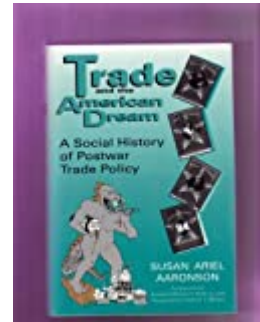


H-Net Reviews

in the Humanities & Social Sciences

Susan Ariel Aaronson. *Trade and the American Dream: A Social History of Postwar Trade Policy.* Lexington: University Press of Kentucky, 1996. xvii + 262 pp. \$25.00 (paper), ISBN 978-0-8131-0874-2; \$45.00 (cloth), ISBN 978-0-8131-1955-7.



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More Trade Than Dream

This book is useful but does not deliver all that its title promises. Susan Ariel Aaronson, who teaches history at the University of North Texas and is a guest scholar of economics at the Brookings Institution, never articulates clearly the connection between trade and the American Dream. Instead, Aaronson surveys free trade legislation since the 1930s, and her study is better characterized as policy analysis and political history than as “social history.”

In the first two chapters, Aaronson outlines the rise of support in the executive branch and in Congress in the 1930s-40s for free trade. Cordell Hull is the star of the show and the Reciprocal Trade Agreements Act of 1934 is the policy centerpiece. In Chapters Three and Four, Aaronson focuses on planning for liberalization of postwar global trade and how it comprised part of the wartime surge of internationalism that culminated in the United Nations and the Bretton Woods institutions.

Aaronson shows in Chapters Five through Eight why the move for freer trade in the 1940s was only partly successful. She argues that, in contrast to the public relations blitz that sold the UN to the American people, the Roo-

sevelt and Truman administrations never educated the public or Congress on why trade liberalization was so important. Moreover, the executive branch delayed until after the war pushing for congressional approval of the International Trade Organization (ITO), the formal institution that was to set up and enforce a new code of global trade principles. Proponents of free trade thereby missed the high point of internationalist sentiment in the United States.

By the late 1940s, many on the American Right damned the ITO as a “globaloney” scheme hatched by New and Fair Deal fellow travelers. Having already expended massive amounts of political capital to secure and defend policies such as the Marshall Plan, development of NATO, and intervention in Korea, the Truman administration decided in 1950 to drop the ITO. Instead, the United States made do with the General Agreement on Tariffs and Trade (GATT), which was set up in 1947 as a provisional framework for negotiating reductions in trade barriers. Ironically, GATT governed world trade until 1994.

In her final two chapters, Aaronson summarizes the

debate over the North American Free Trade Agreement (NAFTA) and the formation in 1994 of the World Trade Organization (WTO). She posits an “erosion of the freer trade consensus” among American elites between 1949 and the early 1990s; some readers might wonder if her earlier discussion of the ITO’s fate calls into question just how strong that consensus ever was. But in fairness to Aaronson, in the 1990s some liberals, including Congressman Richard Gephardt and Ralph Nader, abandoned the cause of free trade. They joined with conservative nationalists such as Patrick Buchanan to oppose NAFTA and the WTO. In a replay of the arguments against the ITO, opponents of free trade contended that the new institutions would undermine U.S. sovereignty and hurt American workers. Aaronson also incorporates a bit of social history to demonstrate how, as Japanese products flooded the U.S. market, some Americans moved from in-

difference to free trade in the 1940s to hostility toward it by the 1980s-1990s.

Aaronson concludes by prescribing several current policy options. Her suggestions are sensible: more public education on the importance of trade, broadening the policymaking process, and an honest recognition that the WTO indeed threatens some aspects of American sovereignty and “may force Americans to rethink how we are governed” (p. 176). Thus, *Trade and the American Dream* is a solid history of free trade policy and law, but is less than a reader might expect when first opening the book.

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