

What would have happened if the Supreme Court had not upheld the abrogation of the gold clause? Here Edwards' extensive work in the archives pays off; a document in Henry Morgenthau's papers at the Franklin Roosevelt presidential library details the administration's contingency plan. Among other actions, Roosevelt considered issuing a proclamation temporarily banning debt repayments in excess of the nominal dollar amount owed. It is hard to disagree with Edwards' conclusion that an adverse Supreme Court decision would have caused a constitutional crisis.

At 207 pages, a virtue of this book is its conciseness. Inevitably, however, this means that some questions are left for future work. Among others, one wonders what alternatives were open to the Roosevelt administration to encourage recovery without abrogating the gold clause. (Edwards raises this question; he does not have the space to fully answer it.) But this is no criticism; the best books point the way to future authors. I expect Edwards' book to inspire good work both on the 1930s and on debt defaults more generally.

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*Clashing over Commerce: A History of US Trade Policy*. By Douglas A. Irwin. Chicago: University of Chicago Press, 2017. Pp. 832. \$35.00, cloth; \$10.00 to \$35.00 EBook. doi: 10.1017/S002205071800089X

Are the days of globalization and free trade numbered? Since 1934 successive U.S. administrations have acted to lower tariffs in an attempt to open foreign markets for U.S. exports. Trade with the United States was offered as a reward to wayward countries. Free trade was justified as helping achieve foreign policy goals. Want to keep a country on the side of free markets and limit its communist tendencies? Offer market access!

The current administration, however, favors a tough approach on China and other, less autocratic, trade partners (e.g., Canada). Trump has, since 2017, applied "retaliatory" tariffs on many hundreds of billions of dollars' worth of imports. President Trump dumped the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP). The administration also binned old trade agreements like NAFTA, but implemented the UCMCA. Are we on the cusp of an historical turning point that will reverse a near-century long drive towards low tariffs within the context of a multilateral trading regime led by the United States?

Doug Irwin's book argues there were two significant changes in U.S. trade policy since the founding of the country. Both of them followed major crises—the Civil War and the Great Depression. Besides these two key pivot points, he characterizes the last 220 years of U.S. trade policy as “stability despite conflict.” In this light, recent ructions and rhetoric may simply be a return to the 1970s and 1980s. As Irwin reminds us, any number of temporary sanctions were imposed on trade partners in Europe and especially on Japan in the 1970s, 1980s, and 1990s.

Whatever one's priors about the direction of the global trading regime and American trade policy, this 800 page sprawling masterpiece on the history of trade policy since the 1770s in the United States provides nourishment for the intellectually underfed policy makers of the day. It is a landmark of scholarly achievement. Doug Irwin, the reigning heavyweight champion of international trade in American history, romps through the undulations of, and regime changes in, U.S. trade policy all the way from early emerging America in the 1780s to its apex in global leadership in the post-WWII period.

Irwin's framework rests on a three-part temporal progression: the three Rs. The first is “revenue.” Early American trade policy utilized trade policy largely as a means to earn sufficient revenue for the start-up government. The second R is “restriction.” After the Civil War through the early 1930s, Northern industrial interests and the Republican Party actively advocated, and achieved high tariffs. The average tariff fluctuated between 35 and 65 percent. Irwin argues that this was as a means to insulate small manufacturing establishments with low-productivity from global competition not a route to industrial success.

The third R is “reciprocity.” Irwin traces the origins of reciprocity back to the early 1880s when Republican James Blaine first advocated it. The idea never gained too much traction until much later in the 1930s, however. Faced with a global economy and foreign tariffs that had skyrocketed, the Roosevelt administration pursued a policy of reducing American tariffs in exchange for better access to foreign markets for American producers. This policy idea was the driving force for most of the rest of the twentieth century and into the pre-Trump twenty-first century. From 1949, under the aegis of the GATT, the United States led the post-WWII to an environment of ultra-low tariffs and globalization.

Irwin spends considerable time detailing the political and legislative machinations in all three of the “R” epochs supplying us with grueling accounts of almost all landmark legislative acts from the Tariff of Abominations, through the McKinley, Dingley, and Hawley-Smoot tariffs right up to the various GATT rounds and the executive activism post-1974. Each account isolates the political cleavages along party lines that drove trade policy. Commonly understood partisan divides (southern Democrats ardently supporting free trade and Northern Republicans favoring high tariffs) are brought to life with extensive excerpts from speeches, memos, and published opinions by key political players and interest groups.

Along the way we meet colorful characters such as William “pig iron” Kelley, a Pennsylvania Republican active in the early 1880s. Kelley is remembered as someone who “thinks tariff, talks, tariff, and writes tariff every hour of the day” and who

“mumbles it (tariffs) over in his dreams.” Senator Reed Smoot of Utah, where sugar beet production was economically important, was known as the “apostle of protection” who “dreams of sugar... tastes sugar... sees sugar morning, evening and night.” And finally, it pays to remember that if Donald Trump seems blunt and lacks a certain art of diplomacy, he is no match for Nixon’s Treasury Secretary, John Connally: “My philosophy is that the foreigners are out to screw us. Our job is to screw them first.”

