

NATIONAL REVIEW

On Free Trade, America Isn't #1

Ramesh Ponnuru

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Wilbur Ross, the Secretary of Commerce, opens a recent op-ed (paywalled) thus: “The US has the lowest trade barriers and the largest trade deficit in the world — \$500bn annually.” The second half of that sentence is true (although that’s partly because we have such a large economy).

The first half is a myth. The World Bank reports that we have higher average tariff rates than Canada, Israel, the European Union, Japan, and many other countries. Our average tariff level is just slightly below the developed-world average. The International Chamber of Commerce has a broader measure of free trade, a measure that includes non-tariff barriers, and it makes us look more free-trade-oriented. But it still puts us behind Hong Kong, Japan, New Zealand, and Singapore. Scott Lincicome, who studies trade for the Cato Institute, notes that a Credit Suisse report found that the U.S. led the world in the imposition of non-tariff barriers between 1990 and 2013.

Protectionists have long portrayed the U.S. as a country so besotted with free-trade ideology that the rest of the world takes advantage of us. Free traders counter the theoretical underpinnings of that view by pointing out that having higher trade barriers than one’s trading partners is a mistake, not an achievement, and that having lower trade barriers generally helps the home economy as well as the economies of other countries. But the portrayal is also factually inaccurate: The U.S. does not practice pure free trade, and many other countries have regimes that are roughly as free-trading as ours or more so.