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International Trade Policy Restrictions: Ethics, Pros, and Cons

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ABSTRACT

International trade is the purchase and sale of goods by companies in different countries. Consumer goods, raw materials, food, agricultural products, pharmaceutical products, energy, vehicles, and machinery all are bought and sold in the international marketplace. International trade allows countries to expand their markets and access goods and services by importing them, otherwise may not have been available domestically. International fair-trade policies and trade restrictions are the set of agreements, regulations, and practices by a government that affect trade with foreign countries, which is a combination of standards, laws, and practices that influence imports and exports. Trade policies can include regulations, devaluation of currencies, dumping, tariffs, and quotas, with which they want to restrict trade and set policies that protect local industries from foreign competition. Fair and ethical trade policies must have a number of benefits, including economic growth, employment, attracting domestic firms that operate abroad to produce locally more efficiently at lower costs of production, and to lead countries to autarky, prosperity, and to maximization of their social welfare. These trade policies are effective only if the price elasticities of exports and imports are high (elastic).

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Introduction

History and Present

Countries that realize macroeconomic specialization have a comparative advantage in the production of a good or service. Comparative advantage refers to the ability to produce a good or service at a lower marginal cost and opportunity cost than another good or service. When a country can specialize in the production of a specific product, it benefits from international trade. Ricardo was the first economist, who recognized the importance of differences in relative or comparative costs, as the basis for international trade, with his labor theory of value. Then, the theory was expended with more factors of production and other important conditions, the effects of differences in returns to scale, factor intensities, and factor endowments, the Heckscher-Ohlin theory [1].

International trade was, is, and will be necessary for every nation because it contributes to the countries' social welfare. Of course, there are advantages and disadvantages (costs vs benefits), as there are with any economic activity. The trade policies have to be constructed in a way that the trade benefits exceed the trade costs. Everything in public policy has to do with cost-benefit analysis in a democratic society, the wellbeing of its citizens and not its allies or the world (the deception of globalization). The benefits of the international trade can be: (1) It can provide a foundation for international growth through exports and imports. (2) It can improve financial performance with global opportunities on investment, production, technology, research and development. (3) It can spread out the risk a brand or a business must assume through international diversification. (4) It can encourage market competitiveness necessary for firms to thrive. (5) It can benefit countries from the value of their currencies, due to exchange rates differential among countries. (6) It can generate some protection to participants through instruments of financing international trade. (7) It can improve the experience of domestic firms and make them more competitive. (8) It can acquire products, which are not produced domestically [2].

The cost of international trade can also be very high not only for the businesses involved but for the entire country, due to international transactions' risk: (1) There is always a political risk (micro-macro-, and universal-risk) involved with international trade and foreign direct investment because domestic policies of all the countries change overtime. (2) There can be exchange rate risks, due to volatility of foreign currencies and the existing difficulties to forecast their values. (3) There is a credit, quality, and assessment risk for international transactions, but we can use instrument, to reduce its risk, which increase its cost (letters of credit, insurance, bankers' acceptances, etc.). (4) International trade increases the risk of proprietary information, theft, marketing concepts, or even a personal identity.

International Trade (Current Account) in the Balance of Payment is the exchange of goods and services among countries. U.S. had international trade surpluses in the trade and current accounts until 1975, Tables A1 and A2; after 1976 it experiences only

deficits, which are increasing with the passing of time. Total trade equals exports plus imports and the Trade Account = Exports of Goods – Imports of Goods. In 2019, the total international trade was just under $19 trillion. More than 25% of the goods traded are machinery and electronics, like computers, boilers, and scientific instruments. Almost 12% are automobiles and other forms of transportation. Next come oil and other fuels contributing 11%. Chemicals, including pharmaceuticals, add another 10%. Countries that want to increase international trade aim to negotiate free trade agreements [3].

When you compare America's import and export components from 1960-2024, the total is a trade deficit of more than $1,094 billion, from which $277.795 billion are with China (Graphs 1 and A1). Then, trade policies are necessary and they are the set of agreements, regulations, and practices by a government that influence trade with foreign countries, which is a combination of standards, laws, and practices that affects imports and exports. Trade policies can include regulations, tariffs, quotas, devaluation of the currency, and other tools, with which they want to restrict trade (imports) and set policies that protect local industries from foreign competition. Trade policies can have a number of benefits, including economic growth, employment, attracting domestic firms to produce locally and at lower costs of goods, and increase prosperity of the country, but moderation is necessary [4].

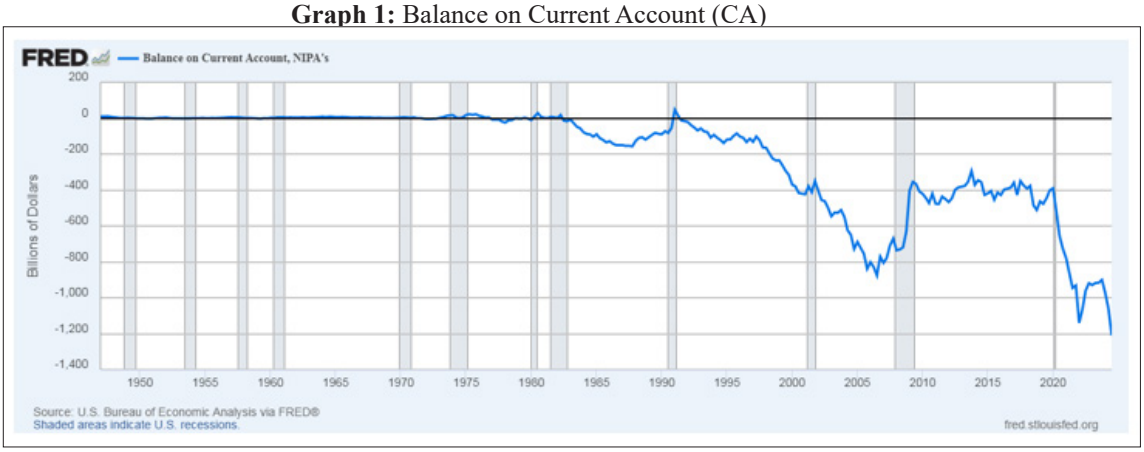
Thus, the U.S. trade policies must aim to strengthen the domestic economy, the competitiveness of U.S. industries, the employment, the national income, and the social welfare of the country. In some cases, a nation will pursue a more aggressive protectionist policy designed to favor its domestic industries over international competitors, which is an ethical objective of any democratic national government. Protectionism policies can include setting quotas on the number of imported commodities allowed in a country, imposing tariffs on imported goods, and offering subsidies for domestic producers.

Trade Policies Restrictions

Theories and Practices

As with all theories (θεωρίαι, θεωρέω = παρατηρῶ, ἐξετάζω), there are opposing views, here, too. International trade has two contrasting views regarding the level of control placed on trade between countries, (1) free trade and (2) protectionism.

Graph 1: Balance on Current Account (CA)



Note: With 2024: Q2, the CA = -$1,061.336 billion, with 2024: Q3 went up to CA = -$1,219.614 billion, and continued to increase, reaching by 2025: Q1 CA = -1,425.744 billion.
Source: Balance on Current Account, NIPA's (NETFI) | FRED | St. Louis Fed

Free Trade

which is the simpler of the two theories. This approach is also sometimes referred to as laissez-faire economics. With a laissez-faire approach, there are no restrictions on trade because supply and demand factors, Figure 3 at Pw, operating on a global scale, will ensure that production happens "efficiently" for the entire world (the "innocent humanistic" globalization); but is this policy fair and especially, for the advanced economies?

Protectionism

which holds that regulations of international trade are important to ensure that markets function properly, ethically, and fairly. Advocates of this theory believe that market inefficiencies may hamper the benefits of international trade, and they aim to guide the market accordingly and for the advantages of the citizens of the country (supporting patriotism, democracy, social welfare, and other national values) [5].

Trade policies or restrictions must improve efficiency in the domestic economy and can be aimed at a number of issues related to importing and exporting, such as, foreign retaliation, jobs and income, by using devaluation of the currency, quotas, tariffs, subsidies, etc. or they may focus on protecting intellectual property, setting standards that promote collaboration and reduce or place trade barriers, or establishing trade agreements and trade laws. Also, they can help U.S. firms to reduce export costs, increase exporting efficiency, and better compete in the global market, among other initiatives. They can provide antitrust protection and other benefits to U.S. firms that collaborate on exporting activities. As a result, these domestic firms get the advantage of reduced shipping costs, better negotiating power, and the ability to fill larger export orders.

