

Trump's trade war throws good money after bad

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Since taking office, President Trump has spoken at one time or another of reaching trade deals with China, Japan, the European Union, Canada and Mexico among others. But all that has so far been achieved is higher tariffs and a plunging stock market. The president's vaunted trade agenda appears in tatters.

On the trade war's Pacific front, the imposition of tariffs on \$250 billion worth of Chinese imports has failed to persuade Beijing to open up its market. But it has raised the cost of production for U.S. businesses and the cost of living for American families as well as led to retaliatory tariffs on nearly all U.S. exports. More than mere tariffs will be required for China to meet American demands, with U.S. negotiators reportedly admitting their inability to "force any changes that aren't in China's interest."

Well, who could have seen *that* coming?

And now things are set to get even worse. Faced with China's continued refusal to meet his demands, Trump has threatened to double down by imposing tariffs on all imports from China. It's unclear why this will succeed where his previous efforts failed, but anyone considering a new phone, computer or television should consider making that purchase sooner rather than later.

China, however, is only the most glaring example of Trump's trade misadventures.

A trade deal with the EU has thus far failed to show signs of materializing, which is no surprise given that the two sides seem unable to even agree on negotiating objectives. Rather than opening its market to U.S. exports, the EU has so far done the opposite, slapping tariffs on products such as bourbon, jeans and motorcycles in retaliation for Trump's steel and aluminum tariffs. And the EU is said to be readying more such measures if Trump proceeds with plans to impose tariffs on foreign autos.

It's a similar story with Japan, about which there's been much talk about a trade deal but little in the way of actual movement. As with the EU, there seems to be little common ground on the scope of such a deal, and Japan may be more interested in using talks to forestall threatened auto tariffs than actually reaching an agreement.

Even the one deal that Trump has managed to conclude, the U.S.-Mexico-Canada Agreement (USMCA), is facing a daunting path to congressional approval. The Democrat-controlled House is far from eager to hand the president a victory, while Sen. Charles Grassley (R-IA) has vowed that Senate passage is an impossibility so long as metals tariffs on Canada and Mexico — which have triggered retaliatory measures that have hurt Iowa farmers— remain in place.

Trump's tariff-centric trade policy hasn't only made it more difficult to conclude trade agreements with other countries, it's also made it harder to make deals with members of his own party.

Perhaps the most maddening aspect of this sordid trade saga is that it didn't have to be this way.

One of the president's first actions upon taking office was to withdraw from the Trans-Pacific Partnership (TPP), a trade agreement that included 11 other members of the Asia-Pacific region. Among them, Canada, Japan and Mexico. Rather than spending time and energy trying to secure deals with these countries, he could have taken the one already on the table, which was superior in most regards to the eventual deal he did get with Canada and Mexico and far more comprehensive than anything he stands to get from Japan.

Passage of the trade deal would have also placed pressure on China to curtail some of its most objectionable trading practices. By placing Beijing on the outside looking in, a U.S.-led TPP would have provided a strong incentive for China to improve its standards with an eye towards eventual membership.

Instead, we've been left with an absurd trade war in which victory is always just a tariff away. But so far all it has produced is plenty of tariffs and no victories.

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