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President Trump and the Trade Wars Recounted-Round 1

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Abstract

The purpose of this short article is to succinctly chronicle the historical background, underpinnings and key moments of United States President Donald Trump's first term trade policies. It is hypothesized that there were both "wins" and "losses." Additionally, the paper analyzes President Trump' preference to forgo working with the post-World War II international institutions. Furthermore, it is assessed that the policies for the different areas of the world affected each other in the Trump Administration's shaping of agreements. The paper uses a step-by-step and historical, process-tracing methodology, and concludes that the trade war with China resulted in the United States exporting less than the expected number of agricultural products, partly due to the outbreak of the COVID-19 Pandemic. The tariffs are shown to have resulted in a loss of slightly higher prices. The policies of the President Joseph R. Biden are touched upon, and the tariffs at the start of President Trump's second term.

Keywords: China, first term, institutions, President Trump, trade wars, USMCA

1. Introduction

This article is a chronological and geographical reaccount of the international trade wars of United States' President Donald J. Trump's first term in office. The purpose here is to disabuse much of the confusion over what were the inspiratons and goals behind the trade wars, through the use of historical process tracing, and what were the effects. The paper finds that were some countries, the goals were met, and with others, they were not. Very few histories of the modern trade wars in their totality have been written to this point.

2. Information

2.1 Background

In the scope of history, the international trade policies, and overall, "isolationist," almost "nationalistic," economic ideologies of United States (U.S.) President Donald J. Trump were both largely a reaction to the internationalist, low-tariff policies of the President Ronald W. Reagan and Prime Minister Margaret Thatcher administrations, the latter in the United Kingdom, from the 1980's. These policies were collectively known as the neo-liberal, "Washington Consensus." President Trump ostensibly came to conversely believe, as evidenced by public appearances on the *Oprah*

Winfrey Show (1988) at the time, and like what some American businesspeople felt then, that particularly Japan, but even China, were taking advantage of American markets, especially with automobiles, without allowing the U.S. reciprocal access overseas.

Such free-trade, "neo-liberal" economic philosophies of the time would cause President Trump to speak out against international trade deficits, which most economists would agree are not problematic by themselves, but rather that they are a symptom of larger problems, such as the government budget deficit. These complications include the slowing United States (U.S.) manufacturing productivity. Moreover, a growing U.S. budget deficit under Reagan, and later President George W. Bush, essentially funded the trade deficit via outflows a public savings, in a dilemma that economists call the "twin deficits problem." President Trump would even criticize trade deficits with Europe, at one point saying that Europe was "not our friend," because the U.S. was "giving them money," which he repeated many times (Pisani-Ferry, 2018). This aversion, on President Trump's part, for imports, and his focus on exports, the latter of which are included in Gross Domestic Product (GDP) calculations, as opposed to the former, which are not, would lead to the trade contentions of his administration with foreign countries.

Before focusing solely on President Trump, it is also necessary to review the international trade conflicts, and the trade deals, of several preceding administrations. It was actually President Richard M. Nixon- who, in 1972, opened trade with China, and essentially all of Asia, in modernity. However, some trade had started with U.S. military involvement in the region dating to World War II, the Korean War, and then Vietnam. It was President Nixon's famous trip in that year, however, that started the influx of more cheaply made consumer goods, which flooded U.S. markets in the 1980's, satisfying U.S. consumers.

Over time, ties with China grew, and then, more markedly, it was in 2001, that China was allowed entry into the World Trade Organization (WTO). This move was not as controversial then as it is considered today, because it simply confirmed that China would be granted regularly low international tariffs, already low with the U.S. at the time due to Most Favored Nation (MFN) yearly status. The U.S. thought that China's entry would promote capitalism and freer markets. The WTO had evolved over many years from the General Agreement on Tariffs and Trade (GATT) that was born in 1947, following the 1944 negotiations at Bretton Woods, New Hampshire, led by British economist John Maynard Keynes.

