

NATIONAL REVIEW

Trump's Tariffs

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May 15, 2018

For a solid two weeks, #TNOIIECBAFTATPPAAFPDATW permeated political Twitter, with journalists and even a senator adopting the counterintuitively catchy hashtag as a rallying cry against President Donald Trump's steel and aluminum tariffs. Short — relatively speaking — for the slogan “Tariffs not only impose immense economic costs but also fail to achieve their primary policy aims and foster political dysfunction along the way,” the hashtag wonkily lambastes not just the economic ramifications of Trump's tariffs, but also their effectiveness as a policy tool and their method of imposition: Section 232 of the Trade Expansion Act of 1962, which allows the president to enact tariffs in the interest of “safeguarding national security.”

The hashtag debuted in mid March, and some of the tariffs went into effect soon thereafter — but the debate has raged on. Meanwhile, the president has given a series of month-by-month exemptions for various allies while working out permanent deals with them. The current exemption, for Canada, Mexico, and the European Union, expires June 1.

Economic Policy as National Security

In the past, presidents have invoked Section 232 either to protect sensitive industries or to punish specific nations (as with the embargo on crude oil from Libya in 1982 following the Gulf of Sidra incident, in which Libyan fighter-bombers attacked U.S. aircraft). Commerce Secretary Wilbur Ross's Section 232 investigation into steel and aluminum tariffs, and Trump's decision to levy 25 percent and 10 percent tariffs, respectively, on these imports push the limits of this process.

“It has nothing to do with national security,” says Lester Munson, who has served as staff director of the Senate Foreign Relations Committee under Senator Bob Corker and now works as a national-security and foreign-policy expert for BGR Group, a consulting and lobbying firm. “That's the excuse that the president is using to institute an entirely economic argument.”

Munson says that “we have one possible peer competitor in the national-security space, and that would be China, and they're not going to be an actual peer competitor for many years.”

In a brief memo, Defense Secretary James Mattis raised other issues regarding the national-security justification as well. He noted that the military's needs for aluminum and steel amount for just 3 percent of domestic production, and he expressed concerns that broad, unilateral tariffs could have a "negative impact on our key allies." He added that "targeted tariffs are more preferable."

None of this, of course, is to deny that China's trade practices are harmful to American interests, something even the previous administration took steps to address. "There's no question that China has an overcapacity problem," says Clark Packard, trade-policy counsel at the conservative R Street Institute. "The government uses it as a jobs program, and they subsidize steel production. The argument goes that once they have this overcapacity of steel, they just dump it on the market, driving down prices. But the Obama administration was aggressive about that and put in anti-dumping and countervailing duty tariffs on Chinese steel, so very little Chinese steel makes its way into the United States."

China's intellectual-property theft is another sore spot. "The Chinese certainly threaten our economic security — and thereby, our national security — by forcing IP handover in China, requiring American companies to directly transfer IP or to work with a domestic provider, solely to access the domestic market," says Jamil Jaffer, founder of the National Security Institute and director of the National Security Law & Policy Program at the Antonin Scalia Law School at George Mason University. "They also do it through straight-up IP theft with government institutions and the Chinese military accessing U.S. corporate systems, stealing IP, and handing it over to Chinese companies to build it."

Like most experts in trade and national security, Scott Lincicome, an international trade attorney and adjunct scholar at the Cato Institute who coined the #TNOIIECBAFTATPPAAFPDATW hashtag and slogan, does not hesitate to recognize the threat of Chinese intellectual-property theft. But in breaking down the operations of the tariffs in detail, he does not mince words, drawing attention to the harm tariffs do to American companies that rely on imports.

"There are hundreds of critical comments on the comment page for these proposed tariffs, and so right off the bat you're undermining your position because you're essentially holding a gun to your own head. Now sure, that'll hurt Chinese companies as well, but the fact is that your first option here should never be to threaten your own citizens," Lincicome says.

As for achieving their public-policy goals, he says:

Because they are such a direct, public, and forceful approach, they really make it much harder for the Chinese government to agree to changes. China is its own sovereign nation with domestic political considerations. Those domestic political considerations are very different from ours. The fact is that they can't be seen as caving to American threats, and these are very public, very direct threats. So they could actually harden Chinese positions rather than softening them. Finally, the fact is that these tariffs would very likely be inconsistent with WTO rules, and so China can bring its own case, which it actually has done, challenging the tariffs.

A Deeper Plan at Work?

Yet that may be exactly what the White House intended.

