Regarding reciprocity, are non-US markets for goods and services closed or restricted to US producers by either laws or regulations? Are markets around the word as open and free to US producers as the US is to non-US producers?

The question cannot be answered in a simple way because "the world" consists of many different countries each with their own laws and regulations. Furthermore, the US is not generally very open to non-US producers as regards laws and regulations. For example, cars imported into the US have to meet US product regulations on cars, which are different from EU regulations on cars which cars imported into the EU have to meet. Some US product markets are very open to international competitors, others aren't. The same is true in most other nations. You really have to look at it on a case-by-case basis.

In the context of international trade fairness with respect to laws and regulations is addressed by the WTO principle of "national treatment" which says that a product imported into a country is subject to the same laws and regulations as a product produced domestically in that country. Thus, the EU cannot impose laws and regulations on goods imported from the US which it does not impose on goods produced within the EU.

Has US past agreement to the WTO been driven by an unhealthy desire on the part of the US to consume more than we should?

The US promoted the creation of GATT (The General Agreement on Tariffs and Trade) in 1947 as a way to (re)create a fair and transparent framework for international trade. This effort was fueled by the experience of the collapse on international trade after World War I and in the Great Depression, which was regarded as one of the factors leading to World War II. The notion that international trade promotes international peace has, of course, a long tradition in Western thinking. Over time, and until the 1990s, GATT expanded both in terms of membership and in terms of the types of products covered. One of the main achievements of GATT was that barriers to international trade should take the form of tariffs rather than trade-specific laws and regulations. Another important achievement was the creation of a "Dispute Settlement Mechanism" which sets up legal and court-like procedures to deal with trade conflicts.

GATT was transformed into the WTO in the early 1990s in order to broaden its scope into trade in services.

Government subsidies have been the main point of contention in WTO disputes in the past 30 years, and especially in cases involving China and the US. There is a general ban on "dumping" (selling below cost of production) and government subsidies for production. But these are extremely difficult issues. As regards dumping, producers may know their true production costs, but outsiders generally do not. Complaints of dumping often come from producers in foreign *countries whose production costs are above the selling price of the company accused of dumping. It's hard to say whether that is just competition or truly unfair behavior. Which speaks for having an orderly, court-like procedure to deal with such issues.*

Government subsidies are equally difficult to determine. The easy case is when a government gives a cash transfer to a producer who could not survive competition otherwise. But then, consider Boeing versus Airbus. Europeans have long argued that Boeing's development and production of civil airplanes is de-facto subsidized by the US government, because the government finances Boeing's development and production of the necessary technology through military contracts. To determine whether and to what extent that is true is a very difficult task – which again speaks for an orderly procedure.

Neither GATT, nor the WTO, nor trade policy in general have anything to do with the consequences of an "unhealthy desire on the part of the US to consume more than we should." Trade policy can affect the level of trade. Excess consumption or insufficient national savings relative to income and investment result in a trade deficit. You can have a high or a low trade deficit at a high or low level of trade. So no, the US agreement to WTO had nothing to do with excess consumption – neither in theory nor in practice when the relevant agreements were made.

Notice that "unhealthy desire to consume" is a moral statement which needs a lot of qualification in this context.

Do tariffs have a short term role as a tactic in opening up markets around the world to US producers?

Yes, definitely, but probably not in the sense you have in mind asking this question. Remember that post-WW2 the status-quo was high tariffs everywhere including the US. The aim was to get to generally low tariffs. The way to get there were tariff (GATT) negotiations based on the principle of reciprocity: A country that desires lower tariffs for some products from another country offers lower tariffs for some other products to that country. For example: If the US desired lower tariffs on pharmaceutical exports to the EU, the US would offer lower tariffs on car imports from the EU. In that way, both countries could achieve mutual gains.

The real force of that principle comes from its combination with the "most-favored-nation" principle which says that all other GATT or WTO members would benefit from the tariff reductions the two countries agreed on. Knowing that, of course, guides the choice of product groups and tariff reductions offered.