Subsequently, after China entered the WTO, which also was meant by the U.S. to encourage China to "play by the same rules," U.S. President George W. Bush began calling China a "strategic competitor." This term "competitor" was more assertive than the "strategic *partner*" phrase used during the Clinton years. Such a turn in ideology, whether causal or predictive, led up to conflicts at the WTO with China over steel, tires, and solar panels. The latter product became an issue during the President Barack H. Obama period. Even today, the rhetoric towards China has become more hackneyed, and even more bellicose, and new issues are developing over the possible import of low-cost, Chinese electric vehicles.

2.2 Aims and Methodology

This article uses an historical, process-tracing approach, weaving together publicly available documents found on the Internet, in mostly chronological arrangement, along with the use at times of descriptive statistics.

2.3 Findings

President Trump campaigned in 2016 on an "America First" policy that threatened to place a 45% tariff on Chinese goods. Meanwhile, his Democratic opponent, Secretary of State Hillary Clinton, had mixed views. Certain leaked e-mails showed that she desired the entire Western hemisphere to be a free trade area. At other times, Secretary Clinton criticized the Trans-Pacific Partnership (TPP). Historically, Democratic politicians have typically been against free trade, aiming to protect American workers. Yet most Democratic voters have supported it; and, Republican politicians have supported free trade, while Republican voters have opposed it. This is a strange paradox. Most opposition to free trade comes from the older public, and, America is aging, while President Trump, when elected, was America's oldest President. Republicans like Senators Mitch McConnell (R-KY), Rand Paul (R-KY), and Marco Rubio (R-FL), supported his trade policies, as well as Democrats like Senator Bernie Sanders (D-VT), Sherrod Brown (D-OH), Elizabeth Warren (D-MA) (Williams, 2018), and even former House Speaker Nancy Pelosi (D-

CA), who have been defenders of protectionism for American labor (Congresswoman, 2018).

The political focus on international trade in the 2016 U.S. presidential election, though, was not regarding China, but rather the North American Free Trade Agreement (NAFTA). President Trump campaigned heavily in the U.S. Mid-West, unlike Secretary Clinton. This emphasis gave him a victory in the region, shifting the Electoral College in his favor. The first trade issue of President Trump's administration was a proposed "customs duty," to increase government revenues, but it was quickly dropped due to opposition by American business-people. Rather, NAFTA, which was controversial since being proposed by President George H.W. Bush, and then being implemented by President William J. Clinton, became the focus.

President Trump's overall policy towards Canada and Mexico was at first very tough, with high tariffs, especially on steel, which was deemed an "emergency," that Canadian Prime Minister Trudeau called "absurd" and "inconceivable" (Spangler, 2018). Some scholars maintain that without taking such a tough stance, as a "bargaining chip," that a deal could not have been reached. President Trump also desired a "border tax," another name for a tariff, on Mexican agriculture, specifically on tomatoes, grown in Mexico on small farms, which would have to cut their costs and small profit-margins in order to compete (Carbaugh, 2019, p. 112).

After much delay and conflict, the end result, on November 30, 2018, was the U.S.-Mexico-Canada Agreement (the USMCA). The deal seemed to give the U.S. a better trade advantage, because Canada would accept more U.S. dairy products, although the U.S. would have to allow in more Canadian sugar and sugar products. Mexico would pay higher wages to auto-part laborers, "levelling the playing field." In addition, "regional" content requirements for cars and light trucks were increased from 62.5% to 75% to avoid tariffs. To gain Democratic support in Congress, President Trump removed language protecting large pharmaceutical manufactures from generic brands. Trump would go on to likewise emphasize "buy American," although his successor, President Joseph R. Biden, conceivably went far to fight against the WTO's Government Procurement Authorization, which gives foreigners the right to compete for large government contracts (Hughes, 2021).

