



Trump trade tariffs are a wanton act of economic self-destruction

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March 2, 2018

Six months after reportedly thundering to senior White House staffers of his desire for tariffs, President Trump may be about to finally get his wish. Although details remain scant, Trump says that next week he will approve the imposition of 10 percent duties on imported aluminum and 25 percent on foreign-made steel.

Making clear this was no passing fancy, the president also stressed that the protectionist measures would be in place “for a long period of time.”

Economists and trade watchers across the Twittersphere were equal parts amazed and aghast when the news broke — it’s not often that leaders of advanced economies vow to engage in such brazen and wanton acts of economic self-destruction.

Evaluated from almost any angle, Trump’s move does not make the slightest bit of sense. Billed as a response to the alleged threat posed by cheap imports to national security, this justification’s paper-thin nature is exposed when subject to even cursory examination.

On the steel front, domestic production is little changed from that of 20 or 30 years ago, and the U.S. military requires a mere 3 percent of this to meet its needs. Of the top 10 foreign suppliers of steel, meanwhile, China does not feature and six are countries with whom the United States has mutual defense arrangements.

Regarding aluminum, the Commerce Department admits that “defense-related products” require only 10 percent of U.S. domestic production. The No. 1 source of imports in 2016, meanwhile, was NATO-ally Canada, which accounted for more aluminum imports than the next 11 biggest sources combined.

Little wonder that Secretary of Defense James Mattis is said to be among those in the administration opposed to these tariffs and recently authored a memo expressing concern about the impact of their broad use on key allies.

The economic case is even more preposterous. While Trump argues that the steel and aluminum tariffs will produce employment gains in those sectors, he fails to recognize that these will be

dwarfed by job losses among steel-consuming industries which account for a vastly greater number of workers.

This is no idle theorizing. When President George W. Bush imposed tariffs on imported steel ranging from eight to 30 percent in 2002, one study found that the result was a net loss of 200,000 jobs. That stock markets immediately dove on news of the tariffs is also indicative of the likely impact on the broader economy.

The bad news doesn't end there.

Beyond shooting the economy in the foot, Trump's tariff move also poses a major threat to the international trading system. By invoking a national security justification, the president will take advantage of a little-used provision under World Trade Organization rules that allows for such measures if a genuine threat exists.

Should Trump proceed on such dubious grounds, however, it could open a Pandora's box of tariffs by allowing WTO members to follow suit with tariffs based on the flimsiest of justifications. Talk of tariff retaliation is already in the air.

It's time for Congress to step up to the plate. Should President Trump opt to pull the trigger on his tariff threats, leaders in Congress will need to act and reassert their authority over trade policy. If cooler heads are to prevail, it seems increasingly clear they won't be found within the walls of the White House.

Both Senate Majority Leader Mitch McConnell (R-Ky.) and Speaker Paul Ryan (R-Wis.) should move to introduce legislation that would nullify Trump's actions.

Even if Trump indicates second thoughts and pulls back from his tariff threat — a distinct possibility at a time when policy preferences seem dictated by the president's mood swings — a greater role for Congress is still appropriate.

One possible starting place would be a bill introduced by Sen. Mike Lee (R-Utah) last year. Called the Global Trade Accountability Act, the legislation would subject presidential trade actions, including tariff increases, to congressional approval.

Such a law would have been useful in the wake of Trump's ill-advised decision to withdrawal from the Trans-Pacific Partnership and would have helped calm the waters in the wake of his continued threats of withdrawal from NAFTA.

With a minimum of three more years of the Trump administration in the White House, the United States cannot afford a rollercoaster ride in the realm of trade policy. It's time for Congress to apply the brakes and apply some much-needed supervision.

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