

GLOSSARY OF TRADE AND RELATED TERMS

Trade Act of 1974	US legislation signed into law on 3 January 1975, which granted the President authority to enter the Tokyo Round and negotiate international agreements to reduce tariffs and NTBs. (See also fast-track procedures.) The act also amended US law governing the escape clause, anti-dumping, and countervailing duties; expanded trade adjustment assistance; established guidelines for granting MFN status to East bloc states; and granted limited trade preferences (GSP) to less developed countries.
Trade Agreements Act of 1979	Legislation, adopted under the fast-track procedures, which approved and implemented the trade agreements negotiated during the Tokyo Round. It made US law consistent with the MTN agreements, while at the same time rewriting the countervailing duty and anti-dumping laws, extending the President's authority to negotiate NTB agreements, and requiring the President to reorganize executive branch trade functions.
Trade Expansion Act of 1962	US Legislation authorizing US participation in the Kennedy Round of trade negotiations, which also amended US escape clause procedures and established the Trade Adjustment Assistance (TAA) program.
Trade Diversion	A shift in the source of imports which occurs as a result of altering a country's import policies or practices, without regard for any increase in importation of the item or items involved. For example, the establishment of a customs union will cause countries participating in the new economic unit to import goods from other countries in the union that previously were imported from countries outside the union. According to some trade theorists, if the "trade creation" resulting from the customs union that is, the new trade taking place that would not have taken place otherwise exceeds the trade diversion, the customs union will raise welfare, because it will entail a more efficient allocation of resources.
Trade Liberalization	A general term used to denote the gradual process of removing tariff and non-tariff barriers. Seven rounds of negotiations under GATT, since 1947, have resulted in a large measure of trade liberalization among industrialized countries.
Trade and Tariff Act of 1984	An omnibus trade bill whose provisions included extension of the President's authority to grant trade preferences, authorization for negotiating a free-trade agreement with Israel, and authority to enforce export restraint agreements on steel.