While the U.S. Constitution does indeed designate Congress as generally controlling trade policy, Congress has increasingly given presidents broader powers to shape trade. The "Trading with the Enemy Act" of 1917 gave presidents strong powers during wartime. Trade powers were expanded under President Franklin D. Roosevelt during the Great Depression, to cut tariffs, while the "Trade Act of 1974" under President Nixon allows for a 15% tariff for 150 days if there is a national security issue. President Trump, though, used the 1977 "International Emergency Economic Powers Act," which he claimed could be used for any "emergency" (Maglioca, 2019).

President Trump's overarching policy was on tariffs, particularly on steel and aluminum, to help U.S. manufacturing jobs. The increased government revenue on these goods would be negligible, only $7-8 billion dollars yearly. In March, 2018, Mr. Trump imposed a 25% tariff on steel, and 15% on aluminum, on all nations, specifically aimed at China, a main competitor, using WTO Section 301 as justification. Tariffs on some countries were later eliminated, as with Mexico and Canada, to make way for the USMCA. They also were exempted with Argentina and Australia, and they were replaced in negotiations with a quota (limit) for Brazil and South Korea. Later, President Biden reduced many of these tariffs, except notably on China. Some countries retaliated, under WTO Section 232, such as Turkey, Russia, India, the European Union, and Canada and Mexico, though the latter three later rescinded their tariffs (York, 2022).

The effect of a tariff largely depends on elasticities: that is, the country that can more easily switch production and/or consumption usually gains more, which typically is by the larger GDP nation. By the end of President Trump's term, the U.S. steel industry had grown by about 2%, which is decent, but not fantastic. The job losses reported, though, were mostly due to automation, and not from global competition (Carbaugh, 2019, p. 114).

President Trump's handling of Europe, early on, regarding "BREXIT," the United Kingdom's leaving the European Union, may have been an insult to British Prime Minister Theresa May in her visit January 27, 2017, to the White House, briefly upsetting a traditionally strong economic alliance. Prior to this, there had been rumors of a possible bilateral trade deal. Then, in 2018, in trying to protect Harley-Davidson motorcycles to stay in the U.S. with the steel tariffs, retaliatory tariffs from Europe drove some of the bikes' manufacturing to Europe so as to export to America at lower costs (Carbaugh, 2019, p. 272).

In October 2019, though, the U.S. won a WTO dispute filed against the European Union (EU), dating to a President George W. Bush complaint, giving the U.S. the right to tariff the EU. President Trump did so immediately afterwards, with a 10% on aircraft, and 25% on mostly agricultural goods. Both were later postponed in 2021 for five years by President Biden (York, 3). A political victory, also, for President Trump early on was his 2017 tax cut, cutting business taxes from 35% to 21%, which is estimated to have grown foreign investment by 3.5%, but likely increased the budget and trade deficits (Koop et al., 2019).

Also of note, albeit more minor, was the United States' re-signing of a trade agreement with South Korea in March 2018. This was tackled by the administration's aides, namely, from Goldman Sachs, Gary Cohn, who later resigned afterwards due to opposition over the steel tariffs. The South Korea deal seemed to escape the President's ire, presumably because it fit his preference for simpler, bilateral deals. The deal extended the tariffs on South Korean trucks, changed the steel tariffs to a quota, and eliminated aluminum tariffs, the latter which were imposed later, in the wide-sweeping policy ("US Exempts," 2018). In 2019, South Korea and Japan would fight a trade war outright over high-tech products, and President Trump urged them to "get along," because it put the U.S. in a "very difficult position" having to decide which country to support (Ezell, 2020).

