



Trump's trade war with our closest allies continues

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Russian President Vladimir Putin has worked tirelessly to divide the United States from its NATO allies. The weaker NATO is, the easier it will be for Putin to intimidate and dominate Eastern Europe, reversing if only partially what he considers to be the greatest tragedy for his country - the fall of the Soviet Union. Fortunately for Putin (and perhaps part of his calculus for meddling to help bring about President Donald Trump's election), Trump is playing along. First, he broke with the European Union on Iran, threatening to impose secondary tariffs. Now Trump has gone one step further. The Washington Post reports:

"President Donald Trump Thursday imposed tariffs on imported steel and aluminum from the European Union, Canada and Mexico, triggering immediate retaliation from U.S. allies against American businesses and farmers.

"The tariffs - 25 percent on steel and 10 percent on aluminum - will take effect at midnight Thursday, marking a major escalation of the trade war between the U.S. and its top trading partners.

"In response, the EU said it would impose duties 'on a number of imports from the United States,' referring to a 10-page list of targets for retaliation it published in March, which included Kentucky bourbon and Harley-Davidson motorcycles. European leaders also vowed to proceed with a complaint to the World Trade Organization.

" 'This is protectionism, pure and simple,' said Jean-Claude Juncker, president of the European Commission.

"The Mexican government said it would levy import taxes on U.S. exports of pork bellies, blueberries, apples, grapes, certain cheeses, and various types of steel."

For Republicans and conservatives more broadly, this represents a repudiation of decades of free-market, pro-free-trade policy. "Trade protectionism resurrects 17th-century economics to our national detriment," says Alex Nowrasteh of the libertarian Cato Institute. "This trade war will result in higher prices for all Americans, fewer employment opportunities, and less investment in the United States. Only a handful of politically connected cronies will win and

many more of us will lose." In rationalizing the tariffs on the highly questionable grounds of "national security," Trump has opened the door for similar claims by competitors.

In addition to imperiling the U.S. economy and the economies of our closest trading partners, Trump's move represents the most serious assault on the unity of the Western alliance since the end of World War II. Britain issued an unusually stern rebuke:

"We are deeply disappointed that the US has decided to apply tariffs to steel and aluminium imports from the EU on national security grounds. The UK and other European Union countries are close allies of the US and should be permanently and fully exempted from the American measures on steel and aluminium. We will defend the UK's interests robustly. We continue to work closely with our EU partners and will consider carefully the EU's proposals in response."

The two countries' "special relationship" certainly looks less special today.

Former car czar Steven Rattner tells me, "Tariffs should be a last resort used against gross violators of fair trade practices who flagrantly disregard World Trade Organization rules. Slapping them precipitously on a broad array of important allies is not only stupid economic policy, it's bad foreign policy." When we ask for allies' help, on everything from intelligence-sharing to Syria to North Korea, they'll surely think twice before going out on a limb for this administration. Moreover, we signal to countries deciding where to place their allegiances that we are undependable and feckless. And finally, our disloyalty to allies hands adversaries such as Russia and China propaganda victories.

Ironically, Trump came into office saying former president Barack Obama had been insufficiently supportive of allies and too solicitous of our enemies. Trump makes Obama look like Winston Churchill by comparison. The United States is losing influence, allies and markets at an alarming rate. This is what losing looks like.