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The protectionist racket

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Unfortunately and predictably, Democrats are seeking to match President Trump's protectionist pandering. Democrats are egging on Trump for a potential trade war with China and counterproductive protectionism for steel. [Daniel Pearson of the Cato Institute writes:](#)

“Steel is already one of the country's most protected sectors. US law allows special duties to be assessed against imports that are priced at what the Department of Commerce has determined to be unfairly low levels. Over 200 anti-dumping and countervailing duty orders, which are intended to “protect” US producers from so-called unfair competition, currently constrain imports of steel and iron products from a long list of countries. The effect has been to raise US prices well above global levels to the great detriment of the large manufacturing and construction sectors in America that use steel to make higher-value products.”

Democrats have also bought into the equally destructive “[Buy America](#)” rules. If immigration is the go-to pander for the right, then trade protectionism, unfortunately, is now a contest as to which party can out-pander the other.

Can't we have a smarter debate about trade, one that stays within shouting distance of facts? Pearson urges we do away with the existing protectionist devices and instead “rethink the various adjustment assistance programs intended to help unemployed workers.” He continues: “The federal government simply isn't able to make factory jobs reappear in every town. What it can do, though, is to empower people as they search for opportunities by ensuring they have access to education, vocational training and relocation assistance.”

Hurting manufacturers and consumers for the sake of discrete populations that are adversely impacted is not a recipe for economic growth or increased productivity (in fact, it is a direct subsidy for *unproductive* industries). But here, free-market-minded conservatives must accept the need — from a political, economic and sociological standpoint — to use the power of the federal government to help those who are adversely affected.

Instead of slapping tariffs on foreign competitors, why not subsidize workers, encouraging them to move if need be, offering training, but also providing *a subsidy if they accept work at lower-paying jobs*. If we want to encourage work and think disability rolls have grown inappropriately to absorb some of these displaced workers, then it behooves Americans to look out for the

economic well-being and status of these workers. If, for example, a laid-off factory worker making \$30 per hour finds either a \$30-per-hour job elsewhere or a \$20-per-hour job in his locale, federal funds should be expended either to help relocate him to the \$30-per-hour job or help subsidize the \$20-per-hour job. This is, in essence, the working-class equivalent of the earned income tax credit that encourages the very poor to work but maintain a (barely) livable income.

Conservatives and liberals alike have a choice. They can continue offering the false promise that protectionism will keep or return jobs, or they can attend to the consequences of trade.

Conservatives cannot have it every which way — pleading for protectionism but objecting to “government handouts” on the trade adjustment side. Liberals are right to attend to the casualties of globalism, but they must resist the urge to diminish the incentive and value of work. Life on the disability rolls is a demeaning, alienating and unsatisfactory one; a support system that requires non-elderly, non-disabled Americans to work is a financial and psychological safety line for workers and a way of healing the rifts and dampening the appeal of partisan demagogues.