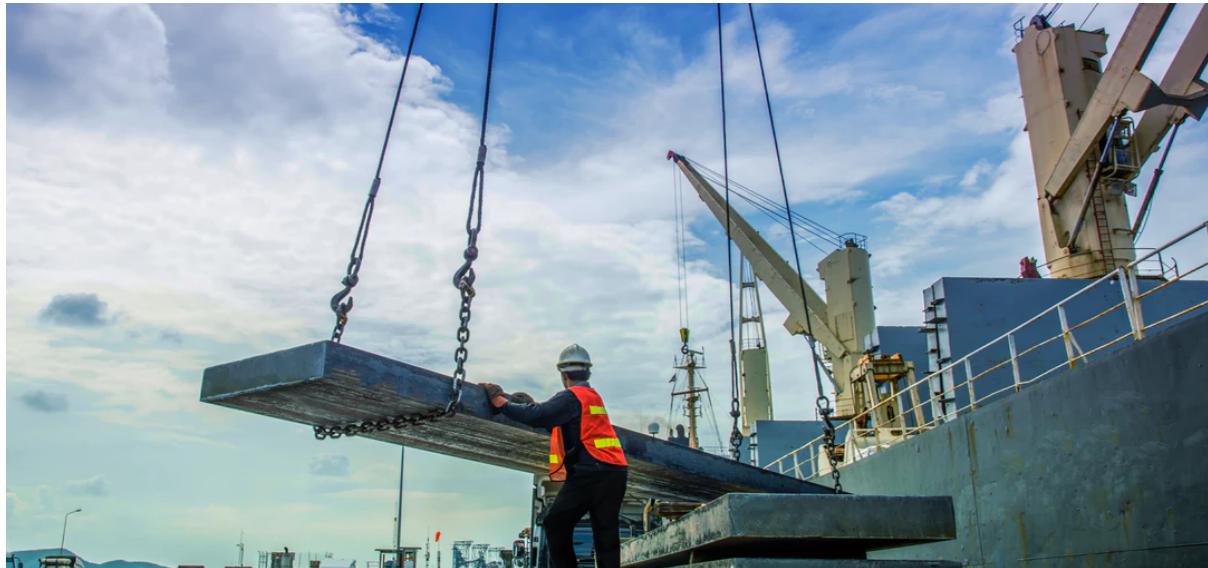


Democrats' Guide to Trump's Steel and Aluminum Tariffs

**Rachel Minogue**

Fellow for the Economic Program

[@rminogue](https://twitter.com/rminogue)

March: in like a lion, out like a lamb—unless you’re talking about trade. The month came in like a lion when President Trump announced new tariffs on steel and aluminum, but it shows no sign of becoming a milder creature come spring. Foreign leaders, domestic employers, and numerous experts have all cried out against Trump’s tariffs. It’s time for more Democrats to join them.

After all, Trump’s tariffs are more than just a 20th-century solution to a 21st-century problem. These measures counter much of what progressives stand for. Here are four reasons Democrats should oppose Trump’s latest round of tariffs.

1. Jobs and critical industries are on the line.

Trump argues his latest round of tariffs will bring jobs back to America. History begs to differ. Steel tariffs imposed under George W. Bush in 2001 cost 200,000 American jobs.¹ According to Trade Partnerships, “more American workers lost their jobs to higher steel prices than the total number employed by the U.S. steel industry itself.”²

Trump's plan also ignores modern day economic realities. Steel production requires fewer and fewer workers due to advances in technology. The number of human hours required to make one ton of steel has fallen from 10.1 hours in the 1980s to 1.5 hours today.³ But while there are less jobs in direct steel production, there are millions in industries that rely on steel. Specifically, 170,000 workers are employed in domestic steel and aluminum production, while roughly 6.5 million Americans work in industries dependent on these products.⁴

By jacking up the domestic price of steel, Trump will be hurting U.S. industries—from construction to transportation to energy.⁵ Experts predict these tariffs will cost 495,136 American jobs and generate only 26,346 new jobs. This equals a loss of 18 jobs for every one job created.⁶

2. It's not popular among Democrats.

A recent Quinnipiac poll showed 73% of Democrats oppose the steel and aluminum tariffs, compared with 55% of Independents and only 30% of Republicans.⁷ This majority of Democratic voters disavowing tariffs makes perfect sense when considering the make-up of the party's constituency.

