

**Congress and Trade Policy**  
**PMGT 286.LH6**  
**Spring 2009**  
**Professor Brian Pomper**

**Contact Information**

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**Required Texts**

1. *U.S. Trade Policy: Balancing Economic Dreams and Political Realities*, by John M. Rothgeb, Jr. (2001), referred to below as “Rothgeb.”
2. *Fundamentals of U.S. Foreign Trade Policy: Economics, Politics, Laws, and Issues*, by Stephen D. Cohen, Robert A. Blecker, and Peter D. Whitney (Second Edition, 2003), referred to below as “CBW.”
3. *Freedom from Want: American Liberalism and the Global Economy*, by Edward Gresser (2007), referred to below as “Gresser.”
4. *The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade*, by Pietra Rivoli (2005), referred to below as “T-Shirt.”
5. *Overview and Compilation of U.S. Trade Statutes, Parts I and II*, by Committee on Ways and Means, U.S. House of Representatives (2005 Edition), referred to below as “Overview.” (available at <http://waysandmeans.house.gov/media/pdf/109cong/wmcp/wmcp109-4.pdf>)
6. *Why American Trade Policy Has Failed: Myths of Free Trade*, by Sherrod Brown (2006), referred to below as “Myths.”

Other various reading material will be distributed throughout the course via blackboard, e-mail, or other means.

## **Course Goals**

- Understand the various policies at issue in international trade.
- Become familiar with international trade agreements, rules, laws, concepts, and institutions.
- Learn about the politics of trade, and the difference between the way things are supposed to work and how they really work.

## **Guidance**

- This is an introductory course. You are not expected to know anything about international law or international trade coming into this class.
- Connect the dots. See the relationships between different topics, and understand the players in developing and implementing trade policy. Don't get hung up on minutiae.
- Ask yourself why proponents of the various rules you are studying like them, and why opponents do not.

## **Examinations and Grading**

- Various projects – at least one paper, at least one 5-minute speech – will constitute 25%
- Final exam – essay questions – will constitute 50%.
- Class participation will constitute 25%.

Session	Date	Topic	Reading
		<b><i>Introduction –Economics, History, Main Issues and Actors, Nuts and Bolts</i></b>	
1	1/12	Why countries trade, and why they don't – comparative advantage, mercantilism, and the economic principles of trade	CBW 3-108; Rothgeb 1-26
2	1/26	History of trade policy	Rothgeb 27-250
3	2/2	The making of trade policy – the Congress and the Executive, and the role of the states in trade policy in our federal system  The agencies – USTR, Commerce, CBP, Treasury, Agriculture, ITC, OMB, and the interagency process	U.S. Constitution, Article I, Section 8, Clause 3; and U.S. Constitution, Article II, Section 2, Clause 2 (both available at <a href="http://www.law.cornell.edu/constitution/constitution-overview.html">http://www.law.cornell.edu/constitution/constitution-overview.html</a> ); CBW 111-149; Overview 322-333
4	2/9	Customs, the Harmonized Tariff Schedule (“HTS”), and the Miscellaneous Tariff Bill (“MTB”)	Overview 1-14; Print out and bring to class both the HTS table of contents at <a href="http://www.usitc.gov/tata/hts/bychapter/index.htm">http://www.usitc.gov/tata/hts/bychapter/index.htm</a> and Chapter 10 (Cereals) at <a href="http://hotdocs.usitc.gov/docs/tata/hts/bychapter/0810C10.pdf">http://hotdocs.usitc.gov/docs/tata/hts/bychapter/0810C10.pdf</a> ; the 110 <sup>th</sup> Congress MTB (available at <a href="http://waysandmeans.house.gov/media/pdf/110/MTB%20Bills%2002-25-08.xls">http://waysandmeans.house.gov/media/pdf/110/MTB%20Bills%2002-25-08.xls</a> )
		<b><i>The Current Regime</i></b>	
5	2/23	The World Trade Organization, free trade agreements, preference programs, and other creatures in the trade menagerie	CBW 183-212; Overview 14-58, 252-271; Gresser Part II, Sec. I, Chapter 4

6	3/2	Regional trade groupings and an alphabet soup of global players – APEC, ASEAN, OECD, IMF, and others	<p>CBW 281-310</p> <p>Selected readings on:</p> <p>APEC</p> <ul style="list-style-type: none"> <li>• APEC Overview (available at <a href="http://www.apec.org/apec/about_apec.html">http://www.apec.org/apec/about_apec.html</a>)</li> <li>• APEC Bogor Goals (available at <a href="http://www.apec.org/apec/leaders_declaration/1994.html">http://www.apec.org/apec/leaders_declaration/1994.html</a>)</li> <li>• APEC – A Pretty Empty Chatter, <i>The Economist</i>, September 12, 2007 (available at <a href="http://www.economist.com/displaystory.cfm?story_id=9788478">http://www.economist.com/displaystory.cfm?story_id=9788478</a>)</li> <li>• Chairman Baucus September 5, 2008 Remarks to the National Center for Asia-Pacific Economic Cooperation (available at <a href="http://www.finance.senate.gov/press/Bpress/2008press/prb090508A.pdf">http://www.finance.senate.gov/press/Bpress/2008press/prb090508A.pdf</a>)</li> </ul> <p>ASEAN</p> <ul style="list-style-type: none"> <li>• ASEAN Overview (available at <a href="http://www.aseansec.org/64.htm">http://www.aseansec.org/64.htm</a>)</li> </ul> <p>OECD</p> <ul style="list-style-type: none"> <li>• About the OECD (available at <a href="http://www.oecd.org/pages/0,3417,en_36734052_36734103_1_1_1_1_1,00.html">http://www.oecd.org/pages/0,3417,en_36734052_36734103_1_1_1_1_1,00.html</a>)</li> </ul> <p>IMF</p> <ul style="list-style-type: none"> <li>• What the IMF Does (available at <a href="http://www.imf.org/external/work.htm">http://www.imf.org/external/work.htm</a>)</li> </ul>
7	3/9	Trade remedies and trade enforcement – AD, CVD, 201, 301, 337, and 421	CBW 150-182; Overview 96-120, 130-144
		<b><i>Trade Politics</i></b>	
8	3/23	<p>The U.S. economy – agriculture, manufacturing, and services</p> <p>Trade adjustment assistance</p> <p>The Doha Round, the rise of China and India, and the U.S. trade deficit</p>	<p>CBW 230-258; Gresser Part I, Sec. II, Chapter 5; Selected readings TBD</p>