It is necessary domestic industries of a country to be protected from foreign competition. If foreign goods and services with lower cost of production easily enter the domestic market, it increases domestic competition, and entire industries can go bankrupt. Also, countries must protect their infant industries until they become mature and internationally competitive. Some countries want to make sure that their strategic industries thrive. Such industries usually contribute to national security, employment, technology, value chains with various other industries, and social welfare.

Imports benefit foreign producers, foreign labor, and foreign income as money flows from the domestic economy abroad. Any transaction that generates a capital outflow from the country is a debit, deficit, minus (-), reduction, deterioration, for its Trade Account [6].

In addition, trade restrictions generate government revenue, too. The government obtains a source of income other than individual or business taxes by imposing import tariffs, Figures 1, 2, and 3 (tax revenue). If the demand (M) and supply (X) are inelastic ($|\varepsilon|<1$), the government revenue (tax) is higher. It is necessary, trade to be fair and not completely free. If the international trade is unfair and anti-social, there will be retaliations. An unfair trade practice is dumping, which is common in many countries, like, Japan, Korea and others.

Trade restrictions can take many forms, like, (1) Import tariffs, (2) Import quotas, (3) Embargoes, (4) License requirements, (5) Standardizations, (6) Subsidies, (7) Devaluation of the currency, and other policies:Import tariffs (t) are taxes on imported goods from abroad. The tariff's effect is to increase the price of imported products (P^*) when they enter the domestic market (P_M), through an increase in the terms of trade (TOT):

$$TOT = p = \frac{P_M}{P_X} = \frac{S\,P^*}{P} \qquad (1)$$

where, TOT=p = terms of trade, P_M= price of imports, P_X= price of exports, S = spot exchange rate, P^*= foreign price, and P = domestic price.

Tariffs can take two different forms. (1) Ad-valorem tariff: The value is based on a certain percentage (%) of the original price of the imported product. Although the percentage is fixed, if the price changes the nominal import tariff will also change. (2) Specific tariff: It is based on a fixed nominal ($) amount. An example is $100 per unit of the imported product.

The terms of trade with tariffs become:

$$TOT(1+t) = p(1+t) = \frac{P_M(1+t)}{P_X} = \frac{S\,P^*(1+t)}{P} \qquad (2)$$

where, t = tariff rate or specific amount.

$$\text{i.e., TOT}=\frac{1.0855\frac{\$}{€}10}{\$16.2825} = \frac{\$10.8550}{\$16.2825} < 1 \Rightarrow TOT\,(1+0.50) = \frac{1.0855\,\frac{\$}{€}10\,(1+0.50)}{\$16.2825} = \frac{\$16.2825}{\$16.2825} = 1$$

with a 50% tariff, we made the TOT = 1 => P_M=P_X (U.S. is as competitive as the foreign country), Figures 1, 2, and 3.

As the price of imported products rises (from $10.8550 became $16.2825 per unit), domestic buyers may be less interested in buying them. The hope is that they will switch to domestic products, which will benefit them variously, too. Import tariffs benefit domestic producers by reducing their competitive pressure from abroad and allowing them to capture higher sales (higher prices, more production, creation of jobs, and income). Furthermore, for the government, tariffs are a source of income. The higher the tariff, the greater the government (tax) revenue, but a balance is necessary, here, between benefits and cost, a fair trade with an optimal tariff and to reach the highest possible welfare level. However, tariffs also raise another problem. Domestic consumers bear a higher price, but their employment, income and quality of the products can increase. They may not want to switch to domestic products because they can only get some features from imported products. The price elasticity of demand for imports (ε_p^M) is important, too, as it is the income elasticity (ε_Y^M).

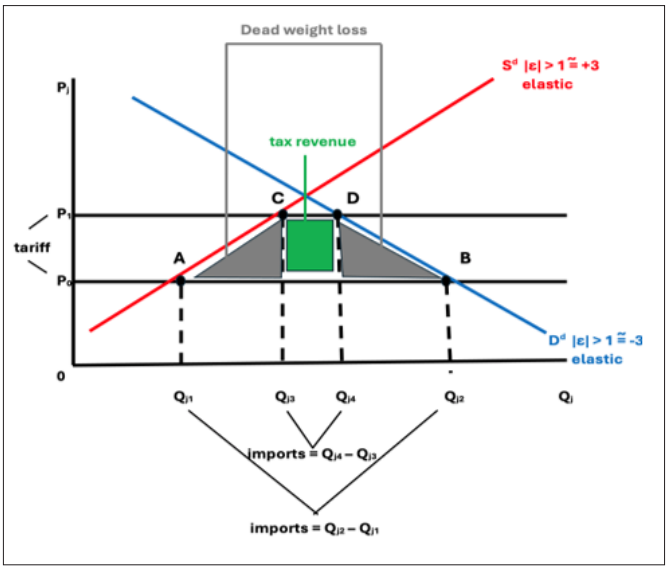


Figure 1: Tariff on Imports (Elastic)

Note: D^d= domestic demand (M), S^d= domestic supply (X), Q^j= quantity of good j, p^j=TOT_j= relative price or TOT of good j, p_{j0}= price of commodity j, p_{j1}= p_{j0}+tariff, demand (M) and supply (X) are both elastic, $|\varepsilon|>1$.

If ε_p^M=-1, an increase in prices by 50% reduces imports by 50%, but if the ε_p^M>1, an increase of prices by 50% reduces imports more than 50% (elastic demand for imports), Figures 1 and 3. Inelastic demand for imports (ε_p^M<1) and supply of exports (ε_p^X<1) do not improve the trade, when prices are increasing, due to tariffs, Figure 2.

For the trade to improve (TA>0), after the imposition of a tariff, the Marshall-Lerner condition, eq. (3), must be satisfied.

$$|\varepsilon_P^M| + |\varepsilon_P^X| > 1 \qquad (3)$$

For the trade to be improved, after a tariff (t), the domestic demand (M) and supply (X) for commodity j must be elastic, $|\varepsilon|>1$. The tax revenue is small and the dead-weight loss high, Figures 1 and 3. But the social benefits expected to be high. If the demand and supply are inelastic, $|\varepsilon|<1$, there is no trade improvement, but there is big tax revenue for the government and a small dead-weight loss, Figure 2, and so no social benefits. The objective of any fair-trade policy is to improve the country's trade account ($TA>0$), to increase domestic income and employment, and these improvements are satisfied only with elastic demands ($|\varepsilon_P^M|>1$) and supplies ($|\varepsilon_P^X|>1$). Then, there is a need for policies to make the demand and supply elastic, with good domestic substitute products [7].

We can estimate these price elasticities of demand for imports and supply of exports by running the following regressions, eqs. (4) and (5).

$$x_t = \alpha_0 + \alpha_1(s_t + p_t^* - p_t) + \alpha_2 y_t^* + \varepsilon_t \qquad (4)$$

$$m_t = \beta_0 - \beta_1(s_t + p_t^* - p_t) + \beta_2 y_t + \varepsilon_t \qquad (5)$$

where, all the variables are in natural logarithms (ln) and for the Marshall-Lerner condition to hold, we must have, $|\alpha_1| + |\beta_1| > 1$. The estimations of price and income elasticities are coming from Kallianiotis (2025a, Tables A1a, A1b, A1c, A2a, A2b, A2c, and A3 in the Appendix) and are shown in Tables 1 and 2 below.

Import quotas (q) limit the quantity of goods entering the domestic market, essentially creating a cap on the amount that can be imported. This directly reduces the supply of foreign products in the domestic market. These restrictions can limit the stock of a popular foreign product. Then, if domestic producers cannot increase their own output to meet the remaining demand, quotas can create shortages, in the short-run. This is because there is an excess demand for the limited supply, leading to a situation where people want to buy more than what is available. As a result, the price of domestic goods inevitably rises. This can be beneficial for domestic producers, who face less competition from imported goods and can potentially charge higher prices. However, domestic consumers are the ones, who bear the brunt of this strategy (trade restriction). They have to deal with higher prices, due to the market shortage and may have fewer choices of products available; but the domestic producers can increase their production and employment, in the long-run, so they can benefit workers and their income, and the social welfare of the country, which is the ultimate objective of any public policy [8].