We do not have a lot of experience with using tariff hikes as an instrument to force countries to abolish trade restrictions. Certainly, doing that would need a very careful, case-by-case analysis of the nature of those restrictions and their discriminatory nature.

Is the rate and scope of US sales tax the same as the rate and scope of VAT assuming no middleman or one middleman in the production process?

Unfortunately, that question cannot be answered for several reasons. First, VAT rates, where they apply, are vary a lot between countries. In the EU, some countries have VAT rates below 20 percent, others have rates close to 30 percent.

Second, assuming no middleman between the extraction of all raw materials needed for a product and the production and the distribution to the consumer of the finished product is extremely unrealistic. That simply does not occur.

Third, if we assume that anyway, the first sale of the product would include the entire value of the product, as would a VAT tax. Then, to finance a given revenue to the government, both rates would have to be the same.

The scope of sales taxes and VAT in terms of products taxed is again very variable across countries.

Can tariffs incentivize production of goods and services which is currently taking place in other countries to return to the US? Would this create additional jobs in the US? What effect would additional jobs in the US have on the US economy?

Tariffs probably could do that, if they are high enough. The honest answer is, we don't know, because we have never seen that happen. If it happened, yes, it would create additional jobs in the US. But the real question then is, what kind of jobs. "Industry" is a very broad concept and the industrial jobs that moved outside the US include the making of T-shirts, underwear, shows, garments, metal and plastic trinkets and toys, simple kinds of steel and chemicals, etc. There is a reason why such jobs moved to low-wage countries like Cambodia. The US wages were too high for US producers to be competitive, which is another way of saying, US consumers were unwilling to pay US producers prices for such products.

Let's suppose T-shirt making is forced back into the US by very high tariffs. The tariffs would enable US producers of T-shirts to pay US wages and charge prices for T-shirts that allow them to cover their costs and make profit commensurate to other US industries so that they can attract sufficient capital investment. US consumers would then pay much higher prices for T-shirts than *they pay now. Which means: The burden of the tariffs falls on US consumers, not foreign producers.*

The question remains of what would be the effect of creating T-shirt making jobs in the US. In the short run, because such jobs are very low-skill, it would create employment for low-skilled people, whose wages are, of course, higher than low-skilled wages in Cambodia. But, sooner rather than later, producers would realize that they can increase profits by introducing more modern technology in T-shirt making, requiring fewer and more high-skilled workers. So the benefit to the low-skilled would go away, but the higher price paid by the US consumer would remain.

What would be the effect on the US economy and government balance of payments to abolish al non-profit exemption from income and real estate taxes?

Oh: It would generate a massive increase in government revenues, close at least a large part of the government deficit, and at least a large part of the trade deficit with it.

What would be the effect on the economy of eliminating corporations and making the owners of corporations (as indicated by stock ownership) personally responsible for the income, assets and liabilities of the enterprise (in proportion to their ownership)?

That is really an entirely different subject. As first step to an answer, it would lead to a breaking up of corporations into much smaller units since the new type of owners would want much more control of operations than stockholders have today. Then two things: Smaller units may lead to higher unit-costs of production because they have a smaller scale of production. The new type of owners may also be less willing to undertake risky long-term investments to develop new products and technologies.

Finally, concerning the final comments on US military leadership, does it require US troops to be stationed around the world in static deployments, or does it require the US to project power?

Well, I'm not a military expert. But my guess is this: After World War II, military technology required US troops to be stationed in critical locations to be able to be deployed and engage against enemy action quickly. Today's technology probably makes that less pressing. After all, much of the US action in Afghanistan was done from Ramstein, Germany.

But beyond technology, the deployment of US troops is an issue of the nation's commitment to military leadership. During the cold war, Europeans regarded the stationing of US troops in Germany as important, because an attack on

Germany would immediately be an attack on Americans. Conversely, the withdrawal of US troops from Europe is now understood as a sign that the US is no longer committed to the security of Europe as it was in the past. That's true both for Western, Southern, and Central Europeans as it is for Russia and China. So, whether or not the US can project power militarily without having troops stationed in critical locations is, today, largely dependent on the credibility of US commitments.