The most significant trade issues of the Trump administration, however, were in regards to the Trans-Pacific Partnership (TPP), and overall U.S. trade with China. This low-tariff plan (the TPP) started through a decade of negotiations with Japan, and it came to include a dozen other nations. While the proposed deal focused on aligning such states politically against China, President Trump saw little economic gain, viewing it as bureaucratically complex. The TPP was ultimately dropped. That the TPP was originally designed around Japan, though, seemingly resulted in positive U.S.-Japan trade relations. A bilateral deal with Japan resulted, under Mr. Trump, lessening prices on imports, and helping U.S. exports compete against Australia and Canada agriculturally. Some worried that the deal would undermine the WTO, an anti-tariff body, by keeping a 2.5% small tariff on Japanese autos (Chatzky, 2019).

Since then, many of the TPP nations have joined a replacement body, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). While China is similarly trying to organize these nations, this Western CPTPP pact has fewer regulations than the defunct TPP. President Biden also reorganized the remaining states into the Indo-Pacific Economic Framework (IPEF). This institution is not binding, but simply discusses issues, unlike the long-abandoned security pact (SEATO), formed after WWII. The IPEF includes the nation of India, which is growing both in population and economic strength, and could strategically counterbalance China. And, in fact, President Trump had a strong personal relationship with Indian President Narendra Modi. The two actually hugged when Modi visited the White House. However, even the U.S. and India flirted with a trade war. Each briefly placed steel tariffs on the other. The United States seemed troubled with Asia, by the growth of the China Development Bank, and the Asian Infrastructure Bank, unable to match it in funds for development.

While the details of the TPP deal made U.S. headlines, particularly in cartoons by humorists, the U.S.-China Trade War did not. The trade details were overshadowed by Mr. Trump's impeachment, while in contrast, in China, the trade war was closely followed by the Chinese public. American trade deficits with China had been increasing, to $418.2 billion in 2018, then falling to $342.6 billion in 2019, presumably due to tariffs, as we shall see. It then fell during the Covid-19 pandemic in 2020 to $308.1 billion dollars, then increasing to $353.5 in 2021, and again to $382.9 billion in 2022 (U.S. Census). China's economy by some measures now exceeds America's, though China has three times the population. The inter-connectedness between the two countries steers the global economy.

Generally, economists dislike tariffs, because they raise prices. However, they can protect workers in industries where domestic goods can easily replace international goods being imported at higher prices, and they can protect "infant" and "senile" industries, being used as such by the early American Republic. This was particularly true of the Northern U.S. states, which wanted to protect manufacturing, but not the Southern states, that sought to import intermediate goods for production of textile goods to trade with Europe. The South even called one tariff, "The Tariff of Abominations" (Carbaugh, 2019, p. 164). The main problem arises with trade wars (high tariffs on all goods, both ways), which are rare since the WTO's founding, causes everyone to lose (Salvatore, p.107, 2006). Any positive effects are often not felt until later, through what economists call the "J-Curve" (Salvatore, 2006, p. 182).

In August 2017, President Trump asked the U.S. Trade Representative Robert Lighthizer to write an investigative report on U.S.-China trade. Lighthizer historically had a mixed record, having worked under free-trade President Ronald W. Reagan, but having supported tougher measures. Meanwhile, the Trump Administration followed Obama Administration policies by placing tariffs on solar panels, and, later, on washing machines (United State Trade Representative, 2017). For this latter good, the U.S. had imported $1.1 billion dollars in 2015, which is large for one product, but small in overall trade ("US slaps," 2017). The other major U.S. negotiator was Commerce Secretary Wilbur Ross, an older-aged Cabinet member, who specialized in certain traditional trade sectors.

On March 1, 2018, the trade report was released, which focused on China's "theft" of U.S. technology. The U.S. Trade Representative then filed a WTO complaint. Lighthizer recommended domestic policies to protect American technology. President Trump said that such steps would not result in a "trade war," because the "trade war was lost many years ago, by the foolish, or incompetent, people who represented the U.S." (Lovelace, 2018). Trump then claimed that "trade wars are good, and easy to win" (Swanson, 2018). He later recanted this statement. The tariffs on aluminum and steel were quickly deemed a "blunder" by *The Wall Street Journal*. Administration officials claimed that other presidencies had been "naïve." These Trump officials asserted that China's form of capitalism was state-controlled, which made them "incompatible" with the WTO, warranting tougher action (Rogin, 2018).