Embargoes are political decisions to stop transactions with individual countries, including export or import activities. Embargoes may only apply to some products or include all goods and services. Embargoes are for political and strategic rather than economic reasons. For example, the United States banned arms sales to Indonesia from 1999 – 2005

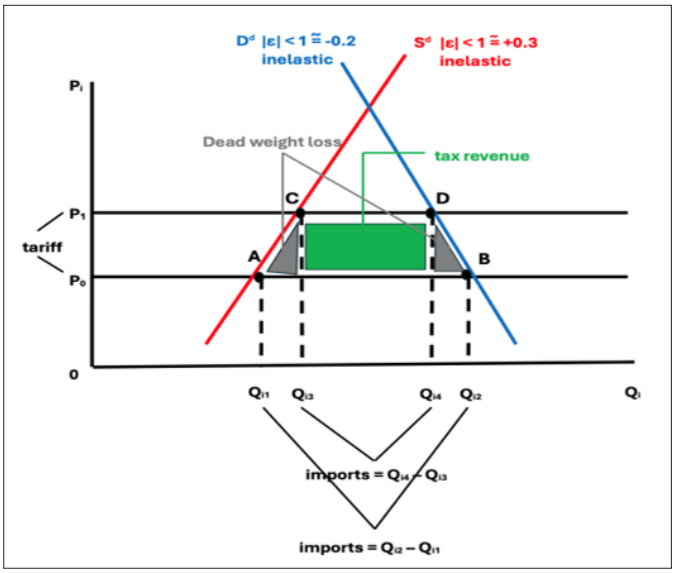


Figure 2: Tariff on Imports (Inelastic)

Note: See, Figure 1, Q_i= quantity of good i; D^d= domestic demand (M) and S^d= domestic supply (X) are both inelastic, $|\varepsilon|<1$.

because it considered Indonesia to have committed human rights violations in the East Timor case. Embargoes are more likely to come from economically strong countries such as the United States and the EU than from developing countries. It becomes a form of political punishment to isolate and destroy a country because it does not subjugate to the dark powers (the global terrorists, the "forerunners of messiah"), i.e., Russia, which is the country with the unique Byzantine culture and the Christian Orthodox people and the best leader on earth, Vladimir Putin [9].

License requirements. Some countries use import or export licenses to restrict trade. To ship foreign goods into the domestic market, importers must obtain a license. The government can limit the granting of import licenses. For example, the government may not issue licenses for certain products from certain countries for specific purposes to improve the trade account (TA>0). Meanwhile, export licenses reduce shipments of goods abroad. They are usually used to restrict trade in certain products or to keep domestic prices from rising or to punish a foreign country. Producers may be more interested in selling abroad and at a higher price. If this is the case, they can increase their exports. An increase in exports reduces supply in the domestic market. If, at the same time, producers are not compensated by increasing production, it is likely to lead to a shortage, pushing prices up.

Standardizations refer to establishing specific requirements that products must meet before they can be sold in a particular market. These standards can encompass various aspects, such as public health, consumers' safety and health, environmental safety, and even local content requirements. These are sets of criteria a product needs to pass to be deemed fit for the market. Governments can strategically use standardization to limit imports. For example, the meat must be 93% lean, cars must satisfy the American standards, etc., otherwise cannot be imported. They can raise these standards to a level where fewer imported products qualify, effectively reducing the number of foreign competitors in the domestic market. While this might seem like a good way to protect domestic industries, it can also have unintended consequences, like high cost for the domestic consumers. By making it harder for foreign products to meet the stricter domestic standards, the variety of choices available to domestic consumers shrinks, but this standardization can improve the trade account and the quality and sanitation of the imported products [10].

Subsidies work in reverse with import tariffs. Instead of imposing import duties, the government provides grants to domestic producers to encourage exports. The objective is the same as the other trade restrictions, improving the domestic trade account. Subsidies can take many forms, including reduced production costs, cheaper access to credit, or subsidies on the price of goods exported. Subsidies make domestic goods more competitive when entering international markets. Farmers and manufacturers charge low prices for their export products. The source of subsidy payments is tax revenue. So, indirectly, it is not the government that pays taxes but the taxpayers. Households or businesses may not use the subsidized product. All the social costs are paid by taxpayers or are increasing the national debt that future generations have to pay. For this reason, moderation, fairness, ethics, government efficiency, and cost-benefits analysis are required to be considered for this policy, too.

Devaluation of the currency. A deliberate depreciation of the domestic currency (increase of the spot exchange rate, from S_1=1.1900 $\frac{\$}{€}$ to S_2=1.6000 $\frac{\$}{€}$) relative to others will make U.S. exports more competitive and make imports expensive, so it will tend to improve the trade account.

$$S\uparrow(\$\downarrow) => \frac{S\uparrow P^*}{P} = \frac{P_M\uparrow}{P_X} = p\uparrow (TOT\uparrow) => M\downarrow and\ X\uparrow => TA\uparrow \qquad (6)$$

$$\frac{1.1900^{\$}_{€} \in 10}{\$11.90} = \frac{\$11.90}{\$11.90} = 1 => \frac{1.6000^{\$}_{€} \in 10}{\$11.90} = \frac{\$16.00}{\$11.90} > 1$$

Then, the competiveness of the country is increasing. Consequently, a devaluation of the dollar causes an increase in P_M, reduces the M and improves the trade account and the wellbeing of the citizens. The devaluation of the currency can take place with an increase in money supply. If the demand for imports is elastic, we will have a drastic improvement in trade account (M↓and X↑), otherwise, we will have an increase in inflation and no improvement to trade [11].

Pros and Cons of Trade Policy Restrictions

Trade restrictions are trade policy instruments used to maximize the social welfare of a democratic and sovereign nation. The **pros** of trade restrictions are many and necessary for the wellbeing of the citizens of a country. Some of these advantages are the followings.

When **domestic industries are threatened** from foreign firms, they may ask for tariffs or any other restrictions. Thus, when a domestic industry feels threatened, it asks the President or Congress to tax its foreign competitors' imports. By doing so, the government can please key players (businesses, workers, and investors) in a domestic industry and increase prosperity.

Restrictions can **create more domestic jobs** in certain industries. When goods are tariffed, the industry that produces those goods often sees an increase in prices, in production, and in job creation. This helps employ more people in the sector. Governments must safeguard domestic jobs and maximize the country's employment. In today's interconnected world, with free trade and the inhumane globalization (the destruction of the sovereign nation and global control), intense competition from countries with lower labor costs, like India and China, can threaten domestic jobs. Trade restrictions can act as a buffer, making imported goods more expensive and encouraging consumers to buy domestic products. This can incentivize businesses to hire locally, supporting domestic employment and fostering a sense of economic security, growth, and income.

Another advantage of trade restrictions is **the protection of infant industries**; there are also antitrust laws in International Trade. New industries, often called "infant industries", may require temporary shelter from fierce foreign competition. Trade restrictions, like import tariffs, quotas, etc., can provide this breathing room, allowing domestic companies to develop their skills, technologies, and production efficiencies. Once they are established and became competitive, these restrictions can be eased, allowing them to compete on the global stage.

Trade policies must take **National Security into consideration**. Certain goods and technologies are deemed crucial for national security. These might include strategic materials, energy sufficiency, robots, advanced weaponry, or cutting-edge communications equipment. Governments have to use trade restrictions to control the import and export of such goods, ensuring they do not fall into the wrong hands and potentially compromise national security. Of course, a true leader must prevent wars. Today, our "leaders" do exactly the opposite; they cause wars without any reason. They are followers by just following orders, except one, the Christian Orthodox leader of Russia, Vladimir Putin.

The **cons** are limited, and their small negative effects are necessary and acceptable for satisfying the ultimate objective of any public policy.

Consumers Pay Higher Prices

but they have more jobs and higher incomes. Tariffs are additions to world prices and also, they are taxes, and like any tax, they increase the price that consumers pay for a good, Figures 1, 2, and 3. Trade restrictions, tariffs or quotas act like an invisible hand, limiting the variety of imported goods available for grocery and other stores. This often leads to higher prices for consumers, who have fewer choices and may end up paying more for domestically produced high quality products compared to what they could get in a free trade environment. Of course, the price elasticity of demand for imports plays a major role on the benefits of these restrictions. The elastic demands, $|\varepsilon_p|>1$, Figures 1 and 3, have improvements on trade account by reducing imports drastically and benefits the domestic economy.

