



## AMERICAN TRADE: DRIVEN BY FREEDOM

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Barriers to trade make Americans poorer. The United States should embrace free trade and its many benefits to the American people, and work to eliminate trade barriers, not erect them.

### PRINCIPLES

**Individuals, businesses, and countries should be free to engage in the voluntary exchange of goods and services, which improves lives by growing the economy, increasing pay checks, and creating new and better jobs.**

- Trade is mutually beneficial to all trading partners.
- Trade allows businesses and individuals to make the most of their comparative advantages – focusing on what they do most efficiently and trading for things that others can do at lower cost.
- Trade increases access to a rich array of high-quality and lower-cost products and services.
- Trade has helped lift millions of Americans out of poverty, improve our standard of living, and modernize our economy.
- Conversely, tariffs and other protectionist policies supported by tariffs represent a tax on consumers and businesses, limiting economic opportunity and stifling growth.

*The president should reduce or eliminate trade barriers through international agreements, including:*

- *modernizing NAFTA;*
- *concluding an agreement with the United Kingdom;*
- *resuming negotiations on the Transatlantic Trade and Investment Partnership (TTIP) with the European Union; and*
- *returning to the negotiating table on the Trans Pacific Partnership (TPP).*

**Individuals and businesses in a competitive market, not government bureaucrats or politicians, should guide trade decisions.**

- Trade policy should embrace competition, which requires businesses to constantly innovate and find more efficient and affordable ways to deliver products and services that help fuel economic growth.
- Trade policy should not favor one U.S. business or industry over another. This will create a competitive environment without propping up unsuccessful businesses or businesses that are politically connected.
- Trade policy should not be guided by trade deficits, which may sound ominous but, in reality, are not proper indicators of healthy trading relationships, economic prosperity, or growth.
- Managed or “strategic” trade, in which the government attempts to manage our international trade through arbitrary trade targets, undermines free enterprise and should be rejected.

*Rather than managed trade, policymakers should support expanding existing agreements and seeking new agreements with trading partners that include processes for resolving trade disagreements, and rules that advance mutual benefit and free and voluntary exchange with the least amount of government interference.*

**Punitive measures such as tariffs and quotas harm most consumers, workers, and businesses and should be eliminated.**

- Trade barriers like tariffs and quotas suppress opportunity, prosperity, and well-being. They are a step backward and harm many workers, consumers, and companies both here at home and in other countries.

- Protectionist policies create artificial winners and losers, while open trade offers a win-win that delivers the best results for the most people.

*The president should:*

- *permanently lift the recent steel and aluminum tariffs that are harming American workers and businesses in industries that use those materials;*
- *permanently lift the proposed additional tariffs on imports from China, which are causing uncertainty for most domestic businesses and workers;*
- *permanently lift the recent solar panel and washing machine tariffs that are harming American consumers and families;*
- *drop consideration of new tariffs for imported autos; and*
- *avoid any new tariffs or other trade restrictions.*

*Congress should end quotas on sugar, dairy, and other commodities that favor some farmers but harm consumers and downstream producers.*

**Subsidies and other forms of government supports for powerful and politically connected businesses and industries do not create value. They punish consumers, insulate businesses from market competition, and should be eliminated.**

*Congress should:*

- *abolish farm subsidies on crops, commodities, and crop insurance;*
- *end subsidies for green energy;*
- *repeal the Jones Act, which requires goods shipped between U.S. ports to be transported on vessels that are domestically built, crewed, and owned;*
- *repeal the buy America requirement that raises costs on taxpayer-funded federal projects; and*
- *abolish the Export-Import Bank, OPIC, and other programs that subsidize exports or specific industries.*

**Trade disputes should be resolved through existing international trade agreements and organizations.**

*Policymakers should modernize dispute resolution procedures in the World Trade Organization in areas such as digital trade and intellectual property.*

*Congress should:*

- *revisit existing trade authorities granted to the executive branch to ensure that required economic analysis reflect all the benefits of trade across the entire economy, not just a single industry; and*
- *implement a check and balance in which tariffs must pass an amendment-free up-or-down vote before the House and Senate similar to Trade Promotion Authority.*

**While national security interests may be a consideration in trade policy, they should be used to restrict trade only when there is truly a narrow national security interest at stake, not as a work around to impose tariffs.**

*Congress should:*

- *revisit trade authority granted to the executive branch and ensure that national security risks are assessed with a thorough analysis using strong and consistent criteria; and*
- *implement a check and balance in which tariffs must pass an amendment-free up-or-down vote before the U.S. House and Senate similar to Trade Promotion Authority.*