9	3/30	Labor, environment, intellectual property, investment, and the anti-globalization movement	<p>CBW 311-337; Gresser Part II, Sec. I, Chapters 1-3; Myths, Chapters 1-3</p> <p>Selected readings</p> <ul style="list-style-type: none"> <li>• <i>United States Trade Policy: A Work in Progress</i>, by Charles S. Pearson (2004), 119-137 (will be made available for purchase as a separate packet)</li> <li>• “Why Lou Dobbs is Winning,” by Anne Kim, John Lageson, and Jim Kessler (2007), available at <a href="http://www.thirdway.org/products/113">http://www.thirdway.org/products/113</a></li> <li>• TRIPS Article 31, found at <a href="http://www.wto.org/english/docs_e/legal_e/27-trips.pdf">http://www.wto.org/english/docs_e/legal_e/27-trips.pdf</a></li> <li>• Congressional letters on compulsory licensing (will be posted on blackboard)</li> </ul>
10	4/6	<p>The anti-globalization movement and arguments against free trade</p> <p>The use of trade as a foreign policy tool, and sanctions – Iran, Burma, and Cuba, the granddaddy of them all</p>	<p>Myths, Chapters 4-8</p> <p>CBW 215-229; TBD</p>

		<b><i>Trade in Practice</i></b>	
11	4/13	<p>Case studies – The Trade Act of 2002, CAFTA, the May 10<sup>th</sup> Agreement, the U.S.-Colombia FTA</p> <p>The current state of play – guest speaker TBD</p>	<p>Selected reading</p> <ul style="list-style-type: none"> <li>• Chairman Baucus August 1, 2002 statement on the Trade Act of 2002 (available at <a href="http://www.finance.senate.gov/press/pr080102.pdf">http://www.finance.senate.gov/press/pr080102.pdf</a>)</li> <li>• Senator Baucus June 30, 2005 statement on CAFTA (available at <a href="http://www.finance.senate.gov/press/Bpress/2005press/prb063005d.pdf">http://www.finance.senate.gov/press/Bpress/2005press/prb063005d.pdf</a>)</li> <li>• May 10, 2007 Bipartisan Agreement on Trade (will be posted on blackboard)</li> <li>• President Bush April 7, 2008 statement on Colombia (available at <a href="http://www.whitehouse.gov/news/releases/2008/04/20080407-1.html">http://www.whitehouse.gov/news/releases/2008/04/20080407-1.html</a>)</li> <li>• Reps. McCrery and Herger April 7, 2008 statements on Colombia (available at <a href="http://republicans.waysandmeans.house.gov/showarticle.asp?ID=335">http://republicans.waysandmeans.house.gov/showarticle.asp?ID=335</a>)</li> <li>• Speaker Pelosi April 9, 2008 statement on Colombia (available at <a href="http://www.house.gov/pelosi/press/releases/April08/cfta-timetable.html">http://www.house.gov/pelosi/press/releases/April08/cfta-timetable.html</a>)</li> <li>• House Ways and Means Committee Democrats April 10, 2008 statement on Colombia (available at <a href="http://waysandmeans.house.gov/news.asp">http://waysandmeans.house.gov/news.asp</a>)</li> <li>• Reps. McCrery and Herger April 10, 2008 statements on Colombia (available at <a href="http://republicans.waysandmeans.house.gov/showarticle.asp?ID=344">http://republicans.waysandmeans.house.gov/showarticle.asp?ID=344</a>)</li> <li>• Speaker Pelosi April 10, 2008 statement on Colombia (available at <a href="http://www.house.gov/pelosi/press/releases/April08/cfta-statement.html">http://www.house.gov/pelosi/press/releases/April08/cfta-statement.html</a>)</li> <li>• President-elect Obama on trade: <a href="http://www.barackobama.com/issues/economy/index.php#trade">http://www.barackobama.com/issues/economy/index.php#trade</a>; and <a href="http://www.ontheissues.org/Celeb/Barack_Obama_Free_Trade.htm">http://www.ontheissues.org/Celeb/Barack_Obama_Free_Trade.htm</a></li> </ul>
12	4/20	Follow the t-shirt – trade in the real world	T-Shirt vii-215
13	4/27	Speech day – 5-minutes on a trade topic of your choice (to be approved by the instructor)	None
		<b><i>Investment, Exports, and the Future</i></b>	
14	4/29	<p>Foreign investment, export promotion and export controls</p> <p>The big look ahead</p>	Overview 205-217; Selected readings TBD