Another drawback of trade restrictions can be a **reduction in innovation and efficiency**. Competition is a powerful driver of innovation. When shielded from the pressure to compete with foreign companies that offer better or cheaper products, domestic producers may have less incentive to innovate and improve their own offerings. This can lead to stagnation in the long run, hindering overall economic efficiency and potentially harming domestic industries in the future, when they eventually face global competition, but the current benefits can be huge, due to reduction in imports even through the cost differential [12-15].

A **Dead-Weight Loss** is also possible with trade restrictions or absolute losses for a segment of society. By limiting trade, both countries involved miss out on potential gains from specialization and efficient production (comparative advantage). One country might be better at producing textiles, while another excels in making electronics. Free trade allows them to focus on their strengths and exchange goods, creating a bigger economic pie for everyone to benefit from. Trade restrictions shrink this pie, leading to a phenomenon called dead-weight loss, where everyone loses out on potential gains, Figures 1 and 3 (higher dead-weight loss because $|\varepsilon_p|>1$) and Figures 2 (small dead-weight loss due to $|\varepsilon_p|<1$).

The trade restrictions **might hurt relationship with other countries.** Countries do not like when tariffs are imposed on their exports, by the imported country, so the relationship between countries often deteriorates. They often retaliate with their own tariffs on similar products. But, we must have a trade policy that its social benefits exceed its social cost. This must be the objective of public policies, maximization of the welfare of the citizens of the country, and not the "allies first". Moderation, wisdom, prudence, self-respect, seriousness, dignity, and fear of God until our leaders find the True God, are necessary values and virtues for our fallen world.

Empirical Results

We estimate eqs. (4) and (5) by using first, an OLS method and then, we use an *AR*(*p*) and *MA*(*q*), transfer function, to correct for residual's serial correlation. The data are for the period 1981:03 to 2024:03 the longest (Canada) and from 2004:12 to 2024:03 the shortest (EU).

The equation results are shown in Kallianiotis (2025a, Tables A1a, A1b, A1c, A2a, A2b, A2c, and A3 in an Appendix) and are available from the author upon request. The objective, here, is to measure the elasticities and to test the Marshall-Lerner condition. Table 1 gives the price (α_1 and β_1) and income (α_2 and β_2) elasticities of the U.S. exports (X) and imports (M) with selected countries. The Marshall-Lerner (ML) conditions ($|\alpha_1|+|\beta_1|>1$) are as follows for our ten trader partners of the U.S.A.

Table 1: Price and Income Elasticities for the U.S. Imports and Exports with Selected Countries

Countries	U.S. Imports (m)		U.S. Exports (x)		Marshall-Lerner
	β_1	β_2	α_1	α_2	Condition ($\|\alpha_1\|+\|\beta_1\|$)
Mexico[4]	0.271***	3.159***	0.161***	3.035***	0.432<1
Canada[5]	0.367***	2.285***	0.829***	0.747***	1.196>1 T
U.K.[6]	0.906***	1.879***	0.051	1.187***	0.957<1
EU[7]	0.217***	2.518***	-0.834***	0.354***	1.051>1 T
Switzerland[8]	1.089***	4.166***	6.751***	-4.075***	7.840>1 T
Japan[9]	0.298***	0.585***	0.027	1.883***	0.325<1
Australia[10]	0.125**	1.636***	0.414***	0.615***	0.539<1
China[11]	1.221**	3.595***	-0.318**	0.857***	1.539>1 T
India[12]	0.577***	3.958***	0.824***	1.132***	1.401>1 T
Germany[13]	0.356***	2.035***	0.502***	3.412***	0.858<1

Note: Note: x_t= ln of exports, m_t= ln of imports, α_1= price elasticity of supply of exports, α_2 = income elasticity of supply of exports, β_1= price elasticity of demand for imports, β_2= income elasticity of demand for imports, T= imposition of tariff, *** = significant at the 1% level, ** = significant at the 5% level, and * = significant at the 10% level.
Source: Kallianiotis (2025a, Tables A1a, A1b, A1c, A2a, A2b, A2c, and A3).

Table 2: Price and Income Elasticities for the U.S. Imports and Exports with Selected Countries (Correcting the Serial Correlation)

Countries	U.S. Imports (m)		U.S. Exports (x)		Marshall-Lerner
	β_1	β_2	α_1	α_2	Condition ($\|\alpha_1\|+\|\beta_1\|$)
Mexico	0.141**	3.171***	0.112*	2.580***	0.253<1
Canada	0.289***	2.254***	0.381***	0.249***	0.670<1
U.K.	-0.076	1.506***	0.061	1.177***	0.137<1
EU	0.190	2.402***	-0.746***	0.287***	0.936<1
Switzerland	0.324***	3.624***	4.382**	-3.921***	4.746>1 T
Japan	0.324***	0.764***	0.283***	1.425***	0.607<1
Australia	0.102	1.617***	0.605***	0.680***	0.707<1
China	-0.548	0.681**	0.672***	0.735***	1.220>1 T
India	0.448***	3.889***	0.627*	1.097***	1.075>1 T
Germany	0.331***	2.037***	0.076	2.838***	0.407<1

Note: See, Table 1. AR(1) = autoregressive 1 process and MA(1) = moving average 1 process (corrections of serial correlation).
Source: See, Table 1.

These empirical results show that trade restrictions will be more effective and beneficial for the U.S. if they will be imposed on trade with Canada, EU, Switzerland, China, and India; but less useful for trade with Mexico, U.K., Japan, Australia, and Germany. The Global Trade Policy Uncertainty Index has increased drastically the last eight years, Graph A4.

A public policy objective must be to make our demands highly elastic, almost horizontal ($|\varepsilon_D|>1$) Then, the country requires some specific domestic economic policies, which will increase efficiency, reduce the national debt, improve the economy and the international trade, too. The following equation and conditions must be satisfied:

$$Y-E=(T-G)+(S-I)=X-M=CA \quad (7)$$

$$Y-E>0, T-G>0, S-I>0, X-M>0, \Rightarrow CA>0 \quad (8)$$

where, Y = national income (GDP), $E=C+I+G$ = aggregate spending (absorption), T = taxes, G = government spending, S = saving, I= investment, X = exports, M = imports, CA = current account.

The country needs to satisfy the conditions in eq. (8) to be self-sufficient plus the following list of domestic position.

- **Price Changes:** Elastic demand means that the quantity demanded changes significantly with price changes, Figures 1 and A1. Thus, an increase in prices, reduces imports drastically.
- **Substitute Availability:** If there are close substitutes available domestically, demand may be more elastic.
- **Proportion of Income Spent:** If a domestic good is a significant part of a person's income, demand for importable may be more elastic.
- **Time Frame:** Demand can be more elastic during certain periods (e.g., non-holidays).
- If the good is a non-essential, demand may be more elastic.
- **Brand Loyalty:** If customers are loyal to a specific brand, demand may be less elastic.
- **Competition Level:** High competition may make demand less elastic.
- **Information Availability:** If consumers have accurate information about prices, demand may be more elastic.
- **Self-Sufficiency:** The country produces domestically all the goods and services that consumers' demand (E=C+I+G), which makes the demand for imports very elastic.
- **Urgency:** The more discretionary (non-essential expense) a purchase is, the more its quantity of demand will fall in response to price increases. That is, the product demand has greater elasticity.
- **Patriotism:** People avoid imports to help their domestic economy and improve employment and income. For these people the demand for imports is very elastic (almost horizontal).

Based on the main imports of the country from the other countries, U.S. has to increase and improve the production of vehicles, machinery, nuclear reactors, electrical, mineral fuels, oils, pharmaceutical, blood fractions, cars, medication, processed petroleum, turbo-jets, electro-medical equipment, pearls, precious stones, clocks and watches, optical, medical apparatus, electrical and electronic equipment, meats and agricultural products, toys, games, sports, plastics, furniture, articles of iron or steel, articles of apparel, footwear, textiles, organic chemicals, apparels, boiler, aircraft, chemical products, and many others. The country has to support these industries and subsidize them to increase their production [15-20].

The policy makers have to be dynamic, effective, efficient, and hard working for the country and its citizens. With countries that the U.S. has a trade account surplus (TA>0), there is no need for a tariff, but for countries with huge deficits (TA<0), like China, Mexico, Vietnam, Germany, Japan, Ireland, Canada, South Korea, etc., Table A3, a tariff can be effective and beneficial. A tariff is necessary for economic and social reasons, to improve social welfare of the country, and this is one reason, together with many other social issues, for the voters to elect the appropriate government. The responsibility of the voters is enormous and they are co-conspirators for the mistakes of the government.

