



Infographic: A Short History of U.S. Trade Wars

Partner Perspectives

Jul 27, 2018 | 09:00 GMT

3 mins read

(ELMER MARTINEZ/AFP/Getty Images)

By Jeff Desjardins for [Visual Capitalist](#)

History is full of trade wars.

In the majority of cases, the consequences are mostly economic – trade barriers are enacted, and then retaliatory measures are used to counter. Relations can continue to escalate until an understanding can be reached by both parties.

In the minority of cases, trade wars can lead to world-changing consequences.

You may remember that the Boston Tea Party of 1773 was a bold response to an unfair trade measure imposed by a ruling power, and it proved to be a key catalyst that led to the American Revolution.

Meanwhile, the Opium Wars occurred after the Qing Dynasty (China) tried to prevent British merchants from selling opium to the Chinese in the 1830s. These trade barriers led to armed conflicts, and effectively put the nail in the coffin of the Qing Dynasty – the start of China's infamous "century of humiliation".

U.S. Trade Wars

Today's chart pulls together details on some of the biggest trade conflicts in modern U.S. history.

Chart of the Week

THE MODERN HISTORY OF U.S. TRADE WARS

A look at seven historic trade skirmishes, and how they compare to the current trade war



NOTE: The variation of average trade costs is estimated on two-year windows, using balanced samples. The coefficients are then chained to obtain an index that covers the entire period.

Red Tape

AMERICAN TRADE WARS IN MODERN TIMES



GOOD GOLLY, SMOOT-HAWLEY

Combatants: vs

Starting year: 1930

Primary items affected:
20,000+ AGRICULTURAL AND INDUSTRIAL GOODS

What happened?

In late 1929, Reed Smoot, chairman of the Senate Finance Committee, began championing a tariff increase. The Smoot-Hawley Tariff Bill passed that same year, increasing tariffs on over 20,000 imported goods. Many U.S. economists and politicians sought to veto the

legislation, and trading partners quickly introduced their own retaliatory tariffs. By the following year, imports and exports dropped by 66% and 61%, respectively. It's thought that this trade war exacerbated the Great Depression.



(Visual Capitalist)

Here are some of the more interesting U.S. trade wars, and how they compare to the current spat that is evolving with major trade partners:

1. Smoot-Hawley, 1930

Imposed during The Great Depression, the Smoot-Hawley Act is almost universally recognized by economists and economic historians as triggering a trade war that exacerbated the recovery.

2. Chicken Friction, 1963

Factory farming of chicken in the U.S. ended up catching European farmers off guard. French and German authorities responded by imposing tariffs, and the U.S. then taxed imports such as trucks and brandy.

3. Jobs at Japan, 1981

Japan's mid-century rise led to the country becoming an export powerhouse. As Japanese cars flooded the U.S. market, intense pressure eventually led to the signing of a Voluntary Export Restraint (VER) agreement that limited sales in the United States. During this same timeframe, the two countries also squabbled about other goods like electronics, motorcycles, and semiconductors.

4. War of the Woods, 1982

The Canada-U.S. Softwood Lumber dispute kicked off in 1982, but it inevitably resurfaces in the news every few years.

5. Pasta Spat, 1985

The U.S. was displeased with the level of access for citrus products in Europe, and put a tariff on pasta products. Europe retaliated by taxing walnuts and lemons from the States.

6. Battle of the Bananas, 1993

Another agricultural trade war, the Battle of the Bananas occurred after Europe slapped tariffs on the import of Latin American bananas. Many of these companies, owned by Americans, were not impressed. In response, there were eight separate complaints filed to the World Trade Organization (WTO). They weren't resolved until 2012.

7. Steel Salvoes, 2002

These were the last major U.S. steel tariffs introduced before the more recent ones. The goal was similar: to revive the steel industry in the country. However, after a period of brief stability, jobs continued to decline. The European Union responded by taxing oranges exported from Florida.



Connected Content

Regions &
Countries

United States

Industries

Steel

The Real Target of
Trump's Trade War

Jul 24, 2018 | 13:07 GMT

Global Trade: Looking
at the Big Picture

Feb 13, 2018 | 12:02 GMT

Where U.S. Trade
Policy and Grand
Strategy Intersect

Apr 19, 2018 | 16:04 GMT

Copyright © Stratfor Enterprises, LLC. All rights reserved.