
Preface

Since its original publication in 1986, Mac Destler's *American Trade Politics* has become recognized as the standard work in its field. The book's first edition won the Gladys M. Kammerer Award of the American Political Science Association for the year's best book on public policy. Subsequent editions carried the story through the enactment of major trade legislation in 1988 and the completion of the NAFTA and Uruguay Round agreements in the early Clinton administration. Throughout, Destler's analyses have linked economics and politics and placed contemporary trade-political struggles in broad historical perspective.

This fourth edition carries the story through 10 more contentious years, ending in early 2005. The author finds that, while US trade continues to expand and traditional business-generated protectionism has declined, trade policy has faced new obstacles. A backlash against globalization (the focus of a separate, major Institute project directed by J. David Richardson) has generated contention about whether and how trade agreements should address labor and environmental standards. Bitter conflict between Republicans and Democrats in the House of Representatives has undercut the long tradition of bipartisan support of new trade legislation in the Committee on Ways and Means. Meanwhile, the US trade deficit has ballooned to unprecedented levels, generating deep concerns about China, the nation with the largest share of that imbalance.

This book tells the story of these and other developments: the role and record of the decade-old World Trade Organization; the continuing contention over procedures available to limit trade, such as the antidumping law; and the increased US emphasis on concluding bilateral free trade agreements. Destler concludes the new edition with an argument that

blends substance and politics. The United States should complete its transition to globalization by negotiating away remaining trade barriers. But this should go hand-in-hand with much more generous and effective domestic policies to compensate Americans hurt by economic change and enable them to participate competitively in the new, globalized economy. This is the route, Destler argues, to maximum economic gains for Americans. And it constitutes a politically balanced program that ought to appeal to both political parties.

The first three editions of *American Trade Politics* were published jointly by the Institute with the Twentieth Century Fund (now The Century Foundation), which supported Destler's initial research. This collaboration was critical to the book's development and dissemination, and though the Institute has now assumed sole responsibility, we wish to acknowledge TCF's key contribution throughout the life of the project.

The Institute for International Economics is a private, nonprofit institution for the study and discussion of international economic policy. Its purpose is to analyze important issues in that area and to develop and communicate practical new approaches for dealing with them. The Institute is completely nonpartisan.

The Institute is funded by a highly diversified group of philanthropic foundations, private corporations, and interested individuals. Major institutional grants are now being received from the William M. Keck, Jr. Foundation, the New York Community Trust, and the Starr Foundation. About 18 percent of the Institute's resources in our latest fiscal year were provided by contributors outside the United States, including about 8 percent from Japan.

The Institute's Board of Directors bears overall responsibilities for the Institute and gives general guidance and approval to its research program, including the identification of topics that are likely to become important over the medium run (one to three years), and which should be addressed by the Institute. The director, working closely with the staff and outside Advisory Committee, is responsible for the development of particular projects and makes the final decision to publish an individual study.

The Institute hopes that its studies and other activities will contribute to building a stronger foundation for international economic policy around the world. We invite readers of these publications to let us know how they think we can best accomplish this objective.

C. FRED BERGSTEN
Director
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Author's Note

As we approach the midpoint of 2005, much in American trade politics has that old, familiar ring. The trade deficit has reached new heights: In the first quarter, US buyers imported, incredibly, more than \$9 in goods for every \$5 they sold overseas! Members of Congress of both parties are targeting China, whose unprecedented bilateral imbalance with the United States is facilitated by the relatively low, fixed value of its currency. Meanwhile, an important US trade deal—the free trade agreement with Central America and the Dominican Republic (CAFTA-DR)—is facing serious challenge in the House of Representatives.

Yet what strikes the author of this fourth edition of *American Trade Politics* is not continuity but change. In the 10 years since Congress approved the Uruguay Round agreements that established the World Trade Organization, business protectionism has faded, social concerns over globalization have grown, and partisanship on Capitol Hill has become ever more rancorous. As set forth in parts III and IV, these developments have complicated the trade-political landscape and suggested new approaches to both analysis and prescription.

