



## Donald Trump cites Ronald Reagan as a protectionist hero. Was he?

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July 1, 2016

Republicans have long cited President Ronald Reagan as a hero of conservatism. But in a June 28 speech in Monessen, Pa., presumptive Republican presidential nominee Donald Trump did something different: He painted Reagan as a hero of protectionism.

To understand how unusual this was, it's worth remembering that the primary strand of trade policy in the conservative movement has been to lower trade barriers between countries and expand free-trade agreements. The alternative -- erecting trade barriers through higher tariffs and import and export restrictions -- has been, at most, a minority view within the Republican Party.

But Trump's speech laid out a clear vision for American trade policy in which the United States looks out for its own interests, leveraging trade rules to prevent other countries from stealing the jobs of Americans.

Part of his approach as president, he said, would be to "use every lawful presidential power" to remedy trade disputes.

"President Reagan deployed similar trade measures when motorcycle and semiconductor imports threatened U.S. industry," Trump said. "I remember. His tariff on Japanese motorcycles was 45 percent, and his tariff to shield America's semiconductor industry was 100 percent, and that had a big impact, folks. A big impact."

Reagan did impose those penalties on overseas motorcycle and semiconductor producers, though there is some question about whether the motorcycle and semiconductor tariffs were effective. (Trump's campaign didn't respond to an inquiry, but his prepared remarks included footnotes.)

However, Reagan's record includes both free-trade and protectionist stands -- a nuanced profile that suggests that Trump's portrayal was partially accurate, but somewhat incomplete.

### Reagan's 1985 address

In a 1985 speech to business leaders, Reagan said that "our trade policy rests firmly on the foundation of free and open markets -- free trade. I, like you, recognize the inescapable conclusion that all of history has taught: The freer the flow of world trade, the stronger the tides for human progress and peace among nations."

However, read in its entirety, Reagan's speech articulates a distinct sense of balance about the merits and drawbacks of free trade.

"I believe that if trade is not fair for all, then trade is free in name only," he said. "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules."

While Reagan said he would reject proposals by some in Congress and the private sector that were "purely protectionist in nature," and while he reiterated that "our commitment to free trade is undiminished," he added this: "Let no one mistake our resolve to oppose any and all unfair trading practices. It is wrong for the American worker and American businessman to continue to bear the burden imposed by those who abuse the world trading system."

True to his words, Reagan's record in office was equally mixed.

### **Reagan's free-trade legacy**

Reagan pushed for several important international free-trade agreements.

"His administration launched the most comprehensive set of global trade-barrier-reducing negotiations yet completed — the Uruguay Round, which eventually established the World Trade Organization," said I.M. Destler, a public policy professor at the University of Maryland and author of the book *American Trade Politics*. (That negotiation continued under President George H.W. Bush and was concluded and ratified, with large bipartisan margins, under President Bill Clinton.)

In addition, the Reagan administration won approval of the U.S.-Canada Free Trade Agreement in 1988, which later incorporated Mexico and morphed into the North American Free Trade Agreement. And after he was elected, Reagan "promoted the Caribbean Basin Initiative as a means of strengthening the political relations between the countries of the Caribbean and America," said Craig Shirley, who worked to elect Reagan and worked at the Republican National Committee during the Reagan years.

"Reagan was essentially a free trader, in large part because he saw trade as a means of winning the Cold War," Shirley said.

Reagan also bucked public pressure by rejecting trade protection for the domestic shoe industry in 1985 and by vetoing bills in 1985 and 1988 that would have imposed restrictive quotas on U.S. textile and apparel imports.

The free-market Cato Institute noted upon Reagan's death in 2004 that U.S. spending on imports roughly doubled between his election in 1980 and the end of his tenure in 1988. "If Reagan was a 'protectionist,' it had no discernible effect on the ability of Americans to spend freely in the global marketplace," according to the Cato paper.

### **Reagan's protectionist policies**

At the same time, Reagan sometimes bent to public pressure for more protectionist measures. The penalties Trump cited on motorcycles and semiconductors are two of the more prominent ones. But there were others.

In 1982, Reagan imposed quotas on sugar, which resulted in higher prices. His administration negotiated more stringent provisions for textile and apparel imports, though not as tight as the industry wanted. And the administration set import quotas on machine tools from South Korea and imposed tariffs on Canadian lumber.

But the most significant moves were a pair of "voluntary export restraints" on steel and on cars. These policies limited how many units foreign producers could ship to the United States, giving domestic producers some breathing room from foreign competition so they could retool their businesses. (The policies also raised prices for U.S. consumers and sometimes led to shortages.)

It's a bit of an exaggeration to call these "voluntary" -- they were reached after considerable U.S. arm-twisting -- but such agreements were seen as a way to protect U.S. producers without having to go through the process of imposing formal penalties.

Still, this method was a "very serious protectionist measure," said Dean Baker, an economist with the left-leaning Center for Economic and Policy Research.

Reagan's own treasury secretary, James A. Baker, said in 1987 that Reagan "has granted more import relief to U.S. industry than any of his predecessors in more than half a century."

That said, it's important not to oversell the scope of Reagan's protectionist moves.

After reviewing data from Reagan's tenure, Destler has written that the impacts of Reagan's protectionist policies were "marginal," with the possible exception of the voluntary export restraints on Japanese cars. "On balance, Reagan was a free-trader," Destler told PolitiFact.

Bruce Bartlett, an economist who worked in the Reagan White House, said Reagan "generally pursued free trade policies, but he sometimes made exceptions."

In all, then, Trump was partly right in his invocation of Reagan as a precursor of the policies he would pursue in office.

Reagan did take a number of notable actions that are widely considered protectionist. However, Reagan's record was more mixed than Trump lets on. In fact, it included strong support for international trade negotiations that ultimately produced the North American Free Trade Agreement and the World Trade Organization -- two international agreements that Trump has sharply criticized.