Thus, on March 22, 2018, the U.S., citing Section 301 of the Trade Act of 1974, announced that it would impose tariffs on more than 1,300 Chinese goods, mostly those high-tech in nature. Tariff hikes would, ultimately, undergo 4 stages. On April 2, China retaliated, with tariffs on not just U.S. technology, but also on agriculture. Harsh words were exchanged, and China threatened tariffs on U.S. soybeans, a major U.S. export. On April 5, Trump made his harshest move to that date, threatening to place tariffs on $100 billion dollars more Chinese goods. China, in response, requested talks with WTO officials for a resolution. On May 29, more threats were exchanged, and the U.S. would soon impose tariffs on over $200 billion Chinese goods. The trade war had begun (Disis, 2020), and it would under five escalations: in July 2018, August 2018, September 2018, June 2019, and September 2019 (Fajgelbaum & Khandelwal, 2021).

On August 14, 2018, China filed an objection with the WTO, which complained about U.S. tariffs on solar panels. This was a smaller matter, intended to forestall larger happenings. The Director of the U.S. National Economic Council, Peter Navarro, a businessman with peculiar trade views, told Wall Street billionaires to stop complaining about market volatility. After having completed the USMCA North American deal, Trump was pleased, and he softened on China. On December 1, he offered China a 90-day grace period to negotiate. The U.S. economy showed signs of growth. President Trump took credit, saying that China was buying more U.S. soybeans, which it was not, the records show, although China said that it indeed would buy more if there was a "comprehensive trade deal" that reduced tariffs on other goods (Liptak & Carvajal, 2019).

With the 90-day truce period elapsed, on May 9, 2019, China cancelled a number of U.S. soybean orders. Reacting, on May 10, 2019, the U.S. warned of hiking tariffs on $200 billion dollars of Chinese goods from 10% to 25%. On June 20, at the Group-of-20 (G-20) Summit in Japan, Chinese leader Xi Jinping offered President Trump a new "truce," to enact no future tariffs. However, Trump demurred, maintaining that Huawei, a Chinese tech company, should remain on the U.S. "Entity List." The U.S. government, firms, or individuals cannot trade with firms listed here, unless by obtaining a license ("Securing," 2019).

As the summer approached in 2019, the Chinese economy slowed, as it periodically does, being very volatile. China declared, strategically, that it would further divest in U.S. government bond holdings, a large threat. President Trump then threatened to impose a 10% tariff on the remaining $300 billion dollars of imported Chinese goods. China, as a stimulus, devalued its currency, which led the U.S. Treasury Department to declare China as "Currency

Manipulator," although the International Monetary Fund (IMF) disagreed with this assessment. China, in response to President Trump's announcement, said on August 5, 2019, that it would encourage Chinese companies to not buy U.S. farm products. Because of this, and to reassure American consumers before the holiday shopping season, the U.S. paused tariffs on $160 billion of Chinese goods ("Chinese-United States," 8-9).

Nevertheless, some of America's previous tariffs went into effect, and China responded with more tariffs, on $75 billion dollars of U.S. goods. President Trump "ordered" U.S. companies to start to look for other places than China with which to trade. In August 2019, President Trump then claimed that Chinese officials had called U.S. trade officials to "get back to the table." However, no record showed this, and Mr. Trump later asserted that it was just positive thinking. Tariffs were now on 5,078 U.S.-to-China exports, and two-thirds of Chinese-to-U.S exports, high for both countries. The Chinese economy continued to slow, and China reduced its banking reserve requirement ratio by 0.5%, as a stimulus ("China-United States," 9-10). While the trade deficit with China was lessened, some was due to diversion of goods made elsewhere, and then, because of the Covid-19 Pandemic ("Trade in Goods," 2023).