To do justice to these changes, this book includes three added chapters that interpret events since 1995 and a concluding set of recommendations that departs substantially from those in prior editions. Yet the new can only be fully understood in the context of the old from which it has sprung. Hence this book preserves the main lines of trade history and analysis from earlier editions. It is more explicitly chronological, divided now into sections covering rough time periods. I hope this will help the reader understand both the roots of the current situation and the potential opportunities for constructive change.

The book remains one man's interpretation of 70 years of American trade policy experience. It is informed by considerable research, including interviews and discussions with many trade policy practitioners and criticism sustained in four Institute study group sessions convened specifically for this fourth edition. Hard information has been sought where available—in carrying forward, for example, as thorough as possible a count of unfair trade practice cases brought to the US Department of Commerce since 1980 and adding a similar count of WTO cases brought by or against the United States. (The underlying case lists supporting this data can be accessed at www.iie.com.) Ultimately, however, the most important events are *sui generis*, so their aggregation into larger patterns becomes a qualitative, interpretive enterprise. The true test of this edition, like the first three, will be whether it captures the issues and patterns of trade politics accurately enough to shed useful light on the difficult policy and procedural choices the United States now faces.

During my work on this edition, I have accumulated still more debts. Again the greatest is to Institute Director C. Fred Bergsten, who has served simultaneously as the book's greatest supporter and the author's most cogent critic. The Institute for International Economics continues, in its splendid new building, to provide a congenial work environment and stimulating colleagues. I also owe a profound debt of gratitude to the University of Maryland and its School of Public Policy, my principal professional home for the past 18 years. And my wife, Harriett Parsons Destler, continues to provide support and encouragement, even as she pursues her own distinguished career in international health policy with the US Agency for International Development.

Any author of a book like this needs able research assistance, and for this edition I have been blessed with the support of two exceptional University of Maryland students: Tomoyuki Sho and Andrew Mosley. In particular, they have both done painstaking work pulling together trade case data and helping in its analysis. Their contributions to this edition have been fully equivalent to those of Diane Berliner for the first edition, Paul Baker for the second, and Steven Schoeny for the third. And I owe continuing gratitude to the Century Foundation, which launched me on this venture and copublished the first three editions.

Like its predecessors, this edition has also benefited from colleagues' criticisms of draft chapters, often conveyed in Institute study group sessions. In addition to several who prefer to remain anonymous, I would like to thank Thelma Askey, Martin Baily, Claude Barfield, Eric Biel, Lael Brainard, Bill Cline, Kimberly Ann Elliott, Bill Frenzel, Monty Graham, Paul Grieco, Morris Goldstein, Randy Henning, Robert Hoffman, Gary Horlick, Gary Hufbauer, Kent Hughes, Steven Kull, Brink Lindsey, Cathy Mann, Thomas Mann, Greg Mastel, Scott Miller, Ted Moran, Judge Morris, Marc Noland, Robert Pastor, Adam Posen, Timothy Reif, J. David Richardson, Howard Rosen, Jeff Schott, Susan Schwab, Bruce Stokes, Dan Tarullo,

Ted Truman, Alan Wm. Wolf, and Li Zhang. Prior editions list many others who helped at earlier stages of this work, whose names I would repeat here but for concerns over space.

On a sadder note, I would like to acknowledge two special individuals. Professor Hideo Sato of the University of Tsukuba was for many years my close colleague and collaborator in analyses of US-Japanese trade relations. Congressman Robert Matsui was generous with time and insights about the changing House of Representatives. Severe illness brought each down before his time, but their societies are the better for them. So am I.

Finally, let me express my special thanks to the Institute's director of publications, Valerie Norville, and her able associates: Ed Tureen, Marla Banov, and Madona Devasahayam. They have brought this book to the finish line despite all impediments interposed by the author. The flaws that remain are his alone.

I. M. D.