

# Trade Threats, Trade Wars

# Trade Threats, Trade Wars

Bargaining, Retaliation, and  
American Coercive Diplomacy

*Ka Zeng*

THE UNIVERSITY OF MICHIGAN PRESS

*Ann Arbor*

Copyright © by the University of Michigan 2004  
All rights reserved  
Published in the United States of America by  
The University of Michigan Press  
Manufactured in the United States of America  
⊗ Printed on acid-free paper

2007 2006 2005 2004 4 3 2 1

No part of this publication may be reproduced,  
stored in a retrieval system, or transmitted in any form  
or by any means, electronic, mechanical, or otherwise,  
without the written permission of the publisher.

*A CIP catalog record for this book is available from the British Library.*

Library of Congress Cataloging-in-Publication Data

Zeng, Ka, 1973–

Trade threats, trade wars : bargaining, retaliation, and American  
coercive diplomacy / Ka Zeng.

p. cm. — (Studies in international economics)

Includes bibliographical references and index.

ISBN 0-472-11358-5 (cloth : alk. paper)

1. Economic sanctions, American. 2. United States—Commercial  
policy. I. Title. II. Studies in international economics (Ann Arbor,  
Mich.)

HF1413.5 .Z46 2004

382'.0973051—dc21

2003010312

## Figures

Figure 1.1. U.S. trade deficits with Japan and China, 1991–2001 2

Figure 3.1. Asymmetrical export dependence and responsiveness to U.S. pressure 68

Figure 3.2. Structure of trade and responsiveness to U.S. pressure 69

Figure 3.3. Predicted probability of threat effectiveness 78

Figure 3.4. Predicted probabilities of trade war 90

Figure 4.1. Top five commodities in U.S. trade with China (SITC-3), 1997–2001 97

Figure 5.1. World semiconductor market, 1982–95 145

Figure 5.2. U.S. semiconductor market, 1982–95 145

Figure 5.3. Japanese semiconductor market, 1982–95 146

Figure 7.1. U.S. and Canadian stumpage prices, 1977–84 216

## Tables

Table 2.1. Number of Overlaps between Top Twenty Commodities the United States Exports to and Top Twenty Commodities It Imports from Major U.S. Trading Partners 44

Table 3.1. U.S. Antidumping Investigations, 1980–99 58

Table 3.2. U.S. Countervailing Duty Investigations, 1980–99 58

Table 3.3. WTO Disputes: Consultation Requests, 1995–2000 60

Table 3.4. Effectiveness of U.S. Pressure under Section 301 62

Table 3.5. Variable Descriptions 73

Table 3.6. Descriptive Statistics of the Estimation Sample 74

Table 3.7. Probit Estimates for the Success of Section 301  
Investigations (Models 1–3) 75

Table 3.8. Trade Wars Involving the United States, 1980–95 80

Table 3.9. Logit Estimates for the Probability of Trade War  
(full model) 87

Table 3.10. Logit Estimates for the Probability of Trade War (con-  
strained model) 88

Table 4.1. Profiles of Main Actors Involved in U.S.–China and  
U.S.–Brazil Negotiations 122

Table 5.1. Profiles of Main Actors Involved in U.S.–Japan Semicon-  
ductor and Super 301 Cases 165

Table 6.1. Profiles of Main Actors Involved in U.S.–China  
Negotiations over Intellectual Property Rights and Textiles 192

Table 7.1. U.S.–Canada Timber Trade Disputes 213

Table 7.2. Profiles of Main Actors Involved in U.S.–EC Enlargement  
and U.S.–Canada Softwood Lumber Disputes 226