

# Quantifying GATT Trade Liberalization

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## 1 Introduction

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{r child = 'intro.Rmd'} #
```

## 2 Literature

- There is a large qualitative literature on what happened through the GATT
  - Go back and list some of the books we read on, e.g., each round
  - “Tariff negotiations and renegotiations under the GATT and the WTO”
  - USITC history papers (two of them)
  - Irwin’s big book
    - \* 1994 Irwin NBER working paper
  - Petros’ chapter on tariffs
- Three strands of quantitative literature
  - Old stuff
    - \* Krause 1962, etc
      - Go through reference list
    - \* Dur, Balassa, Kreinin
  - BSY (is there a second one?)
  - Bown and Irwin (2017)
  - But what about “30 years of trade policy”?
- Need to include TOT literature if going to include TOT analysis

## 3 Institutional Context

- Background, general info on GATT

- RTAA reductions between Smoot Hawley and 1946
  - \* How do the two different documents we have relate to each other

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#{r child = 'context.Rmd'} #
```

## 4 Data

- Where we got these files
- How we digitized the data
  - Dealing with two changes in coding
    - \* Historical context on those changes
    - \* Addition of new lines round-by-round
- Other issues that arose
  - Specific vs. ad valorem vs. mixed
  - Variation in units for specific tariffs, how we standardized them
  - Tariff intervals
  - Free list
  - Staging (starting with Geneva A/B/C)
  - Ad valorem equivalents (AVE) and trade weighting

```
#{r child = 'data.Rmd'} #
```

## 5 Results

### 5.1 Kristy's to-do for April 22-23

- Read through the old notes that Victor sent
- Read through my notes from the background reading for questions we want to address analytically
- Look at Plan.docx questions

### 5.2 Basic Facts

- Total tariff cuts from Smoot Hawley to last round we have
  - Specific vs. ad valorem

- \* Overlap in ad valorem and specific
- Round by round cuts (focus on end of round)
- Magnitude and speed of liberalization across types of products

### 5.3 Spotlight on some interesting products

- Round by round graphs for specific, interesting lines
  - To do this the way I want to, need implementation dates
- Which lines from Smoot Hawley don't see any action?
- Are there differences in which lines get staging once that happens?
  - Before Kennedy at least, where it was uniform...
    - \* Was it *really* uniform?
- Can we quantify which types of products get a lot of splitting of lines?

### 5.4 Other things we learned

- How important was RTAA between 1934 and 1946?
- What do Column 2 tariffs really represent (1962)
- Can we test:
  - Trade Expansion Act of 1962 provided for removing the duty on articles for which the July 1, 1962, rate was 5 percent ad valorem or less, and reducing the rates on other articles by 50 percent of the July 1, 1962, rate. (Dobson)
    - \* **The major trading countries made across-the-board cuts ranging from 36 to 39 percent of previous tariff rate levels on most products**
    - \* Trade Act of 1974 grants the President a 5-year negotiating authority, allowing him to reduce by as much as 60 percent any tariff rate over 5 percent in force on January 1, 1975, and also allows him to remove the duty on any article for which the existing rate is 5 percent or less.
- 1945, the executive branch had cut in half—the maximum allowable reduction—the rates for about 40 percent of the dutiable imports

## 5.5 Analysis

- What can we say about which / why lines have ad valorem vs. specific?
  - Is there variation over time?
- Can we posit an explanation for the variation in both the quantity and speed of liberalization across products?

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{r child = 'results.Rmd'} #
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## 6 Non-U.S. Contracting Parties

Need table that Matt is creating with number of pages for each schedule for each round

## 7 Terms of Trade Analysis

At least include our plans, what data we're going to use - proof of concept using modern elasticity data would be great, even in a subset of lines

## 8 Conclusion

## 9 References

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{r child = 'references.Rmd'} #
```

## 10 Data Appendix

Include overflow from data section here

- include source table
  - Victor is updating to include concordance sources

Where will GATT participants / lengths of schedules go? A separate appendix?