Small Summary Discussion

Ethics and Fairness

Ethics (ἠθική = ἡ ἐπιστήμη ἡ ἐρευνῶσα τούς κανόνας τῆς διαγωγῆς τῶν ἐν τῇ κοινωνίᾳ συμβιούντων ἀνθρώπων, δογματική διδασκαλία, ἀντίληψις περί ἀγαθοῦ) is a moral philosophy or a discipline concerned with what is morally good and bad, morally true and lie, morally regular (normal) or abnormal (perverse), and morally right and wrong. The term is also applied to any social system, democracy, culture, traditions, politics, economics, history, anthropology, biology, sociology, decision making, justice, social interest, and it is discussed with the theory of moral values, moral life and virtues (i.e., fear of God, faith, courage, justice, prudence, temperance, moderation, modesty, humility, hope, love), theological principles, and practical moral problems. The Greek moral thought was originally based since the 600s B.C. on a new moral approach emerged, at that time, which was using rational arguments leading to the rise of moral philosophy as a distinct mode of thought. This has been attributed to Socrates, Plato, Aristotle (the "supreme good", eudaimonia, εὐδαιμονία = εὖ +δαίμων, θεότης, εὐημερία), and many others up to the Revelation in the 1st century A.D. Unfortunately, today, our problem is the imposed ignorance by our woke pseudo-democracies.

A fair and ethical international trade is necessary for all nations because they need to export their excess production to other countries and import products that they cannot produce domestically, Tables A1, A2, and A3. Tariffs are taxes imposed by democratic and independent governments on imported goods. They are designed to protect domestic industries, raise revenue, and influence trade policies for the benefits of the country and its citizens. Tariffs can be specific, which is a fixed dollar amount ($) per unit, or ad valorem (%), which is a percentage on the value of the imported good. One of the primary reasons for imposing tariffs is to protect domestic industries from unfair foreign competition. By increasing the cost of imported goods, domestic producers can maintain their market share and potentially increase their prices, due to their higher cost of production, Figure 3.

Tariffs can also serve as a source of revenue for governments, but this is not the reason for imposing a tariff. This revenue generated from tariffs can be used to fund various public programs or reduce the overall tax burden on citizens and reduces the national debt, which has become a serious problem for our economy due to government inefficiency and waste. Tariffs can also be used as a tool to influence trade policies. For instance, a country may impose tariffs on certain goods to negotiate better trade deals or to retaliate against other countries' trade practices or to fulfill another political objective (i.e., control of illegal migration).

As we can see from Figure 3, if a tariff is imposed, the new price will be the world price (PW) plus the tariff (P W + tariff). This shifts the world supply upward by the amount of the tariff; making the new world supply (Ws + tariff). At this new higher world price domestic producers will produce higher quantities. That is because domestic producers do not have to pay the tariff, but they do get to charge the new higher price. So, domestic production will increase to Q3 (from Q1). Also, at the new higher price, consumers will demand less quantity, so consumption will decrease from Q2 to Q4. The economy will still import this product from abroad, but will import less quantity (Q4-Q3 instead of Q2-Q1). The tariff will increase producer surplus and will bring in tax revenue for the government (perhaps to use for the production of public goods and investment and not to finance wars, DEI, "global warming", AI, 5G, digital ID, digital money, spying on citizens, etc.), but

consumers will have to pay a higher price and their consumer surplus will be reduced. Of course, there will be more employment, income, and higher social welfare. The tariff will also create deadweight loss (AKA efficiency loss). Theoretically, a tariff is not considered efficient as a result. Consumer and producer surplus are hypothetical and

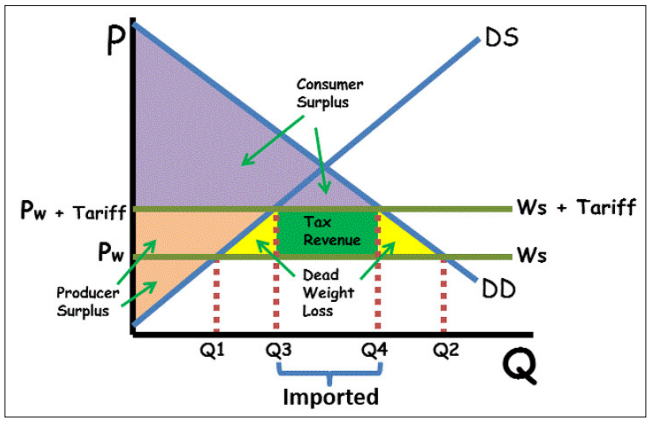


Figure 3: Trade and Tariff Effect

Note: DD = domestic demand, DS = domestic supply, Q = quantity, P = price, P_W = world price, and WS = world supply.
Source: International Trade Tariff Graph - Search Images (bing.com)

theoretical values that have nothing to do with reality. Consumers and producers are facing a market price, which covers the cost of production and makes the consumers to buy the equilibrium quantity at that price (P_W+*Tariff*). The deadweight loss might show market inefficiency, but nothing is efficient in our market, so there is no need to make a big argument about it. The objective of the public (trade) policy is the maximization of employment, income, and social welfare, which are satisfied with the tariff [20-25].

When tariffs are imposed on imported goods, the cost of those goods increases, which can lead to higher prices for consumers; but these consumers have higher income, now, due to the increase in domestic production, employment, and national income, so they can pay these higher prices. Another concern is the potential for retaliation from other countries. When a country imposes tariffs on imported goods, other countries may retaliate by imposing tariffs on the exported goods of our country. This can lead to a trade war, which can harm both countries' economies. Thus, tariffs, as trade policies, must be ethical, moderate, and fair and not as economic weapons against other nations.

In conclusion, tariffs are an economic policy tools that can be used to protect domestic industries, generate domestic production, increase employment and revenue, and influence trade policies for the benefits of the country's citizens. As long as the benefits exceed the cost, tariffs must be used. Of course, everything must be with moderation, fairness, seriousness, respect of true democratic values, self-respect, and respect to other nations (its citizens); but certainly, increasing domestic benefits, and lastly, looking for the maximization of the national public welfare [25-30].

Conclusion

International trade allows countries to buy (import) and sell (export) their products in foreign markets. This trade diversifies the products and services that domestic customers can receive from countries that have a comparative advantage and produce the same product more efficient and at lower cost, so at a lower price or they produce products that are not produced at all (i.e., bananas, coffee, and others, due to geographical and climate conditions) in the domestic economy. It offers some potential for development and expansion, but there are risks, reduction of internal research and development, lower GDP, lower national income, and creation (import) of unemployment for the importing country. Thus, trade is not without its problems. One country can profit greatly from it by exporting, but not importing, goods and services. It can also be used to undercut domestic markets by offering cheaper, but equally valuable goods. The most of these cheaper products are very low-quality ones. These are many cons, social, and ethical issues with the uncontrolled free international trade.

The objective of the trade policy is to improve our trade account with the rest of the world (TA>0) by minimizing our imports (and maximizing exports), and this to happen, the demand (Q_M=D^d) and supply (Q_X=S^d) must be elastic, $|\varepsilon|>1$, Figures 1 and 3, which means that domestic consumers have domestic substitute products. The government tax revenue is small, but this is not the objective of a tariff. There will be a dead-weight loss, due to lack of efficiency, but the reduction of imports, the higher domestic income, and the higher employment are offsetting the losses and the country can be led to self-sufficiency, autarky, and prosperity. The empirical results, Tables 1 and 2, show that the supply of exports (S^d) and the demand for imports (D^d), Figure 2, are relatively inelastic ($|\alpha_1|+|\beta_1|<1$); Marshall-Lerner conditions do not hold so there are not any benefits from a tariff, except with Canada, EU, Switzerland, China, and India. Then, with these five countries, a tariff will improve the U.S. trade account. A tariff will improve very little the U.S. trade accounts with the other five nations, Mexico, U.K., Japan, Australia, and Germany. From the ethical point of view, politicians have an obligation towards their citizens and their nation, which is maximization of social welfare through domestic production, exports, high domestic income and high employment. The latest globalists' views are anti-national and liberal, anti-social, amazing waste, unfair for the domestic economy, and against the citizens of the country.

