

# Trump promised to make trade fair again. Is he succeeding?

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By Ana Swanson July 5

One year ago, Donald Trump took the stage in a small town in Pennsylvania and set out an agenda for his trade policy. In the speech, Trump made seven promises to change America's "failed trade policy."

Given his brief time in office, Trump appears to be well on his way to accomplishing many of these goals. By our count, he has fulfilled one of his promises, broken two, and is partly on the way to completing four others.

Yet, as the list below shows, in many of the areas, he has taken smaller, more incremental steps, while the larger challenges remain unaddressed.

In the meantime, Trump's brand of protectionist policies is generating pushback from industries and countries that would suffer, increasing the risk that the goals that are only partially completed might stall.

Here are Trump's seven promises, and a description of how his administration is measuring up.

**"Here are seven steps I would pursue right away to bring back our jobs," Trump said last year. "One: I am going to withdraw the United States from the Trans-Pacific Partnership, which has not yet been ratified."**

**Status: Fulfilled.** Trump kept this promise, though the 12-nation trade pact crafted by the Obama administration was probably already dead because of opposition in Congress. On Jan. 23, Trump signed an executive order officially withdrawing the United States from the deal.

***"Two: I'm going to appoint the toughest and smartest trade negotiators to fight on behalf of American workers," Trump said.***

**Status: Partly fulfilled.** Many trade experts think highly of the newly appointed U.S. Trade Representative Robert E. Lighthizer, a former deputy trade representative under Ronald Reagan with decades of legal experience, and Commerce Secretary Wilbur Ross. Both are thought to have a protectionist bent.

Yet many of the important positions just below Lighthizer and Ross remain vacant, meaning this goal has only been partly fulfilled. At Commerce, nearly one-third of the positions listed on the website as the department's "leadership" are vacant, while at the trade office nearly half of all top positions are unfilled.

***"Three: I'm going to direct the secretary of commerce to identify every violation of trade agreements a foreign country is currently using to harm our workers. I will then direct all appropriate agencies to use every tool under American and international law to end these abuses," Trump said.***

**Status: Partly fulfilled.** On April 29, Trump signed an executive order directing Ross, Lighthizer and others in the government to review all trade and investment agreements within 180 days, as well as any other trade relationship where the United States runs a trade deficit. The order says that these findings will guide trade policy, though no results are available yet. The deadline is at the end of October.

***"Four: I'm going tell our NAFTA partners that I intend to immediately renegotiate the terms of that agreement to get a better deal for our workers. And I don't mean just a little bit better, I mean a lot better. If they do not agree to a renegotiation, then I will submit notice under Article 2205 of the NAFTA agreement that America intends to withdraw from the deal," Trump said.***

**Status: Partly fulfilled.** Mexico and Canada have agreed to negotiations, which should start after Aug. 16.

We have yet to see whether the terms turn out not just "a little bit better" but "a lot better," as Trump promised. The administration's rhetoric about the North American Free Trade Agreement has shifted a lot since the campaign. Instead of talking about tearing up the deal, the administration now focuses on modernizing it, to the relief of many American industries that depend on the agreement to export to Canada and Mexico.

The administration seems unlikely to fulfill this goal anytime soon. In a recent hearing in front of the Senate Finance Committee, Lighthizer implied that the administration is unlikely to finish NAFTA negotiations by the end of the year.

***"Five: I am going to instruct my treasury secretary to label China a currency manipulator. Any country that devalues their currency in order to take advantage of the United States will be met with sharply," Trump said.***

**Status: Not fulfilled.** Trump did not keep this promise to label China a currency manipulator in a semiannual report on America's trading partners published in April -- for a simple reason. Although China has a long history of suppressing the value of its currency to make its products cheaper abroad, an activity that hurts U.S. exporters, it no longer is doing so. For the past several years it has actually propped up its currency, which helps American competitors.

For this reason, economists such as Eswar Prasad of Cornell University say Trump's decision not to label China a currency manipulator was a good thing. Yet Prasad adds that the more sensible route would have been for Trump to realize this before the election.

***"Six: I am going to instruct the U.S. trade representative to bring trade cases against China, both in this country and at the WTO. China's unfair subsidy behavior is prohibited by the terms of its entrance to the WTO, and I intend to enforce those rules," Trump said.***

**Status: Not fulfilled.** While the attention has largely been focused elsewhere, the Trump administration has yet to file a single dispute at the World Trade Organization. Chad Bown, a senior fellow at the Peterson Institute for International Economics, points out that the last two disputes filed by the United States, over wine and aluminum, were filed by the Obama administration in mid-January. And unlike previous administrations, the current one has done little to advance the cases of its predecessors, Bown says.

"While Trump is threatening lots of new import restrictions on China – including on steel and aluminum in these national security cases – he has not taken any concrete action to get Beijing to change its policy behavior and fix the underlying problems of its overcapacity, industrial policy, or government subsidies," Bown wrote in an email.

This is perhaps because Lighthizer, the trade representative, was just confirmed in May. But Bown fears that it reflects an ambivalence in the Trump administration toward the WTO, something that could denigrate the group's global standing.

***"Seven: If China does not stop its illegal activities, including its theft of American trade secrets, I will use every lawful presidential power to remedy trade disputes, including the application of tariffs consistent with Section 201 and 301 of the Trade Act of 1974 and Section 232 of the Trade Expansion Act of 1962," Trump said.***

**Status: Partially fulfilled.** The Commerce Department has launched investigations of the steel and aluminum industries under the Section 232 measure, which allows the president to restrict certain imports if they compromise U.S. national security. Ross originally said the results would be released by the end of June, but the administration now appears to be waiting until after the G-20 meeting on Friday and Saturday, perhaps to use the investigations as leverage on trading partners.

It's unclear whether Trump's actions will solely affect China, as he implied in his speech last year, or ensnare other countries as well. The legal measures that Trump mentioned in his speech give the president broad purview to impose tariffs on specific countries or across the board.

Aggressive action on these cases could foretell similar measures in other industries. The U.S. government has also agreed to hear a case by the U.S. solar industry arguing for tariffs against foreign solar cells.

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