**US Trade Policy (1970-1980)**

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A blanket term for US trade policy in the 1970s is protectionism. This came to be because by the end of the 1960s, USA had partially lost its economic hegemony in the world which had established in the post-WWII era. So, the Congress shifted its focus towards protecting US industries from imports. (Nivola, 1986)

The main imported goods in the 1970s were agricultural products, automobiles and automobile parts. Owing to protectionism, these were the ones that faced the most restrictions. Other major trade goods included oil and steel. Some of the most important services traded by the US in the 1970s included engineering consultations, film royalties, airfares and insurance premiums.

In the 1970, there was new competition from Latin America (Mexico, Brazil) and Asia (Hong Kong, Taiwan, South Korea) with Japan and Europe already giving US exports a tough time. Therefore, several restrictions all pointing to a protectionist trade policy were imposed. It started with the 1970 trade bill allowing an industry to seek government protection against imports. It did not pass but paved the way for the Burke-Hatke bill which added restrictions on foreign investment to the earlier bill. This did not pass either, but the debate had been successfully shifted. In 1971, President Nixon saw the US breach of Bretton Woods which made US dollar a floating flat currency. The 1974 trade act gave US companies the right to ask for protection against imports. A round of ‘voluntary’ restrictions of exports to the US by other countries were insured via nontariff barriers and it continued throughout the decade. (Canto, Cato Journal)

**Pros:**

1. Protectionist trade policies eliminate foreign competition and give local companies the protection and time needed for them to grow.
2. Local companies are moved to hire more local people for jobs.

**Cons:**

1. Without foreign competition, the quality of local produce stagnates while the prices rise.
2. It slows economic growth by increasing layoffs.

# References

Canto, V. A. (Cato Journal). US Trade Policy: History and Evidence. *1983*, 679-703.

Nivola, P. S. (1986). The New Protectionism: U.S. Trade Policy in Historical Perspective. *Political Science Quarterly* , 577-600.