The new government should focus more on introducing structural reforms to enhance the competitiveness of American products in the international markets, as it was in 1950s and 1960s. The focus should be on designing a new efficient strategy for technology-driven export-oriented sectors. The export sector in America is experiencing many problems, like high cost of production, inadequate labor skills and innovation, rigid labor markets, "working" from home and high social benefits. Government should take appropriate measures to address the problems of export sector in order to improve the competitiveness of the country's export sector in global markets and be self-sufficient domestically. There is a need to focus more on exploring the possibilities of having bilateral and multilateral trade agreements instead of tariffs with other countries, except with Switzerland, China, and India. With countries that we have a trade surplus or trade balance, there is no reason to put a tariff; i.e., U.K. and Australia.

Lastly, there are many remaining questions regarding the international trade policies. Why does not the world have open (free) trading between countries? Why the West cannot compete with the Asian countries? When there is free trade, why do some countries remain poor at the expense of others? There are many reasons, but the most influential is something that economists call rent-seeking. Rent-seeking occurs when one group organizes and lobbies the government to protect its interests, i.e., the shoes

industry. Imports of cheaper foreign shoes would negatively affect their profits and will lead the domestic firms to bankruptcy and their workers will lose their jobs. Many nations benefit through international trade by focusing on producing the goods that they have a comparative advantage in, like China, India, etc. But other countries have to limit international trade through tariffs, quotas, and other restrictions to protect domestic businesses, labor, and income, because do not have a comparative advantage. This work will continue by testing all the countries that the U.S. has a big trade account deficit with them. International trade has been shown to benefit economies globally, as a whole, but not a specific country. Public policies (monetary, fiscal, trade, etc.) have been made to benefit the domestic economies and not the foreign countries, the global economy. This is the role of any uncorrupted, free and independent democratic government. Globalization has a serious disadvantage, and we have started seen its destructions on the West, the advanced Christian societies [30-35].

Actually, there is a big conflict between East and West promoted by the Illuminati, and we see it with the creation of BRIC against the anti-social IMF and the other western controlled international institutions (NATO, etc.). Is this its objective? Why politicians and media (fake news) do not talk about the true social problems, and they just scratch the surface without saying the truth. Why the salaries of the news anchors are in tenths of millions of dollars per year? Where are they leading this unethical, immoral, and ignorant world that they have created? Lately, we see a little movement towards traditional values and cuts of Washington's waste with the establishment of the DOGE, and many people had started to hope again. It is early to predict the outcome of the new President, Donald Trump, and his administration, but we have to keep the new generations optimistic. Personally, I am not very optimistic because everything is controlled by the indescribable Illuminati and our pseudo-leaders have zero power [35-42].

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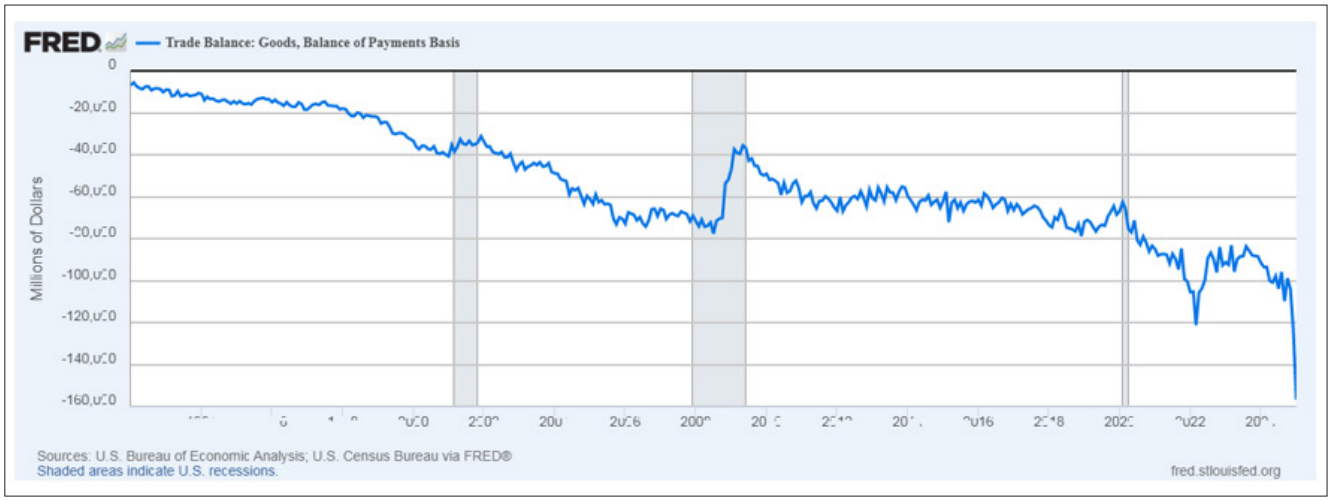
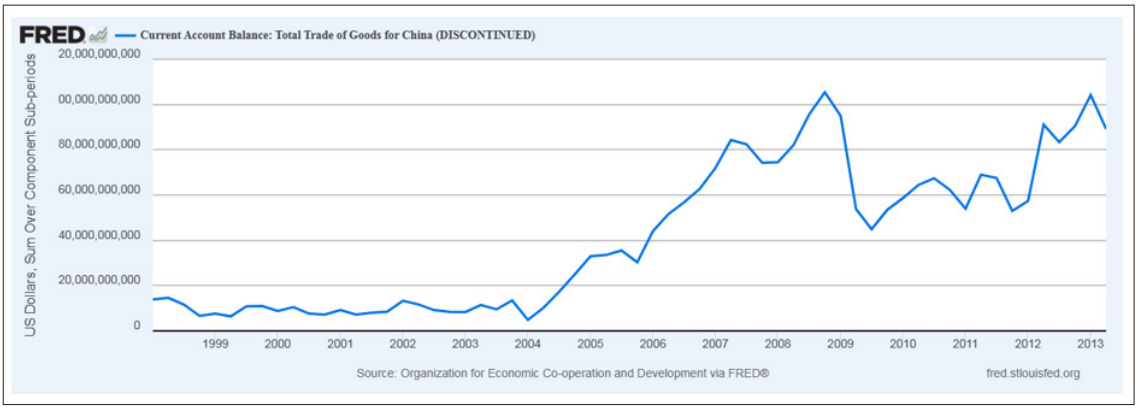
Appendix



Graph A1: U.S. Trade Balance: Goods, Balance of Payments Basis (BOPGTB)

Note: October 2024: -$98,667, Millions of Dollars, Seasonally Adjusted, December 2024: -$122,969 millions, January 2025: TA = -$156,767 millions, and May 2025: TA = -97,511 millions.

Source: https://fred.stlouisfed.org/series/BOPGTB



Graph A2: China Trade Balance 1960-2024

Note: Q2 2013: 89,200,000,000, US Dollars, Sum Over Component Sub-periods, Seasonally Adjusted. China trade balance for 2023 was 386.04 billion US dollars, a 33.19% decline from 2022.

Source: Current Account Balance: Total Trade of Goods for China (DISCONTINUED) (BPBLTD01CNQ637S) | FRED | St. Louis Fed (stlouisfed.org) and China Trade Balance 1960-2024 | MacroTrends

Graph A3: International Merchandise Trade Statistics: Trade Balance: Commodities for India (XTNTVA01INM667S)

Note: October 2024: TA = **-23,479,260,000.00000**, US dollars, exchange rate converted, Seasonally Adjusted, November 2024: TA = **-36,310,750,000.00000**, U.S. dollars, for December 2024: it was TA = **-21,418,240,000.00000**, for January 2025: TA = **-$23,310,090,000.00000**, and for April 2025: TA = **-27,103,350,000.00000** U.S. dollars.

