



Biden’s tinplate steel policy shouldn’t betray his ‘worker-centered’ policy

James Bacchus

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Get ready for what may soon become the newest example of the inconsistency of the “worker-centered” trade policy of the administration of President Joe Biden: tariffs on imports of tinplate steel, the steel sheets covered by a thin layer of tin that are used to make the cans that package many of the staples for families of American workers, especially the poorer among them.

Canned soup. Canned tomatoes. Canned corn. Canned baby food. The prices of these and numerous other basics of daily sustenance for millions of Americans may be about to increase significantly.

The current consideration of these tariffs was not initiated by the Biden administration, but it will become a test of the much-ballyhooed “worker-centeredness” of the president’s trade policy. Cleveland-Cliffs, an Ohio company that mills tinplate steel, and an allied union, have filed a petition claiming that they are facing unfair competition from cheaper foreign imports. In response, President Biden’s appointees in the Commerce Department and the quasi-judicial International Trade Commission are considering tariffs of nearly 300 percent on imported tinplate steel from eight countries — the United Kingdom, Canada, South Korea, Taiwan, Turkey, Germany, the Netherlands, and China.

In the petition, countervailing duties to alleged subsidies are sought on imports from China. Anti-dumping duties are sought on imports from the other seven countries. Under U.S. law, the Commerce Department will impose countervailing or anti-dumping duties on a product when it determines imports of it are being subsidized and/or dumped, and if the ITC determines that the domestic industry is materially injured or threatened with such injury because of imports of that product.

How the decision-makers respond to this petition will tell us much about how “worker-centered” is defined by the current administration.

The average of the proposed hikes on import duties would be about 100 percent, according to one estimate. This proposed new tariff would not be paid by foreign producers. It would be paid

by the American companies that import tinsplate steel for their can-making, which would ultimately pass this added cost along to consumers in the form of higher prices.

The Consumer Brands Association — the trade association for America’s \$2.1 trillion food, beverage, and consumer products industry, which employs more than 20 million American workers — opposes these tariffs and estimates that this proposed new border tax on imports would increase the cost of an average canned food product by 58 cents.

This may not sound like much to the wealthiest Americans, who can afford to absorb one more instance of inflation, and who may not use too many canned goods. But, at a time when the prices of canned goods have already been rising with recent inflation, an added cost of 58 cents per can would mount up fast for millions of older Americans on fixed incomes and for many millions of other Americans on trips to the supermarket to try to feed their hungry families.

According to the president of the CBA, David Chavern, “The average American has about 24 canned goods stocked in the pantry at any given time. Nine in 10 parents say they use at least some canned items to feed their families each week.”

The argument — such as it is — for this inflationary tariff, is that it would save the jobs of the unionized workers who make tinsplate steel. Union jobs have been lost in tinsplate steelmaking lately. Three hundred of the 950 union workers at a tinsplate steel mill in Weirton, West Virginia, were laid off in June. West Virginia is, of course, the home state of Sen. Joe Manchin (D), a frequent swing vote in the Senate and a rumored possible challenger to President Biden in the unfolding U.S. presidential campaign. Manchin supports the proposed tariffs.

Levying this tariff may be a superficially appealing political talking point for a swing-vote senator or in a swing state, but it is not an argument that makes any sense economically, including for American workers overall. A study commissioned by the CBA predicts that 40,000 union and non-union American manufacturing jobs would be jeopardized by this tariff.

Americans who work in jobs that use tinsplate steel outnumber Americans who work in jobs making it by an estimated 30 to 1. Potentially, these tariffs would risk many more jobs in downstream industries than might be preserved in tinsplate steelmaking by imposing them.

This one Ohio company, although it is part of a billion-dollar mining and milling conglomerate, cannot meet the domestic need for tinsplate steel. Nor, in the wake of these proposed additional tariffs, are U.S. Steel and other domestic steelmakers likely to ramp up to do so. Currently, half of all the tinsplate steel used in can-making in the U.S. is imported. American can manufacturers that rely on these imports in their can-making say the domestic tinsplate steel industry simply does not have the capacity to provide all of it they need. Furthermore, they say the domestic producers do not make the quality they require for their cans, which is why they have turned to imports.

This evident unresponsiveness of domestic steelmakers as a whole to the requirements of U.S. can-makers is mostly because the U.S. steel industry perceives its business interests overall to lie elsewhere, mainly in the bigger ticket items of steel production — steel for cars and steel bars

and pipes for major infrastructure construction. Thus, in effect, these proposed tariffs would primarily benefit the owners and workers of just one American company at the expense of a host of other American companies that employ many times more people, and at the expense, too, of the millions of everyday Americans who buy and rely on canned goods.

The burden of this looming price hike will fall most heavily on those who can least afford to bear it, as the costs of tariffs always do. These tariffs would further worsen the plight of the 42 million Americans who are enrolled in and depend on the federal Supplemental Nutrition Assistance Program, which is facing steep cuts as extra pandemic-era benefits expire, and would also punish the more than 53 million Americans who rely on the tens of thousands of American food banks and similar programs, for which non-perishable canned goods are essential.

The president and his administration have trumpeted their “worker-centered trade policy” of “placing workers at the center of trade policy.” To the extent this policy has involved lowering trade barriers to American exports and increasing labor standards in trade supply chains, they are to be commended and should be encouraged to continue.

For the most part, however, Biden’s “worker-centered trade policy” seems mostly to be a new label for old and previously discredited policies of trade protectionism — of insulating domestic producers from competition by increasing tariffs and non-tariff barriers to imports.

As will be seen in what is likely to happen if these proposed tariffs on tinplate steel are applied, protectionism is far from a good policy for American workers, union or otherwise. In addition to overall job losses, this protectionism will impose, through added inflation, a higher cost of living on middle-class and lower-income workers, with the brunt of this cost, proportionately, falling most heavily on those workers who make the least. How can this projected outcome of these tariffs be described as “worker-centered”?

The problem for those in the Biden administration who say they want to help workers is that it cannot be. As one reporter has written, “Higher prices at the grocery store won’t make life easier for the blue-collar workers that Biden says he wants to help.” It also won’t make life easier for the workers who may lose their jobs because of this proposed tariff or who may not be able to keep food on the table because of them. Or their families.

I am a former Democratic member of Congress. We Democrats have long trumpeted ours as a party that looks out for working people and the poor. Historically, for the most part, it has been, and, generally, it still is. But not when it comes to the seeming blindness today of many Democrats in Congress and in the Biden administration to the harmful effects of trade protectionism, even when it is painted over, prettied up, and paraded out under a fancy new label.

The true “worker-centric trade policy” is not protectionism; it is, and always will be, precisely the opposite. It is free trade.

James Bacchus is an adjunct scholar at the Cato Institute and a Distinguished University Professor of Global Affairs at the University of Central Florida. He is a former member of

Congress and a founder and former chairman of the Appellate Body of the World Trade Organization. His most recent book is "Trade Links: New Rules for a New World," from Cambridge University Press.