Table 1. U.S. Total Trade Deficit with China (billions of U.S. dollars)

2015	-367,328.3	2019	-342,629.5
2016	-348,825.2	2020	-307,967.5
2017	-375,167.9	2021	-352,806.9
2018	-418,232.9	2022	-382,281.3

(Derived by the author, based on the Census ("Trade in Goods," 1-2)).

In October of 2019, demonstrations in Hong Kong against China left both sides wondering how Hong Kong, with ties to both China and the West, should be dealt with, economically and politically (Shao, 2019). This political issue overshadowed the trade talks at that time. By that time, the U.S. had brought 23 types of complaints in total to the WTO. The WTO was issuing statements that U.S. tariffs on China were excessively high. Reports claimed that Trump officials were worried about the trade war's lack of success on the 2020 mid-term elections (White & Buhsedi, 2019). In fact, Table 1 seems to show a J-Curve effect, or delayed effect, with the trade deficit moving in the entirely wrong direction.

On January 15, 2020, with Chinese growth slowing further, China and President Trump officially signed the "Phase 1 Agreement," coined by a Chinese official. This deal was historic for being a large bilateral deal made without the WTO's involvement. With Phase 1, a number of U.S. tariffs were lowered. The coming tariffs on $160 billion dollars of goods were halted. China, though, had to agree to purchase $200 billion dollars of U.S. exports, over a several year period (Wearden, 2020).

Ultimately, China would fail to meet the Phase I goals, only importing 58% of what was intended. Some of this short come occurred because the Covid-19 virus struck in early 2020. As a side note, the U.S. Congress had compelled Mr. Trump, because of the pandemic, to remove tariffs on imported medical equipment, much of it made in China. Phase I's magnitude had also been "unrealistic," said a U.S. Peterson Institute study (Mullen, 2021). Following the unmet goals, there were new recriminations against China for possibly stealing military technology. This led the New York Stock Exchange to delist three Chinese tech firms. The U.S. put tariffs on tomato and cotton goods from Xinjian, due to the treatment of the Uighur people. Phase II, which intended to eliminate all tariffs, and further expand U.S.-Chinese trade, never happened (Inman, 2019). Erstwhile, the incoming Biden administration said that it would not change the tariffs, until consulting with U.S. allies, which it never did. The WTO would later momentously rule that the Trump tariffs on steel and aluminum were illegal, as did another WTO panel that thoughtlessly treated Hong Kong, a free trade area, as being controlled by China, all drawing consternation from the U.S. and its European allies (Mullen, 2021).

Table 2. Trumpian Strategy

Success	Pursue more aggressively
Fail	Pursue more tepidly

(Created by the Author)

3. Discussion and Conclusion

Following the Trump Presidency, in 2022, President Biden executed the government's industrial policy and signed the "CHIPS Bill." While some Democratic and libertarian lawmakers called it a corporate "give-away," it provided billions of dollars to Silicon Valley and other high-tech areas to start an American chip (semi-conductor) industry. This would avoid reliance on Taiwan, and on Chinese firms themselves. In a sense, then, the trade war has continued.

Some economists claim that the tariffs have contributed to the U.S. inflation starting in mid-2021, adding as much as 1%, says a former U.S. ambassador to Singapore (Tan, 2022). This may have cost average U.S. households $1,000 dollars annually (Telford, 2019). However, President Trump's offshore oil drilling might have reduced the cost of global transport. Other inflationary causes include backed-up supply chains, and the mistakes of the Federal Reserve, whose Chairman Jerome Powell, a lawyer, was appointed by President Trump. President Trump later regretted this appointment, yet Powell was reappointed by President Biden. President Biden's massive stimulus bill likely also created massive, "one-shot" inflation.

