

THE WEEK

Trump's unutterably stupid trade war

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President Trump is a businessman. Well, he's at least a salesman. *Well*, perhaps the better phrase is con man. Regardless, all due caveats aside about that "small loan" of millions from his father, Trump has some economic competence. As he takes pains to remind us regularly, he did get a degree in business. Despite the bankruptcies and affection for dirty tricks, he has made a lot of money. At least in the real estate industry, Trump knows what he's doing. There is a reason, like Ross Perot before him, he was able to make his career a major selling point of his campaign.

That's what makes his unutterably stupid trade policies so bizarre. Trump's trade war, if measured by the sheer number of people who will be negatively affected, is one of his worst accomplishments to date. It doesn't have the gut punch of the migrant family separations or the malice of the not-quite Muslim travel ban, but the escalating scheme of retaliatory tariffs his administration has imposed on broad swaths of imported goods will have grave economic consequences both here and abroad.

The president's views on trade are not merely discredited protectionism. Though he does speak of tariffs as a way to give domestic producers a leg up, Trump's primary motive for playing the trade antagonist lies elsewhere. He does not seem to fathom how trade is mutually beneficial. He insists that in any cross-border exchange of money for goods or services, the purchaser somehow loses.

In Trump's economy, if you sell an American product to a foreigner overseas and get their money, you win. If they sell a foreign product to you and take your dollars in exchange, they win. (Perhaps he is so used to the con a fair trade has become inconceivable.)

In recent years, Trump claimed in a July speech at a steel factory in Illinois, "our trade deficit ballooned to \$817 billion. Think of that! We lost \$817 billion a year over the last number of years in trade. In other words, if we didn't trade, we'd save a hell of a lot of money." The total trade deficit has actually never topped \$800 billion, and it came closest in the George W.

Bush years. But more significant than Trump's expectedly fuzzy math is his strange claim that stopping trade would save America money.

Technically that's true, but it isn't a good thing. "[W]ithout trade, we could have piles of money," explained Scott Lincicome, an international trade attorney from the Cato Institute, at *The New York Times*. "But we'd have no food, clothing, housing, etc. So the money would be worthless, unless you swam in it like Scrooge McDuck or something. Throughout history, autarky means poverty, not wealth."

Consider North Korea's masochistic doctrine of self-sufficiency. While a far larger and better resourced nation like the United States would not experience the same degree of deprivation without trade, neither would we enjoy our present advantages. If we didn't trade, we'd save a hell of a lot of money, but we'd also lose a hell of a lot of benefits.

Trump is nowhere near the tradeless world of his factory speech fantasy, but the effects of his trade war are being felt, perhaps most painfully by American farmers, whose industry is already made economically and environmentally precarious by federal meddling. In response to Trump's tariffs on a basket of 800 Chinese goods, China has levied a 25 percent tax on 545 U.S. exports, including agricultural products like rice, beef, pork, and more. Soybean farmers expect a particularly hard hit, as China previously bought fully a third of their product. Maine lobster harvesters are suffering, too, as Chinese buyers turn to Canada, subject to a 7 percent lobster tariff, to avoid 35 to 40 percent taxes on American lobsters.

Rather than call a trade truce, the administration has responded with a \$12 billion farm bailout. Beyond the gross hypocrisy of Republicans' supermajority support for the plan — they'd be howling objections had a Democratic president proffered this "fix" — this aid package only compounds the original error. It's like responding to a fever by cranking up the air conditioning and pretending nothing's wrong. The bailout might temporarily ease one symptom, but it will only prolong our pain.

American farmers have a better grasp of economics than does the president. "While \$12 billion as a stand-alone number sounds like a lot of money, when you look at the economic impact this trade war has caused, it doesn't even scratch the surface," said a Minnesota soybean farmer named Mike Petefish. His crop has lost \$250,000 in value thanks to the president's trade policies as soybean prices have dropped by \$2 a bushel — about a fifth of their value — since May. "Imagine someone destroys your car and then says, 'I'll give you a ride to the next place you need to go,'" Petefish added. "Well gee, thanks."

And simply expanding the bailout wouldn't work either. It can't "replace the deterioration of long-term contracts and relationships," Brian Kuehl of Farmers for Free Trade told *The Hill*. An annual aid package can't make up for the loss of reputation and connections farmers have spent years developing. They don't need (or want) a bailout. They just need normal trade.

With all his vaunted business expertise, Trump really ought to understand.