

Chapter 1 : Trade Threats, Trade Wars | Research Frontiers

Trade Threats, Trade Wars draws on the "two-level game" theory as a key analytical device and supports its contentions both through quantitative analyses of dispute settlement under Section of U.S. trade law and through detailed comparisons of U.S. trade negotiations with China, Japan, the European Union, Canada, and Brazil.

Audio Transcript Seth Barron: Welcome back to 10 Blocks. This is Seth Baron, associate editor of City Journal. Trump has alternated between advocating return to protectionism and tariffs and demanding that all developed nations eliminate all barriers to trade. Styling himself as the consummate deal maker, President Trump has certainly sent our trading partners on their heels with his unusual negotiating tactics. What is the real story on trade and what should we expect? Retiring as the chief economist for investment manager Lord Abbott in , he now serves as chief economist for Vested. Milton is the author of Thirty Tomorrows: He writes frequently for City Journal and has published in a wide variety of other publications as well. Thanks for joining us today, Milton. You said that China is somewhat vulnerable. Well in some respects it is. I pointed to the vulnerability because China needs trade much more than the United States. In fact, its whole economic growth model is based on producing a manufacturing surplus for sale to the world, and the United States is a big chunk of the world. They need someone to buy them. So they are very much dependent on trade. They do not have a balanced economy, and in that respect, I said China needs the trade more than the United States. What percentage of the Chinese economy is export based? They import a great deal and turn around and sell it. And that number, that 20 percent, only captures the value-added, which is really very small. Now, China operates as kind of a command economy, right? Well they could, I suppose. But it would drive them into tremendous debt, and China already has an enormous debt overhang. China already has a huge outstanding debt: To what extent is this technology transfer? Is this a real problem? That is the legal side of it. The Chinese also deal in industrial espionage, and I imagine other kinds of espionage as well. They are forced to do this, and they transfer the technology to China. So what can the United States do about that? We have been trying very hard to pressure the Chinese through these tariffs and other means to protect our intellectual property. Do they spend a lot on research and development, and where is that going? Will they, at some point, surpass us or match us in terms of biotech, nanotech? They are not stupid. They are moving ahead. This brings us to another problem with the Chinese command economy is that they move in a centralized direction. In March, the Chinese, at the party conference, they said their goal, and they listed the kinds of areas they were going to be in: It was all a list of the headlines from today. That means that they are already behind the curve because the headlines of today are not the things people will be working on in 10 years. They certainly have in space and certainly missile technology they have as well. But they are again following, their whole model is to follow us, maybe build on what they can get from us, and perhaps do some of their own research. But we are going to tap the future that way. Well they are, and they can only go in one direction at once. Whereas if you want to draw the ship analogy, you could say that the United States particularly, and Europe to some extent in technology, is a fleet of smaller ships all trying different routes, all trying different means to get from one place to another. Now China has set a goal for itself: What is that, and what are they trying to do? Well it is effectively this attitude of becoming an even bigger manufacturing giant than they are. It tends to be a little more high-tech. This speech at the party conference talked about biotech to some extent, it talked about jet engines, it talked about hybrids, it talked about self-driving cars, and green technology, which china desperately needs. Those sorts of things, as I mentioned, are in the headlines today. What can they do with that? I mean, are we reliant on them or they reliant on us? There will be a buyer. The yields will go up. If they sell it, they have to sell it to someone else to be rid of it. We may have to pay a higher interest rate. The United States now is actually paying, as a portion of the budget, almost a record-low amount to support the debt. Of course it would strain our budget. The Russians have already begun to sell U. The Chinese could do the same. It would burden us. It would marginally increase the strain on the U. The person that bought the debt at a lower price, that is a higher rate of interest than the Chinese did. They would take a great loss in the process. Yes, the Chinese would. Well the G7 conference, which just broke up last week or two weeks ago, left everyone with the impression that

