

Alex Singleton writes about politics from a libertarian conservative perspective.

If Barack Obama won't learn economics, he won't secure a second term

By [Alex Singleton](#) [World](#) Last updated: September 15th, 2009

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Barack Obama's tariff on Chinese tyres will only damage America

When President Bush slapped tariffs on steel imports in 2002, he saved 5,000 steel-making jobs. There was just one catch: the measure eliminated 26,000 jobs in steel-using industries, who were prevented from buying cheap steel. So I nearly choked on my cornflakes on Monday morning when I read that Mr Bush's successor, the supposedly intelligent Barack Obama, has decided to impose 35 percent tariffs on Chinese-produced tyres.

In fact, President Obama's policy is even worse than President Bush's. Daniel Ikenson, a trade economist at the Cato Institute in Washington DC, says that the measure won't have any positive outcomes in America at all. None of the tyre production will move back to the United States. Instead, American companies who've gone to expense of investing in China will now have to find the cash to build similar factories in other low-cost countries.

So why has Mr Obama pursued such a counterproductive policy? Ikenson [suggests a cynical explanation](#): "the only beneficiary of the tariff is President Obama, who presumably gets some political mileage for his Chicago-style payback of Big Labour. But make no mistake that any benefits to the president will be fleeting, as the direct costs of the tyre tariff and the costs of copycat protectionism start to squeeze economic recovery."

To which I have just three words to say: one-term president.

Tags: [Cato Institute](#), [Chinese tyres](#), [Free trade](#), [President Obama](#)

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- *"To which I have just three words to say: one-term president."*

To which I have just two words to say: **too long.**



45govt on Sep 15th, 2009 at 9:41 am

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- I guess some folks might gloat about the end of the US hegemony, but in the real world whatever replaces it will be worse.



Captain Badger on Sep 15th, 2009 at 9:45 am

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