



Lobbyist free-for-all can skew the bigger picture on Trump tariffs

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If you're not in an industry directly impacted by the domestic production of steel or aluminum, or U.S. imports of those two products, you may be wondering how you got to this moment.

Last Thursday, President Donald Trump threatened to enact steep tariffs on the import of steel and aluminum in the name of national security, with plans for the tariffs to kick into gear this week. You've likely heard this by now.

You may have also heard that most trade advocates, if not all, are apoplectic over these threatened tariffs. They have claimed that the tariffs would:

- Raise the cost of critical industrial inputs, putting pressure on downstream steel and aluminum users to either eat those costs or pass them on to consumers;
- And provoke U.S. trading partners to enact retaliatory protectionist measures, possibly inciting a full-fledged trade war.

Both of these presumed effects would create U.S. job losses that, the trade advocates say, would be far more devastating than the job gains created by protecting U.S. steel and aluminum producers.

In many ways, the battle over whether these tariffs are justified or not has boiled down to a war of words between paid lobbyists. That primarily includes think tank analysts and industry advocates. And in a vacuum, it can feel like a really nerdy version of he said/she said.

On the one side, you have virtually every think tank in DC opposing the tariffs. That includes the likes of the Cato Institute (probably the most aggressive pro-free trade shop in Washington), the conservative-leaning American Enterprise Institute and Heritage Foundation, to the more liberal-leaning Peterson Institute for International Economics, a policy shop that has also been unflinching in its support for free trade and the benefits of free trade agreements, to the more

non-partisan outfits like the Council for Foreign Relations and Center for Strategic and International Studies.

Incidentally, it's far from a given to have those organizations agreeing on anything, and that's far from an exhaustive list of think tanks pushing back on Trump's tariff salvo (which says a lot about how many think tanks there are in Washington, but I digress).

You also have pro-trade lobbyists, like the National Foreign Trade Council and the U.S. Chamber Commerce, as well as associations created to represent the downstream users of steel and aluminum products, decrying these tariffs.

But on the other side of the equation, you have the lobbyists on behalf of the steel and aluminum production industries. There are those focused on certain sectors within those two broad industries, such as the China Trade Task Force, which has advocated for the protection of the domestic aluminum industry. The taskforce has been particularly forceful in its message that a type of aluminum critical to national security, called high-purity aluminum, was at risk of extinction in the United States due to overproduction and predatory pricing from foreign producers.

Probably the biggest voice in support of the tariffs, however, has been the Alliance for American Manufacturing (AAM), a group founded in 2007 to support U.S. manufacturing interests and, in particular, the steelworkers' union.

AAM repeatedly called on Trump to save what it called an industry on the verge of dying through import tariffs, and has loudly celebrated the president's intention to enact those tariffs over the past few days.

AAM Executive Director Scott Paul has been firing back on cable TV, Twitter and in print against the more popular opinion that the tariffs could submarine the U.S. economy and ignite a global trade skirmish.

Then there's the backlash to the backlash. On Tuesday, the NFTC announced the formation of the Alliance for Competitive Steel and Aluminum Trade, a group of 30 associations representing downstream users of steel and aluminum and competitive U.S. exporters concerned about the impact of the tariffs.

This new alliance, whose membership includes a cross-section of American manufacturers and farmers, will meet with members of Congress and the Trump Administration to express their concern about the downstream effects of the proposed tariffs on imports of steel and aluminum announced by President Trump last week and the potential for foreign retaliation against the President's action.

Let's not beat around the bush here. This is a lobbyist and think tank free-for-all, each arguing they have the best interests of the nation at heart.

The pro-free traders argue that engaging in national security-related tariff actions could precipitate the decline for the existing pro-trade world order that has brought relative peace and lifted millions out of poverty since World War II. The pro-steel and aluminum groups argue that

protecting vital industries not only secures vital U.S. interests, it also promotes job growth in a way that invests in the type of work that many Americans say they want.

It's fair to say that the preponderance of viewpoints on this matter side with the pro-traders. Economists, academics, and former presidential advisors all believe tariffs and trade wars are reductive policies. They also argue that those policies might be tested further in an environment where U.S. trading partners feel they aren't as reliant on the U.S. economy as in decades past. Or, put more simply, these actions could easily relocate the axis of global trade away from the United States, where it has resided for decades.

On the other hand, AAM and the China Trade Task Force (while fewer in numbers) have an ace up their sleeve: the fact that Trump appears sympathetic to their plight and has surrounded himself with a protectionist crew that includes Peter Navarro, the president's director of trade and industrial policy, Commerce Secretary Wilbur Ross, and (most importantly), U.S. Trade Representative Robert Lighthizer.

The departure Tuesday of Trump's chief economic advisor Gary Cohn is another blow to trade advocates and boon to the pro-tariff crowd. Trump has, in essence, surrounded himself with thinkers who believe China is an existential threat, and that close allies have gamed the United States through the cipher of the World Trade Organization.

Whatever Trump does, and he's expected to announce his decision late this week or early next week, will be skewered by one group and lauded by the other. While those lobbyists and think tankers are indeed paid to have those viewpoints (and often to ignore the opposing viewpoints), it shouldn't undercut the reality. And you'd have to say that if Trump does indeed enact punitive tariffs on steel and aluminum imports, the numbers say the United States will likely have kickstarted self-inflicted trade-related chaos in a world already teetering on the brink.