



## **Metal producers stay firm in positions on U.S. tariffs and NAFTA negotiations**

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Despite increasing opposition from Republicans in the Congress, President Donald Trump said Monday that he would not back off his announcement from last week to slap new tariffs on imported steel and aluminum, as he tied the new import duties to ongoing trade negotiations with Canada and Mexico.

The European Union intends to target 2.8 billion euros (\$3.5 billion) of USA goods ranging from T-shirts and whiskey to motorcycles and ladders should President Donald Trump go ahead with his plan to impose a 25 percent tariff on foreign steel.

Members of the House Ways and Means Committee were also circulating a letter arguing against the tariffs, and high-ranking Senate Republicans have voiced their opposition.

Last week, Trump had said he wanted a 25 per cent tariff on steel and 10 per cent on aluminum, but provided few other details.

Trump triggered global alarm last week when he announced he would sign off on measures created to protect USA producers, and defiantly swatted back at critics by saying trade wars are "good, and easy to win". Sanctions will have a devastating effect on jobs in key industries and communities, and it will also directly impact the cost of items from cars to canned food.

"I don't think we'll have a trade war", he continued.

They also said it could cause political problems ahead of 2018 midterms.

Peter Navarro, a strong free trade opponent, was brought on by Trump to serve as assistant to the president on trade and industrial policy and director of the White House National Trade Council.

"Tariffs on steel and aluminium will only come off if new & fair NAFTA agreement is signed", Trump had tweeted.

Edward Alden, a senior fellow at the Council on Foreign Relations specializing in global trade, also predicted a net loss of jobs last week when the tariffs were first proposed. "I don't think so". She says it's critical that Canada be exempt from these tariffs.

Ah yes, how far will Republicans go to stand up to Trump? "I don't see why Canada should jeopardize its negotiating positions at the NAFTA table for the tariff". Ikenson, head of the trade policy group at the Cato Institute, a libertarian think tank, said industries that use steel in the US employ more people than companies that produce it.

"Tariffs on steel and aluminum are a tax hike the American people don't need and can't afford", he said.

Jean-Claude Juncker, president of the European Commission, has said the European Union could respond by taxing American goods including bourbon, blue jeans and Harley Davidson motorcycles. That's the thing with trade wars - they can escalate quickly and easily spin out of control.

"No, we're not backing down", Trump said.

But Mr Ross rejected threats of retaliation from American allies as "pretty trivial" and not much more than a "rounding error". He is expected to finalize the tariffs later this week.