Aside from these more “light-hearted” moments, Irwin’s book is the most balanced, accurate, and complete account of trade policy in the United States over the long run that exists. The book is not laden with tests of formal economic theory nor does the author engage with any serious statistical analyses. This is not an academic journal article, and so this is a virtue given the format. Rather than using these more abrasive and exclusive rhetorical devices, Irwin lays the foundation for the reader at the beginning, with a highly readable review of a number of theories of endogenous trade policy. Few of the subtleties of these more modern (and over-wrought) theories are seriously analyzed however. Throughout the book, tariffs can largely be understood as a function the industries and interests play. Producers are organized, consumers are not. If manufacturing producers’ representatives (i.e., Republicans for the most of U.S. history) are in power, then tariffs are likely to rise. The story, as told by Irwin, becomes a bit more involved in the late twentieth century when labor and retailing interests become more powerful and as offshoring becomes paramount. A substantial amount of time is spent on consideration of how foreign policy concerns become more central to trade policy.

In terms of the impact of the major tariff regimes and policies on the U.S. economy, Irwin does a wonderful job at explaining in coherent, clean, and simple language where the bulk of the academic literature stands. A large amount of research is summarized, in a forceful and largely convincing argument, regarding the stunning emergence of the United States as a manufacturing exporter in the late nineteenth century. Between 1880 and 1914 the share of U.S. exports rocketed upwards from less than 25 percent to more than 50 percent. That this occurred just after and during a period of high tariffs has misled some to argue that this success was due to tariff policy. Irwin downplays and denies the role of tariffs emphasizing instead deeper forces such as the availability of abundant and cheap natural resources which were exploited by large, highly efficient, integrated corporations. There is little evidence for any success of an “infant industry” policy in U.S. history according to Irwin.

Another interesting angle is the role of Congress versus the Executive in trade policy. Over the long run, U.S. trade policy has become increasingly controlled by the Executive despite the fact that the power to tax was allocated to Congress in the Constitution. The origins of this change are located in the early 1920s with the Fordney–McCumber tariff. This tariff established the “flexible tariff” which allowed the president to adjust congressionally set tariff rates on a particular good by up to 50 percent after investigation by the Tariff Commission. Although little use of this provision was made immediately, an important precedent was set. These changes can be seen as the origins of the way trade policy is conducted today with extensive input from the USTR or the ITC. The use of executive power to negotiate trade policy via treaties is common today but

that can arguably be derived from the nightmarish Hawley–Smoot tariff of 1930. This ordeal stands as a canonical example of venal logrolling and congressional dysfunction. When finished, Hawley–Smoot applied more than 3,300 different tariffs, took 18 months to become law, requiring significant amount of time and attention in Congress. In the aftermath, there was a collective realization that making trade policy in this way was probably not viable in the long run. While Congress continues to have ultimate authority to approve treaties and make changes to trade policy, today the role of the President and the executive branch is much larger than what it was in the nineteenth century.

So, what does this book reveal about where we are now? Tariffs are, by historical standards, the lowest they have ever been. But will Relapse (to high tariffs) become the fourth “R” in the epilogue to Irwin’s book if one is ever written? Seen through the prism of the last 200 years, this seems unlikely barring a major economic or political crisis or total global war. While the global financial crisis and the election of Donald J. Trump seem dramatic at the moment, it pays to remember that the trade collapse of the Great Depression was much more significant than the collapse of 2009. The politics of the moment are certainly fraught, but executive action on trade policy applied to global competitors like Japan was not at all uncommon in the 1980s. The scale of retaliation has indeed been much larger in the Trump administration, and the rhetorical methods have changed of course. However, many observers have simply been shocked because their memories likely only encompass the Obama years. From 2008 to 2016 trade policy was downplayed largely because of its political divisiveness. If one takes on board the longer run on offer in Irwin’s history, one immediately becomes a little more sanguine.

That said, Irwin concludes by emphasizing the profound changes that have taken place. Geo-political concerns are not what they used to be implying that the urgency of globally open markets is much diminished. The structure of international trade has been transformed by global supply chains. Companies now rely heavily on intermediates and assembly undertaken abroad. The American economy is now a service-oriented economy. Some of these services are, of course, traded and tradeable, but the amount of this trade depends less on tariffs than on intellectual property rights regimes, investment and procurement regulations, and regulatory standards.

Some in the Trump administration advocate a return to higher tariffs as a means to re-vitalizing the manufacturing industry. Irwin argues that the bulk of those jobs have been lost to automation rather than due to international competition despite partisan rhetoric to the contrary. Still, Irwin unfortunately de-emphasizes the lack of a meaningful safety net for those workers displaced by trade in sectors like apparel, footwear, furniture, and steel. This is perhaps a missed opportunity because one key lesson is apparent from Irwin’s book. One which is highly believable. A return to higher tariffs and more protective trade policy can only imply welfare losses for U.S. consumers and an open field day for special interests. As we learn from this monumental masterpiece, politicians, especially those in Congress, are all too eager to hand out such corporate welfare. That much has not changed since 1789.