
Trade

- ✓ **Would entering more free trade agreements help cut the U.S. trade deficit?**
- ✓ **Why are a majority of Americans averse to the idea of free trade agreements?**
- ✓ **Does President Obama’s “fast-track” policy for congressional approval of trade legislation result in agreements that are more or less favorable for U.S. citizens?**

Facts

Trade.

The United States is the world’s second largest export economy and its largest importer of goods. U.S. exports of goods totaled \$1.6 trillion in 2015, while imports totaled nearly \$2.3 trillion. This equates to a negative trade balance of \$700 billion.

Trade Partners.

The U.S.’ largest trading partners are Canada, China, Mexico, Japan and Germany. In 2015, these five countries made up about 55% of total U.S. trade in goods, or nearly 50% of exports and 60% of imports.

Bipartisan Disapproval of Free Trade.

While the U.S. has several free trade agreements in place with countries like Canada and Mexico (via the North American Free Trade Agreement, or NAFTA), there has been a recent bipartisan movement within Congress and among U.S. citizens against new FTAs. A June 2015 *New York Times* poll showed that 63% of Americans believed that the U.S. needed more trade restrictions in order to protect American industries. Only 30% believed that free trade should take precedence over protecting American industries from foreign competitors. This coincides with Congress’ decision to up-or-down vote the proposed Trans-Pacific Partnership (TPP), which faces significant opposition from both Democrats and Republicans.

Current U.S. Policies

Trans-Pacific Partnership (TPP).

The TPP is a proposed free trade agreement involving the U.S., Japan, Malaysia, Vietnam, Singapore, Brunei, Australia, New Zealand, Canada, Mexico, Chile and Peru. The agreement has been in negotiation since 2008. It envisions the aforementioned countries united in an economic system with most trade tariffs dropped. The countries in the TPP make up nearly 40% of global GDP and almost 11% of the world's population. The deal could challenge China's growing influence in Asia. Though all 12 parties signed the TPP in February, the agreement has yet to be ratified and faces an uphill battle in the U.S. Congress.

Trans-Atlantic Trade and Investment Partnership (TTIP).

A companion agreement to TPP, TTIP is a proposed free trade agreement between the U.S. and the EU. If completed, TTIP would make up 50% of the world GDP. It would also bolster NATO by bringing member countries economically closer. Combining TTIP with TPP would result in U.S. involvement in FTAs with countries constituting 60% of the global economy. However, negotiations are fraught, and have been further complicated by Britain's recent vote to leave the EU.

Candidate Positions



Hillary Clinton says that TPP does not “meet the high bar I have set” for free trade agreements, and as such she opposes the deal. Her “high bar” demands that FTAs create American jobs, help raise wages and advance national security.

While Mrs. Clinton now challenges President Obama on TPP, as secretary of state, she supported the partnership, calling it “the gold standard of trade agreements.” As first lady, she publicly favored NAFTA—a deal she now says she would renegotiate if elected. As a senator, her voting record on FTAs was mixed, with a notable vote against the Central American Free Trade Agreement (CAFTA). She called for a “trade timeout” during her 2008 presidential bid, but expresses a general belief in free trade.



Donald Trump supports free trade in theory, but calls for an overhaul of U.S. trade policy. He says that his experience as a businessman would enable him to “fix” deals negotiated by politicians. He expresses strong opposition to TPP and other FTAs, including NAFTA. He describes both of these agreements as “disasters,” and says he would either pull out of NAFTA, or renegotiate its terms and impose a 35% tariff on Mexican imports.

Mr. Trump proposes other tariff increases on imports, especially on those from China. He says he would penalize companies that shift manufacturing jobs overseas, a position which conflicts with his own business practices: many Trump brand products are manufactured abroad. His “America First” policy on U.S.-China trade relations states: “Our goal is not protectionism but accountability.”

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