

Automotive News

Laugh test, flimsy logic, law of power, higher prices: Probe draws widespread condemnation

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President Donald Trump has drawn swift and widespread condemnation for his potential crackdown on U.S. light-vehicle imports. The Commerce Department has started investigating whether the flow of light vehicles into America is weakening its economy and may impair national security, following a White House directive. Any tariffs would put companies including Mazda Motor Corp. that rely entirely on imports in a major bind. Even Detroit's General Motors and Ford Motor Co. ship vehicles into their home market from overseas. And American allies Mexico, Canada, Japan and Germany are the leading sources of imported cars and trucks.

Here's how trade policy experts, auto industry representatives and government leaders are reacting:

“The U.S. auto industry is thriving and growing. To our knowledge, no one is asking for this protection. This path leads inevitably to fewer choices and higher prices for cars and trucks in America.”

-- John Bozzella, CEO of the Association of Global Automakers, a Washington trade group that represents car manufacturers including Toyota and Hyundai Motor

"I am - even more than I was with steel and aluminum - trying to figure out where a possible national security connection is. Taking that a step further into autos seems to me to be on even flimsier logical grounds."

-- Canadian Prime Minister Justin Trudeau, in a Thursday interview with Reuters.

“It can't be repeated enough: Tariffs are taxes. American families who can least afford a 25 percent price increase on vehicles will bear the burden of this tariff. To treat auto imports like a national security threat would be a self-inflicted economic disaster for American consumers, dealers and dealership employees.”

-- Cody Lusk, CEO of the American International Automobile Dealers Association, a group representing 9,600 auto retail franchises

“We have to consider this as something of a provocation. I have the growing impression that the U.S. no longer believes in the competition of ideas, but only the law of power. It fills me with grave concern.”

-- Eric Schweitzer, president of the Association of German Chambers of Commerce and Industry

“Imposing broad, comprehensive restrictions on such a large industry could cause confusion in world markets and could lead to the breakdown of the multilateral trade system based on WTO rules.”

-- Hiroshige Seko, Japan's trade minister

"If this proposal is carried out, it would deal a staggering blow to the very industry it purports to protect and would threaten to ignite a global trade war."

-- Thomas Donohue, CEO of the U.S. Chamber of Commerce

“There are no merits whatsoever to the argument that imported autos somehow threaten U.S. national security. The mere assertion is unworthy of consideration, much less a full-blown investigation under the guise of law. President Trump is misappropriating the law in ways not dissimilar to the methods used by Hugo Chavez and Nicolas Maduro to destroy Venezuela, and Congress needs to start treating this regime as the profound threat to the republic that it clearly is.”

-- Dan Ikenson, director of the Center for Trade Policy Studies at the Cato Institute, a U.S. think tank that supports limited government

“It pushes the envelope on the use of national security. Courts normally defer to the president on that, but this is a case where there is no auto shortage, the companies are not currently in trouble and there are plenty of alternative sources from friendly allies. I could see a court saying this doesn't pass the laugh test if there were a lawsuit -- and there no doubt will be if any actual action is ever taken.”

-- Bill Reinsch, chairman of international business at the Center for Strategic and International Studies and undersecretary of commerce for export administration in the Clinton administration