Source: International Merchandise Trade Statistics: Trade Balance: Commodities for India (XTNTVA01INM667S) | FRED | St. Louis Fed (stlouisfed.org)

Table A1: U.S. Trade in Goods - Balance of Payments (BOP) Basis vs. Census Basis Value in millions of dollars 1960 through 2024

Period	Balance				Exports			
	BOP Basis	Percent Change	Census Basis	Percent Change	BOP Basis	Percent Change	Census Basis	Percent Change
1960	4,892	(X)	4,608	(X)	19,650	(X)	19,626	(X)
1961	5,571	13.9	5,476	18.8	20,108	2.3	20,190	2.9
1962	4,521	-18.8	4,583	-16.3	20,781	3.3	20,973	3.9
1963	5,224	15.5	5,289	15.4	22,272	7.2	22,427	6.9
1964	6,801	30.2	7,006	32.5	25,501	14.5	25,690	14.5
1965	4,951	-27.2	5,333	-23.9	26,461	3.8	26,699	3.9
1966	3,817	-22.9	3,837	-28.1	29,310	10.8	29,379	10.0
1967	3,800	-0.4	4,122	7.4	30,666	4.6	30,934	5.3
1968	635	-83.3	837	-79.7	33,626	9.7	34,063	10.1

1969	607	-4.4	1,289	54.0	36,414	8.3	37,332	9.6
1970	2,603	328.8	3,224	150.1	42,469	16.6	43,176	15.7
1971	-2,260	-186.8	-1,476	-145.8	43,319	2.0	44,087	2.1
1972	-6,416	183.9	-5,729	288.1	49,381	14.0	49,854	13.1
1973	911	-114.2	2,389	-141.7	71,410	44.6	71,865	44.2
1974	-5,505	-704.3	-3,884	-262.6	98,306	37.7	99,437	38.4
1975	8,903	-261.7	9,551	-345.9	107,088	8.9	108,856	9.5
1976	-9,483	-206.5	-7,820	-181.9	114,745	7.2	116,794	7.3
1977	-31,091	227.9	-28,352	262.6	120,816	5.3	123,182	5.5
1978	-33,927	9.1	-30,205	6.5	142,075	17.6	145,847	18.4
1979	-27,568	-18.7	-23,922	-20.8	184,439	29.8	186,363	27.8
1980	-25,500	-7.5	-19,696	-17.7	224,250	21.6	225,566	21.0
1981	-28,023	9.9	-22,267	13.1	237,044	5.7	238,715	5.8
1982	-36,485	30.2	-27,510	23.5	211,157	-10.9	216,442	-9.3
1983	-67,102	83.9	-52,409	90.5	201,799	-4.4	205,639	-5.0
1984	-112,492	67.6	-106,702	103.6	219,926	9.0	223,976	8.9
1985	-122,173	8.6	-117,711	10.3	215,915	-1.8	218,815	-2.3
1986	-145,081	18.8	-138,279	17.5	223,344	3.4	227,159	3.8
1987	-159,557	10.0	-152,119	10.0	250,208	12.0	254,122	11.9
1988	-126,959	-20.4	-118,526	-22.1	320,230	28.0	322,426	26.9
1989	-117,749	-7.3	-109,399	-7.7	359,916	12.4	363,812	12.8
1990	-111,037	-5.7	-101,719	-7.0	387,401	7.6	393,592	8.2
1991	-76,937	-30.7	-66,723	-34.4	414,083	6.9	421,730	7.1
1992	-96,897	25.9	-84,501	26.6	439,631	6.2	448,164	6.3
1993	-132,451	36.7	-115,568	36.8	456,943	3.9	465,091	3.8
1994	-165,831	25.2	-150,630	30.3	502,859	10.0	512,626	10.2
1995	-174,170	5.0	-158,801	5.4	575,204	14.4	584,742	14.1
1996	-191,000	9.7	-170,214	7.2	612,113	6.4	625,075	6.9
1997	-198,428	3.9	-180,522	6.1	678,366	10.8	689,182	10.3
1998	-248,221	25.1	-229,758	27.3	670,416	-1.2	682,138	-1.0
1999	-337,067	35.8	-328,820	43.1	698,525	4.2	695,798	2.0
2000	-446,781	32.5	-436,103	32.6	784,940	12.4	781,918	12.4
2001	-422,370	-5.5	-411,899	-5.6	731,331	-6.8	729,100	-6.8
2002	-475,244	12.5	-468,262	13.7	698,037	-4.6	693,104	-4.9
2003	-541,643	14.0	-532,350	13.7	730,446	4.6	724,771	4.6
2004	-664,764	22.7	-654,829	23.0	823,584	12.8	814,875	12.4
2005	-782,805	17.8	-772,374	18.0	913,016	10.9	901,082	10.6
2006	-837,288	7.0	-827,970	7.2	1,040,906	14.0	1,025,969	13.9
2007	-821,198	-1.9	-808,765	-2.3	1,165,150	11.9	1,148,197	11.9
2008	-832,493	1.4	-816,200	0.9	1,308,794	12.3	1,287,441	12.1
2009	-509,695	-38.8	-503,583	-38.3	1,070,330	-18.2	1,056,042	-18.0
2010	-648,674	27.3	-635,365	26.2	1,290,278	20.5	1,278,493	21.1
2011	-740,999	14.2	-725,447	14.2	1,498,886	16.2	1,482,507	16.0
2012	-741,119	0.0	-730,446	0.7	1,562,630	4.3	1,545,821	4.3
2013	-700,539	-5.5	-689,470	-5.6	1,593,708	2.0	1,578,517	2.1
2014	-749,917	7.0	-734,482	6.5	1,635,563	2.6	1,621,874	2.7
2015	-761,868	1.6	-745,483	1.5	1,511,381	-7.6	1,503,328	-7.3
2016	-749,801	-1.6	-735,326	-1.4	1,457,392	-3.6	1,451,459	-3.5
2017	-799,343	6.6	-792,396	7.8	1,557,003	6.8	1,547,195	6.6

2018	-878,749	9.9	-870,358	9.8	1,676,913	7.7	1,665,787	7.7
2019	-857,260	-2.4	-845,759	-2.8	1,655,098	-1.3	1,645,940	-1.2
2020	-912,875	6.5	-901,482	6.6	1,433,852	-13.4	1,429,995	-13.1
2021	-1,083,190	18.7	-1,070,772	18.8	1,765,853	23.2	1,757,744	22.9
2022	-1,179,941	8.9	-1,173,419	9.6	2,090,339	18.4	2,066,454	17.6
2023	-1,063,288	-9.9	-1,062,111	-9.5	2,045,221	-2.2	2,018,059	-2.3
2024	-1,211,747	14.0	-1,202,217	13.2	2,083,831	1.9	2,065,180	2.3

Source: U.S. Census Bureau, Economic Indicator Division
NOTE: (1) Data presented on a Balance of Payment (BOP) basis. Information on data sources and methodology are available at http://www.census.gov/foreign-trade/guide/sec2.html#bop.

Table A2: U.S. Trade in Goods and Services - Balance of Payments (BOP) Basis
Value in millions of dollars
1960 through 2024

Period	Balance			Exports			Imports	
	Total	Goods BOP	Services	Total	Goods BOP	Services	Total	Goods BOP
1960	3,508	4,892	-1,385	25,939	19,650	6,289	22,433	14,758
1961	4,194	5,571	-1,377	26,403	20,108	6,295	22,208	14,537
1962	3,371	4,521	-1,151	27,722	20,781	6,941	24,352	16,260
1963	4,210	5,224	-1,014	29,620	22,272	7,348	25,411	17,048
1964	6,022	6,801	-780	33,340	25,501	7,839	27,319	18,700
1965	4,664	4,951	-287	35,285	26,461	8,824	30,621	21,510
1966	2,939	3,817	-878	38,926	29,310	9,616	35,987	25,493
1967	2,604	3,800	-1,196	41,333	30,666	10,667	38,729	26,866
1968	250	635	-385	45,544	33,626	11,918	45,292	32,991
1969	90	607	-517	49,220	36,414	12,806	49,130	35,807
1970	2,255	2,603	-348	56,640	42,469	14,171	54,385	39,866
1971	-1,301	-2,260	959	59,677	43,319	16,358	60,980	45,579
1972	-5,443	-6,416	973	67,223	49,381	17,842	72,664	55,797
1973	1,900	911	989	91,242	71,410	19,832	89,342	70,499
1974	-4,293	-5,505	1,212	120,897	98,306	22,591	125,189	103,811
1975	12,403	8,903	3,500	132,585	107,088	25,497	120,181	98,185
1976	-6,082	-9,483	3,402	142,716	114,745	27,971	148,798	124,228
1977	-27,247	-31,091	3,845	152,302	120,816	31,486	179,547	151,907
1978	-29,763	-33,927	4,164	178,428	142,075	36,353	208,191	176,002
1979	-24,566	-27,568	3,003	224,132	184,439	39,693	248,696	212,007
1980	-19,407	-25,500	6,093	271,835	224,250	47,585	291,242	249,750
1981	-16,172	-28,023	11,851	294,399	237,044	57,355	310,570	265,067
1982	-24,156	-36,485	12,330	275,235	211,157	64,078	299,392	247,642
1983	-57,767	-67,102	9,335	266,106	201,799	64,307	323,874	268,901
1984	-109,074	-112,492	3,418	291,094	219,926	71,168	400,166	332,418
1985	-121,879	-122,173	294	289,071	215,915	73,156	410,951	338,088
1986	-138,539	-145,081	6,543	310,034	223,344	86,690	448,572	368,425
1987	-151,683	-159,557	7,874	348,869	250,208	98,661	500,553	409,765
1988	-114,566	-126,959	12,394	431,150	320,230	110,920	545,714	447,189
1989	-93,142	-117,749	24,607	487,003	359,916	127,087	580,145	477,665
1990	-80,865	-111,037	30,173	535,234	387,401	147,833	616,098	498,438
1991	-31,136	-76,937	45,802	578,343	414,083	164,260	609,479	491,020
1992	-39,212	-96,897	57,685	616,882	439,631	177,251	656,094	536,528
1993	-70,311	-132,451	62,141	642,863	456,943	185,920	713,174	589,394
1994	-98,493	-165,831	67,338	703,254	502,859	200,395	801,747	668,690
1995	-96,384	-174,170	77,786	794,387	575,204	219,183	890,771	749,374