“232 is a very powerful tool, and I think the main reason the president chose it is because it’s an overt declaration,” says Sebastian Gorka, the former deputy assistant and strategist to President Trump, who reportedly remains close to the president. “It’s a declarative shot across the bow of Beijing to say you cannot proceed as you’ve been proceeding since Kissinger made the rise of modern China possible. And what most people completely misunderstand — even the *Wall Street Journal* doesn’t get it, which is quite shocking — is that the steel and aluminum tariffs, they’re not about steel and aluminum, and they’re not even strictly about China.”

Gorka adds that the WTO is “part of the problem.” “China would still be a developing nation and not a strategic threat if it hadn’t been recognized by the United States and by the WTO,” he says. “The real danger here that people have missed is that China’s economy is actually larger than ours already. If you don’t do the gross GDP-to-GDP measurement, and you actually do the far more effective purchasing-power-parity GDP measurement, then you realize that years ago, China’s economy, if you calculate with manipulation of their currency, the actual value of their economy eclipsed ours two years ago.”

Even if President Trump’s approach is in fact meant as a blunt display of force rather than a nuanced negotiation technique, those opposed to the tariffs may find gripes with the White House’s area of focus. “China’s game is not focused on sort of low-level steel. They’re not worried really about agriculture. Their big game right now is just trying to be the world leader in AI, microchips, and computer type processes. So they’re more than happy to have our attention focused on the 232s when we could instead focus more on building a holistic case to address their intellectual property practices,” Packard says.

But President Trump ran on representing the forgotten men and women of America, and his vision of an economy more focused on manufacturing and agriculture has persisted well into his presidency. Beyond merely supporting blue-collar workers over those in information industries, Trump’s tariffs demonstrate a heightened support for workers in raw production over those in steel- and aluminum-adjacent industries.

“In the first two weeks after the president’s announcement, there was this refrain in the media, again and again and again, ‘there’s only 60,000 people who work in the steel industry in America, and there’s 6 million who work in industries that need steel to manufacture stuff.’ I looked at that critique, and I thought, ‘That’s a Marxist critique of the president’s policies.’ That critique is founded on a zero-sum interpretation of national economy, which is totally and utterly wrong,” says Gorka.

Members of Trump’s own party have openly criticized the tariffs, with Senator Orrin Hatch even making it to *Meet the Press* holding one of the thousands of #TNOIIECBAFTATPPAAFPDATW shirts sold by Lincicome and market-research analyst and writer Josh Jordan.

Yet it’s not just those in the president’s personal camp who think the tariffs could deliver the White House a win. “If you can also show that this is leading to a more assertive U.S. role vis-à-

vis competitive economic competitors, and if you can show that you're fighting for the little guy that no one has fought for before, it makes a ton of political sense," says Munson, the former Corker staff director. "It's understandable that people instinctively get it even though the actual practical implications are not that easy or straightforward. It's a good bumper sticker. The person with the simplest explanation always wins the argument in politics. Trump has done a great job of completely stealing the union vote away from the Democrats. I'm not sure they know that this is happening."

"Anyone in a manufacturing job thinks Trump is fighting for them, and even if they don't like him, they know he's fighting for them. That's a huge win for him," Munson adds. "If he gets reelected, it's because the only smart thing the president did for the first six months of his administration was invite the heads of all the labor unions into the Oval Office on Day One."

Congress's Options

If Trump has, in fact, abused Section 232 of the Trade Expansion Act, a disgruntled Congress could change the law.

Packard described the initial intention behind Congress's abdication of its responsibility to set trade policy itself: "If you're a United States congressman from Michigan, and your manufacturing base gets hammered, you're not going to be really pro-trade. But the president understands that he's beholden to the entire country, so he can take a more holistic view and understand that that small district may be negatively affected, but overall we're better off. So Congress delegated a lot of trade authority to the executive branch. And the rough balance worked until the rise of Trump. He's the first president who's been more protectionist than Congress."

Packard and Munson alike seem unconvinced that Congress will try and reclaim that power. As Munson puts it, "every chance" Congress gets, "they will punt it to the executive, and they're very happy to do it."

Nearly two months after President Trump's tariffs went into effect, only one thing remains clear: Do not wait with bated breath for Congress to step in. For better or for worse, Trump has effectively reshaped what it means to "safeguard national security" under a massively powerful portion of the law.

Or, as Jaffer put it: "As the brand-new U.S. national-security strategy makes clear, economic security is national security."