In President Trump's first term, the implication of large amounts of tariffs in September, 2019, allows for a calculation to be made of the price level effects of the tariffs, and the traditional tariff model, known ubiquitously, in Figure 1 seems to hold. It appears from Table 3 that the tariffs raised prices by roughly 0.25%.

Table 3. Slightly Higher Prices/ Year-over-Year: Consumer Price Index (CPI)

Yr./Month	Quarter 2- 2019	Quarter 3- 2019	Effect of the Tariffs
2018- Q3	Small Tariff	Large Tariff	2.380% - 2.127%
2018- Q2 CPI	Small Tariff-	Small Tariff:	= 0.25%
	2.127%	2.380%	

(Created by the author from "Consumer Price Indices," (2026)).

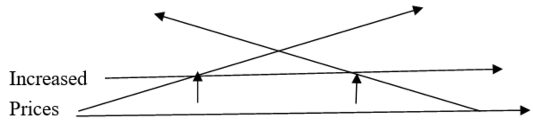

Figure 1. Tariff Model

If one looks at the fact that the largest tariffs were placed in September 2019 (Q3), and that imports were approximately 15% of Gross Domestic Product (GDP), then multiplied by the changes in average tariff rates, from about 3.7% before President Trump came into office, to 2019, when average tariffs rates were 25.8% (Fajgelbaum & Khandelwal, 2021), then tariffs in theory should have contributed to a 3.315% price increase. This is very close to the 2.5% change found in Table 3. The difference is probably accounted for by the fact that not all of the tariffs had passed through yet to the consumer yet. In fact, Rattner (2019) noted that prices of household goods increased by 2.9% by the end of 2019.

If tariffs help bring back "discouraged workers," who have left the workforce because their skills are no longer applicable, then in a sense tariffs can create "domestic sustentation," and can offset the tariffs' deadweight loss. This is the loss in efficiency that occurs from making less productive goods. In this sense, then, tariffs can help to bring back manufacturing, but how long are Americans willing to wait? As already stated, tariffs can also help infant industries, senile industries, and strategic sunrise industries, and they can force foreign competitors to cut into their profit margins to pay for the tariff, called the "terms of trade effect." However, the harms are the higher prices, and the greatest harm of all is perhaps from the unpredictability of the retaliation which is difficult to model.

American farmers, particularly cattle ranchers, claim that they lost from U.S. trade policies. In fairness to China, its hesitancy in buying U.S. agricultural goods was also meant to prevent "mad-cow disease," and China cannot change its consumption habits, which involves eating less beef than Americans. Nevertheless, since the 100-Day Action Plan, which in 2017 started off U.S.-China negotiations (Lester & Zhu, 2020), U.S. beef exports to China have increased to over 40 million pounds per month (Dennis, 2022). Other U.S. agricultural industries, however, have lost billions of dollars. Sentiments by farmers towards President Trump have been mixed, because farmers bare the brunt of higher prices on exports.

The overall effect of the U.S.-China trade war is debatable. Most scholars conclude that it lessened China's GDP slightly, by lessening Chinese exports. For the United States, aside from possible inflation, the policies may have temporarily decreased jobs, perhaps as many as 300,000 (still, a small amount), mostly in manufacturing, according to Moody's Analytics. In February 2020, U.S. trade deficit fell, the first time since 2014, but this fall was related to decreased trade due to the Covid-19 pandemic (Mutikani, 2020).

Mainly, the Trump years were strong economic times, with low unemployment and solid growth, that accelerated the losses still felt from the 2008 financial collapse. Still, modern liberal economists like Joseph Stiglitz and Paul Krugman, to free-traders like Robert Z. Lawrence, to conservative economists like Dani Rodrik and Jeffery Sachs, all had different projections regarding trade policies at the time. These forecasts were based on alternate assumptions, especially on labor's flexibility to shift to non-steel sectors, the sector most affected by the tariffs. The most optimistic view on the TPP was by the U.S. International Trade Commission, which had estimated that the TPP would increase global GDP by 1.1% by 2030, while a Tufts University study predicted that non-members would see GDP decrease by 5.24%, which is an unusually high calculation. With the TPP, the world was considering linking 40% of global GDP, and one-third of all U.S. trade. In effect, the world teetered between massive integration, and complete separation. Perhaps a balanced, and more predictable, approach is needed going forward ("A Troubling," 2014).