Trump had just torn up the so-called post-war order. Now you said some very provocative things about the post-war order in your piece. Can you elaborate on what you think about the post-war order and what it means? Well there is no post-war order. I think there was a headline in the New York Times that said that Trump upends the post-war trade order. There have been at least two post-war trade orders. Shortly after the Second World War, in fact for decades after the Second World War, the United States pushed for widespread trade reduction, universal trade reduction. The last of these was the Doha round. They were called rounds, these negotiations. The Doha round, which failed early in this century, but really that post war order died in the s when the United States and Europe in particular started to move toward what are called PTAs, or preferential trade agreements. The European Union is a perfect example. They have tremendous barriers for agricultural goods that the United States has been trying to break into you for years. But when the European Union formed its proprietary trade agreement, or refined it, they kept U. NAFTA, for instance, which everyone talks about, is a great free trade agreement. We have free trade. The rest of the world is excluded, and they do not get the same rights. They do not get the same preferences. So as the world moved from this universal approach that was done actively under the Truman, Eisenhower, Kennedy, and even Johnson administrations, it moved in the 80s toward these preferential trade agreements. The old order died, and we have a new order. Now Trump seems to be playing on both sides. Forgive me; this is a big subject for me. I get excited about it. Trump seems to be moving on both sides. He talks about wanting to play the preferential agreement but get the United States a better deal, which is the renegotiation and NAFTA, and the talk about the trans-pacific partnership as a bad deal. He said, I want to reduce tariffs and trade protection; I want to reduce trade barriers and subsidies across the board, around the world, everywhere. This was a hint that his real objective, or at least one of his objectives, and who knows where he really wants to go, is to go back to the original trade order that the United States pushed. But he certainly has upended the status quo, but there is no post-war trade order to upend. Okay, but in terms of the tariffs that exist, Trump said, well we have a terrible position visa v the other members of the G7. But what is the status of our, I mean you said we have free trade with Canada, but then it seems like well when it comes to dairy products there are exceptions. In your piece for us, you went through the different levels of trade and so forth between the different countries. I wonder if you could elaborate on that. There are quotas effectively. Canada will take so much dairy into Canada, U. That was written into the preferential trade agreement, and Trump may be referring to that.

Chapter 2 : The making of a global trade war - CNNMoney

A cargo ship owned by Yang Ming departs a harbor in New York City. Keeping track of recent tariffs and trade war threats has become increasingly complicated as the U.S., China, NAFTA partners and the European Union trade barbs.

Additional Information In lieu of an abstract, here is a brief excerpt of the content: Department of Commerce, International Trade Administration, us. See Bayard and Elliot, Reciprocity and Retaliation, ; see also figure 3. Fearon, "Domestic Political Audiences. I refer to cases involving the EU by its present name except when the case under consideration took place in an earlier period when the European Economic Community or the European Community was in place. Successful cases are defined in a way that includes both the conclusion of an agreement and the actual achievement of American negotiating objectives when the agreement was implemented. Various studies have shown how the effectiveness of U. In his study of the Brazilian informatics and EC enlargement cases, for example, Odell finds that the United States was more successful in winning concessions from Europe than from Brazil, although in theory Brazil should be less able to resist U. Similarly, the study by Bayard and Elliott on the effectiveness of Super investigations against Japan, Brazil, and India between and has shown that, while the Japanese gave in to most American demands, India completely refused to yield to U. The relative power positions of these two countries obviously cannot explain this outcome. Bayard and Elliott, Reciprocity and Retaliation, Russett, Grasping the Democratic Peace, Some other scholars have made similar structural arguments. Bueno de Mesquita and Lalman, War and Reason, chap. Schultz, "Domestic Opposition and Signaling. Fearon, "Bargaining, Enforcement, and International Cooperation," Verdier, Democracy and International Trade, Dixon and Moon, "Political Similarity," Leeds, "Domestic Political Institutions. Verdier, "Democratic Convergence and Free Trade. You are not currently authenticated. View freely available titles:

Chapter 3 : Trade Threats, Trade Wars

Trade Threats, Trade Wars: Bargaining, Retaliation, and American Coercive Diplomacy (Studies In International Economics) - Kindle edition by Ka Zeng, Zeng Ka. Download it once and read it on your Kindle device, PC, phones or tablets.

Chapter 4 : Project MUSE - Trade Threats, Trade Wars

Even as growth ramps up to what could be the fastest rate since before the financial crisis, economists are worried that a trade war could tip the U.S. into a significant slowdown or even a recession.

Chapter 5 : Trade Wars and Tariff Threats | City Journal

A tumultuous recent meeting of the G7 nations, trade disputes with Canada, and tariff threats against China all point to a shakeup of world trade. While the global economy would likely suffer in a trade war, Ezrati argues that the U.S. actually has the upper hand in trade negotiations with Beijing.

Chapter 6 : Trade-War Threats Weigh on the Market

Trade hostilities between the United States and China continue to escalate. Last week, U.S. President Donald Trump threatened to place tariffs of ten percent on \$ billion worth of Chinese goods after China retaliated against his previous threats to put tariffs of 25 percent on \$50 billion worth.

Chapter 7 : Trump's new midterm threat: A trade war smacking voters - POLITICO

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President Donald Trump's trade wars could become a major political drag for Republicans, with job losses and price increases piling up just as voters head to the polls in November. Trump jolted.