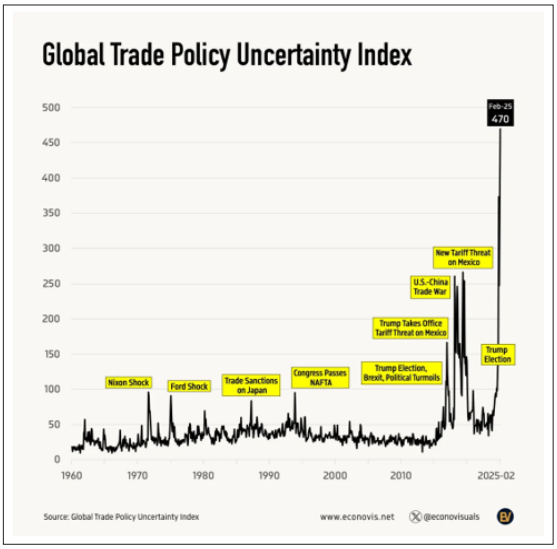
1996	-104,065	-191,000	86,935	851,602	612,113	239,489	955,667	803,113
1997	-108,273	-198,428	90,155	934,453	678,366	256,087	1,042,726	876,794
1998	-166,140	-248,221	82,081	933,174	670,416	262,758	1,099,314	918,637
1999	-255,808	-337,067	81,258	976,526	698,525	278,001	1,232,334	1,035,592
2000	-369,685	-446,781	77,096	1,082,963	784,940	298,023	1,452,648	1,231,721
2001	-360,373	-422,370	61,997	1,015,366	731,331	284,035	1,375,739	1,153,700
2002	-420,665	-475,244	54,579	986,096	698,037	288,059	1,406,762	1,173,281
2003	-496,242	-541,643	45,401	1,028,186	730,446	297,740	1,524,428	1,272,089
2004	-610,837	-664,764	53,927	1,168,120	823,584	344,536	1,778,957	1,488,348
2005	-716,543	-782,805	66,262	1,291,503	913,016	378,487	2,008,046	1,695,821
2006	-763,532	-837,288	73,756	1,463,992	1,040,906	423,086	2,227,524	1,878,194
2007	-710,998	-821,198	110,199	1,660,813	1,165,150	495,664	2,371,812	1,986,347
2008	-712,351	-832,493	120,142	1,849,585	1,308,794	540,791	2,561,937	2,141,287
2009	-394,772	-509,695	114,923	1,592,791	1,070,330	522,461	1,987,563	1,580,025
2010	-503,090	-648,674	145,584	1,872,318	1,290,278	582,041	2,375,408	1,938,952
2011	-554,522	-740,999	186,477	2,143,551	1,498,886	644,665	2,698,074	2,239,885
2012	-525,906	-741,119	215,213	2,247,453	1,562,630	684,823	2,773,359	2,303,749
2013	-446,861	-700,539	253,678	2,313,121	1,593,708	719,413	2,759,982	2,294,247
2014	-483,952	-749,917	265,965	2,392,615	1,635,563	757,051	2,876,566	2,385,480
2015	-490,776	-761,868	271,092	2,280,778	1,511,381	769,397	2,771,554	2,273,249
2016	-479,458	-749,801	270,343	2,240,823	1,457,392	783,431	2,720,281	2,207,194
2017	-516,939	-799,343	282,404	2,394,476	1,557,003	837,474	2,911,415	2,356,345
2018	-578,594	-878,749	300,155	2,542,462	1,676,913	865,549	3,121,057	2,555,662
2019	-559,395	-857,260	297,865	2,546,276	1,655,098	891,177	3,105,670	2,512,358
2020	-653,691	-912,875	259,185	2,160,147	1,433,852	726,296	2,813,838	2,346,727
2021	-848,070	-1,083,190	235,120	2,570,802	1,765,853	804,948	3,418,871	2,849,043
2022	-944,762	-1,179,941	235,179	3,039,405	2,090,339	949,065	3,984,167	3,270,281
2023	-784,890	-1,063,288	278,398	3,071,816	2,045,221	1,026,596	3,856,707	3,108,509
2024	-918,416	-1,211,747	293,331	3,191,594	2,083,831	1,107,763	4,110,010	3,295,578

U.S. Census Bureau, Economic Indicator Division
NOTE: (1) Data presented on a Balance of Payment (BOP) basis. Information on data sources and methodology are available at http://www.census.gov/foreign-trade/guide/sec2.html#bop.

Table A3: U.S. Balance of Trade
US Trade in Goods Imbalance by Country (2023)[20]

Country	Exports (USD Billion)	Imports (USD Billion)	Trade Imbalance (USD Billion)	Trade Imbalance / Exports
China	147.8	426.9	-279.1	-1.89
Mexico	322.7	475.2	-152.5	-0.473
Vietnam	9.8	114.4	-104.6	-10.7
Germany	76.7	159.3	-82.6	-1.08
Japan	75.7	147.2	-71.5	-0.944
Ireland	16.8	82.3	-65.5	-3.90
Canada	354.4	418.6	-64.2	-0.181
South Korea	65.1	116.2	-51.1	-0.785
Taiwan	40.0	87.8	-47.8	-1.195
Italy	28.9	72.9	-44.0	-1.52
India	40.4	83.7	-43.3	-1.07
Thailand	15.6	56.3	-40.7	-2.61
Malaysia	19.4	46.2	-26.8	-1.38
Switzerland	27.8	52.3	-24.5	-0.881
Indonesia	9.8	26.8	-17.0	-1.73
France	43.9	57.6	-13.7	-0.312

Austria	5.5	19.1	-13.6	-2.47
Sweden	8.6	18.4	-9.8	-1.14
Hungary	3.1	10.9	-7.8	-2.52
South Africa	7.1	14.0	-6.9	-0.972
Israel	14.0	20.8	-6.8	-0.486
Finland	3.0	7.3	-4.3	-1.43
Russia	0.6	4.6	-4.0	-6.67
Philippines	9.3	13.3	-4.0	-0.430
Nigeria	2.6	5.7	-3.1	-1.19
Czech	4.6	7.5	-2.9	-0.630
Republic	11.0	13.2	-2.2	-0.2
Poland	13.8	15.9	-2.1	-0.152
Saudi Arabia	1.2	3.0	-1.8	-1.5
Algeria	5.0	6.1	-1.1	-0.22
Norway	2.5	3.6	-1.1	-0.44
Venezuela	42.4	40.9	1.5	0.035
Singapore	17.7	16.1	1.6	0.090
Colombia	25.2	23.1	2.1	0.083
Spain	4.5	2.4	2.1	0.467
Egypt	18.8	15.6	3.2	0.170
Chile	11.4	6.4	5.0	0.439
Argentina	44.6	39.1	5.5	0.123
Brazil	74.3	64.2	10.1	0.136
United Kingdom	38.8	22.8	16.0	0.412
Belgium	33.6	15.9	17.7	0.527
Australia	27.8	4.1	23.7	0.853
Hong Kong	81.3	38.5	42.8	0.526
Netherlands	211.0	204.0	7.0	0.033
Other Countries	2,018.1	3,080.2		



Graph A4. GTPUI

Source: Global Trade Policy Uncertainty Index Surged to an All-Time High in February 2025, ☑ Global Trade Policy Uncertainty Index Surged to an All-Time High in February 2025 - Voronoi