President Trump, a candidate in 2024, called for phasing out U.S. trade with China within a half-dozen years, for 60% tariffs on China, and for a 10% tariff on all other goods. Diversifying, or "de-coupling," trade would indeed reduce risks, due to current tensions over Taiwan, but finding whom would fill the void of such trade, such as Vietnam, for instance, remains unclear. The trade war in fact caused the U.S. businesses to seek out new supply chains in Asia. And, the COVID-19 pandemic proved that the U.S. could quickly manufacture not only medicines, but also other goods, in short supply. In anticipation of another trade war, though, sixteen former Nobel Prize winners in economics, in the Summer of 2024, predicted in a petition that further tariffs would harm the U.S. economy.

American security officials also have worried about issues like Chinese "app" TikTok, used for posting videos, which could supply data, an official Chinese "resource," through Artificial Intelligence (super computers). And, many U.S. lawmakers continue to call for removing China from the WTO, due to an antipathy against China's ongoing, over-fifty-year history of copying U.S. technology. Technology is complicated by a new, professionalized, growing class of young, Chinese entrepreneurs.

Future trade deals with China, from this point on, or with any country, might involve artificial intelligence, biotechnology, financial services, cybersecurity, and faster telecommunications, as well as traditional agriculture, such as soybeans. These crops again became a focus in Mr. Trump's second term. Minerals unearthed globally will be important for technology. It is possible that countries might turn to: Import Substitution Industrialization, which is trying to replace imports by making them domestically; currency diversification; or, the creation of new currencies, like China's digital yuan. China did indeed implement a jingoistic program, "Made in China 2025." In short, the United States and China need to reimagine a new relationship. The WTO, though, has suffered from in-fighting, and discussions have largely remained broken since the 2015 Doha Round collapsed. Some scholars argue that there should be separate rounds for authoritarian, and non-authoritarian countries, or new rules allowing companies to bring grievances against censorship.

In conclusion, in 2019, average U.S. tariffs were the highest since the end of World War II, but not as high as the Smoot-Hawley Tariff following World War I, which did not cause, but made worse, the Great Depression. After WWI, Germany was supposed to pay reparations to the

U.S.'s European allies, who would then buy U.S. exports, but this never happened due to hyperinflation after the war. The U.S. economy during the Trump years, and even under President Biden, has been remarkably resilient. The U.S. stock markets have largely increased, despite a few "corrections." Other economic issues in the U.S. at the time of this writing include: interest rates and inflation, controlled mostly by the Federal Reserve; the shortage of affordable and available housing in the U.S. and China, alike; the future of the Trump tax cuts; and the debt ceiling rule, especially considering the solvency of institutions like Social Security and Medicare. Further geo-political conflict, though, would cause much damage to world markets; the West, and the WTO allies, will need to stay united.

President Trump's tariffs in his second administration would seem to be much more widespread across the world, and not aimed at a specific number of imports of U.S. goods from China or elsewhere, perhaps due to the thoughts of a different team of Cabinet members. His trade policies with China did not exactly pick up where they left off, because only late in his first year of his second term did he turn to soybeans. Moreover, Mr. Trump's intentions seem to speak to reorient the entire U.S. economy back to manufacturing, which would seem to be very ambitious, seeing as future presidents might reverse his policies, and that American educational systems would need to be redirected. However, at what costs should results be achieved? President Trump's rhetoric against internationalism, in creating new political and economic foes, yet trying to support America first, may have forced the United States to deal with more complex international issues in the future; how that plays out, in the short-term, or the very long-term, could truly take any direction.

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