wrote, “wherein for all their differences they were as much indissoluble parts of a whole as are the eye and hand.”<sup>3</sup> Hence Arrowsmith’s dedication, and my own.

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<sup>2</sup> Ibid., p. 12.

<sup>3</sup> Ibid., p. 262.

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Any errors that remain are entirely my own.

Abbreviations

AB	Appellate Body
AD	Antidumping
AFL	American Federation of Labor
AFL-CIO	American Federation of Labor-Congress of Industrial Organizations
AGOA	African Growth and Opportunity Act
AIADA	American International Automobile Dealers Association
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASP	American selling price
ATPA	Andean Trade Preferences Act
BIT	Bilateral investment treaty
CACRs	Cuban Assets Control Regulations
CAFTA-DR	Free Trade Agreement with Central America and the Dominican Republic
CARS	Consumer Assistance to Recycle and Save
CBC	Congressional Black Caucus
CBI	Caribbean Basin Initiative
CFTA	US-Canada Free Trade Agreement
CIA	Central Intelligence Agency
CIO	Congress of Industrial Organizations
CoCom	Coordinating Committee
CSI	Coalition of Service Industries
CVD	Countervailing duty
DFQF	Duty-free, quota-free
DSB	Dispute Settlement Body
DSU	Dispute Settlement Understanding
EU	European Union

*List of Abbreviations*

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FDR	Franklin Delano Roosevelt
FRUS	Foreign Relations of the United States
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	Gross domestic product
GM	General Motors Corporation
GSP	Generalized System of Preferences
IDB	Inter-American Development Bank
ISI	Import-substitution industrialization
ITO	International Trade Organization
JFK	John Fitzgerald Kennedy
KGB	<i>Komitet Gosudarstvennoy Bezopasnosti</i> (Committee for State Security)
LDC	Least developed country
MAI	Multilateral Agreement on Investment
MFA	Multi-Fibre Arrangement
MFN	Most favored nation
MNNA	Major Non-NATO Ally
MP	Member of Parliament
NAFTA	North American Free Trade Agreement
NAIC	North American Industrial Classification
NATO	North Atlantic Treaty Organization
NME	Nonmarket economy
NSC	National Security Council
NTR	Normal trade relations
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
OTCA	Omnibus Trade and Competitiveness Act
PAC	Political action committee
PHP	Preferential handling procedure
PNTR	Permanent normal trade relations
PPP	Public Papers of the Presidents
QIZ	Qualifying Industrial Zone
RTAA	Reciprocal Trade Agreements Act
S&D	Special and differential
SIC	Standard Industrial Classification
TAA	Trade Adjustment Assistance
TPA	Trade Promotion Authority



TPP	Trans-Pacific Partnership
TR	Theodore Roosevelt
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
TTIP	Transatlantic Trade and Investment Partnership
UAE	United Arab Emirates
UAW	United Auto Workers
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific, and Cultural Organization
USITC	United States International Trade Commission
USMCA	United States Mexico Canada Agreement
USSR	Union of Soviet Socialist Republics
USTR	United States Trade Representative
VER	Voluntary export restraint
WIPO	World Intellectual Property Organization
WTO	World Trade Organization