

OPINION



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editor@dailyastorian.com

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PRO-CON

Have President Donald Trump's tariffs hurt America's economy?



AP Photo/Markus Schreiber

An employee in protective clothing works at a furnace for steel producer Salzgitter AG in Germany. Due to tariffs, steel prices in the U.S. are roughly twice as high as in Europe.

PRO: Tariffs are hurting American families and workers

WASHINGTON — Trade works. Tariffs don't. It's as simple as that.

In the past year, the Trump administration has imposed steep, new tariffs on hundreds of billions of dollars of imports of all kinds — hurting budget-strapped families as well as U.S. manufacturers and farmers.

Here are five ways tariffs have brought pain to so many Americans and alienated our closest allies.

First, tariffs are taxes, and they are paid by American consumers — not foreigners. Tariff hikes have meant price hikes on everything from beer and clothing to off-road vehicles and RVs.

In some cases, the new tariffs imposed in the past year are being paid indirectly by people like the U.S. auto workers who saw their 2018 profit-sharing checks reduced by \$750 each.

Second, tariffs have caused some input prices to soar, undermining the competitiveness of U.S. manufacturers. Due to tariffs, steel prices in the U.S. are roughly twice as high as in Europe, where industrial inputs are usually more expensive.

This puts pressure on businesses to offshore the manufacture of products that use a lot of steel such as nails, lockers and auto parts. For business owners, layoffs are the final recourse — resisted for as long as possible, but it's tough competing with rivals who benefit from lower production costs.

Third, tariffs invite retaliation against American exports. The U.S. has put tariffs on about \$300 billion of imports in the past year, and these border taxes have boomeranged against U.S. exporters. The U.S. Chamber of Commerce has detailed each state's affected exports at TheWrongApproach.com.

Exports of Wisconsin cheese, South Carolina-made cars, Pennsylvania apples, Kentucky bourbon, Iowa pork and Michigan metal-stampers have all been targeted with foreign tariffs. In a sense, so have the American workers and farmers who make these products. Fourth, tariffs don't create jobs. You would expect steel and aluminum tariffs to boost employment in the production of these metals, but employment in these sectors has been almost flat since tariffs were imposed.

Looking at the broader impact, one study

found that "16 jobs would be lost for every steel or aluminum job gained." Tariffs will result in a net loss of more than 400,000 American jobs, it concluded.

Fifth, tariffs have been imposed on America's closest allies, including even Canada and Mexico. This undermines U.S. efforts to build an international coalition of like-minded countries to join us in combating the use of unfair trade practices.

In the case of our North American neighbors, tariffs are especially galling. In fact, the White House promised repeatedly to end these tariffs as soon as a new North American trade deal was struck — which happened months ago.

Yet the tariffs remain in place. Every week the tariffs on Canada and Mexico remain in place, approximately \$500 million of U.S. imports and exports are hit with retaliatory tariffs.

What should we do? First, the Trump administration should keep its word and end the tariffs on Canada and Mexico. This would bring immediate relief to American farmers, ranchers and manufacturers whose exports have been hit with

retaliation. Second, we need to end the multi-front, global trade war. Many of these tariffs have been applied using an old statute intended for use against imports that "impair national security."

It's flat wrong to use this law against our NATO allies and other close security and economic partners, who actually help protect our national security.

Finally, we need to expand opportunities for trade, starting with congressional approval of the United States-Mexico-Canada Agreement (USMCA).

This critical agreement will preserve and strengthen U.S. trade ties to our top two export markets. But we shouldn't stop there: Securing new agreements with the European Union, Japan and the U.K. will also help our economy continue to grow.

Trade can be an engine of growth, job creation and prosperity; tariffs undermine all of that. We need to end the destructive tariff war that is gnawing at our economy's foundations before it's too late.

John G. Murphy is senior vice president for international policy at the U.S. Chamber of Commerce.



John G. Murphy

CON: Trump's targeted tariffs have boosted many key industries

BALTIMORE — Motorists driving the 4.3-mile length of the magnificent Chesapeake Bay Bridge from Annapolis to Maryland's Eastern Shore often will get a first hand look at a longtime American trade problem.

When conditions are right there's usually a cluster of three to four multi-storied freighters sitting motionless a mile or so south of the bridge waiting for permission to enter Baltimore's historic 313-year-old port.

The freighters are bringing huge amounts of imports, chiefly from U.S. trading partners on the far rim of the Pacific Ocean as well as Europe. Over the course of a year, more than 700,000 motor vehicles enter and are unloaded in the Port of Baltimore, as well as huge amounts of other big ticket items like construction equipment, refrigerators, stoves, televisions and computers.

China, which got a late start, specializes with rare minerals like lithium. Japan and South Korea send a wide range of vehicles and a bevy of other consumer goods.

Last year, China rang up a \$375.2 billion trade surplus with the U.S., South Korea was second with a \$69.9 billion surplus and the Japanese were a close third, selling the U.S. \$69 billion more in good and services than the U.S. sold them.

A major reason the U.S. is running such whopping trade deficits with its Pacific Rim trading partners is because decades ago they started engaging in a strategy called "dumping."

Dumping is generally considered a violation of fair trade practices and involves the selling of goods in the U.S. market at prices lower than the prices at which comparable goods are sold in the domestic market of the exporter.

These sales obviously cause or threaten material injury to a competing U.S. industry. But they are hugely beneficial to countries like Japan because they enable its companies to operate at maximum efficiency by running round-the-clock operations with a veteran labor force.

One of the first U.S. legislators to

point out the damages these unbridled policies were doing to U.S. companies and their workers was Rep. John D. Dingell, the Michigan Democrat who died on Feb. 7 at age 92.

A master legislator, he served an amazing total of 59 years and 22 days, an all-time record for a member of the House of Representatives.

He had forcefully warned against Japanese dumping when that country's automakers launched a huge push into the U.S. market in 1970.

Yet even a highly respected politician like Dingell was unable to persuade enough members of his party to enforce fair trading practices on U.S. trade partners, even though the Democratic Party for years billed itself as "organized labor's best friend."

President Donald Trump saw an opening for Republicans last year and announced a series of trade tariffs aimed at leveling the playing field.

The United Steelworkers union and the AFL-CIO were among the strongest supporters of Trump's proposal, although both unions opposed him during

his 2016 election campaign. "For too long, our political leaders have talked about the problem, but have largely left enforcement of our trade laws up to the private sector," said the Steelworkers' statement. "This is not what hardworking Americans want from their government." The union represents 1.2 million current steel workers and retirees.

AFL-CIO president Richard Trumka echoed the steelworkers, saying: "We applaud the administration's efforts to fix this problem." The AFL-CIO represents 12.6 million workers in its 55 unions.

It's time for other Democrats to put aside their vengeful feelings against the president and get on the union bandwagon and support Trump's tariffs. The state of the American economy is bound to be a major issue in the 2020 presidential election.

Whitt Flora is a former Washington correspondent for the Columbus Dispatch and the Space Aviation and Technology Magazine.



Whitt Flora