As noted by Ron Brownstein, Democratic voters are more likely to be supportive of trade because they live in areas experiencing the benefits of globalization.⁸ 58% of all U.S. exports originated in counties Hillary Clinton won in 2016.⁹ The Chicago Council on Global Affairs in 2016 found that 74% of Democrats describe globalization and greater international economic ties as “mostly good for the United States.”¹⁰ Further, over 60% of both black and Hispanic voters believe free trade agreements have benefited the U.S.¹¹

3. Steel tariffs don't hit the key culprit: China.

There is a significant problem in the global steel market: overproduction by China. In an effort to keep their population employed, Chinese firms churn out and export copious amounts of steel to the detriment of the world market.

But Trump's tariffs would have a negligible impact on China, as the U.S. has already effectively blocked most Chinese steel from its market. Only 2.69% of U.S. steel imports are from China, most of which are already hit by tariffs for unfair practices.¹² Many American companies prefer to purchase higher quality steel from countries other than China. These countries share our goal to curb China's overcapacity, yet they will overwhelmingly be hit by the tariffs.

We need to truly tackle the problem of China flooding the global steel market, but these tariffs don't address the issue. Instead of alienating other countries, the U.S. should collaborate with like-minded countries to reduce Chinese production.

4. We need modern solutions to modern problems.

We must enforce the laws when it comes to trade. But the rationale behind these tariffs is blatantly protectionist. Profits and production for U.S.-produced steel have grown since 2010.¹³ Our national security isn't at stake, as only 3% of domestic steel and aluminum production goes towards the military.¹⁴ Countries will be more motivated to impose their own tariffs, either as retaliation towards the U.S. or for their own sham national security interests. And this action threatens our global leadership role and the future of the World Trade Organization itself.¹⁵

Rather than employing a strategy from the 1930s, we need a modern approach. As we have written, disruption is happening everywhere due to technology, globalization, and hyper-capitalism.¹⁶ This is affecting the steel sector as well as every other industry. If we want to help American workers, including our steelworkers, we need a new social contract for the digital age that would help everyone, everywhere earn a good life. We recently released a report with a dozen ideas that would do just that, by reimagining investment in good-paying jobs, reinventing postsecondary education and skills, and redesigning the pay and benefits of work.

A trade war might sound like good TV to the man watching cable news at 1600 Pennsylvania Avenue, but Trump's steel and aluminum tariffs are bad for the U.S. economy, American workers, and our country's international standing.

END NOTES

- 1.** Laura Baughman and Joseph Francois. "The Unintended Consequences of U.S. Steel Import Tariffs: A Quantification of the Impact During 2002." *Trade Partnership Worldwide, LLC*, February 4, 2003. Accessed March 14, 2018. Available at: http://www.tradepartnership.com/pdf_files/2002jobstudy.pdf.
- 2.** Laura Baughman and Joseph Francois. "The Unintended Consequences of U.S. Steel Import Tariffs: A Quantification of the Impact During 2002." *Trade Partnership Worldwide, LLC*, February 4, 2003. Accessed March 14, 2018. Available at: http://www.tradepartnership.com/pdf_files/2002jobstudy.pdf.
- 3.** Paul Wiseman. "As Trump Weighs Tariff, U.S. Steelmakers Enjoy Rising Profits." *Associated Press*, March 13, 2018. Accessed March 15, 2018. Available at: <https://apnews.com/cae426730cd74e64932e4be7fa5cdebc/As-Trump-weighs-tariff,-US-steelmakers-enjoy-rising-profits#/pq=FGkzCo>.
- 4.** Veronique de Rugy. "The Trump Tariffs Will Cost American Jobs." *New York Times*, March 5, 2018. Accessed March 12, 2018. Available at: <https://www.nytimes.com/2018/03/05/opinion/trump-tariff-americans-jobs.html>.
- 5.** Veronique de Rugy. "The Trump Tariffs Will Cost American Jobs." *New York Times*, March 5, 2018. Accessed March 12, 2018. Available at: <https://www.nytimes.com/2018/03/05/opinion/trump-tariff-americans-jobs.html>.

6. Laura Baughman and Joseph Francois. "Round 2: Trading Partners Respond: The Estimated Impacts of Tariffs on Steel and Aluminum." *Trade Partnership Worldwide, LLC*, March 13, 2018. Accessed March 13, 2018. Available at: <http://tradepartnership.com/wp-content/uploads/2018/03/232RetaliationPolicyBrief.pdf>.
7. Tim Malloy and Pat Smith. "U.S. Voters Oppose Steel, Aluminum Tariffs, Quinnipiac University National Poll Finds; Voters Oppose Armed Teachers, Back Armed Security." *Quinnipiac University Poll*, March 6, 2018. Accessed March 13, 2018. Available at: https://poll.qu.edu/images/polling/us/us03062018_ugbt36.pdf/.
8. Ronald Brownstein. "Somebody Should Tell Democrats They've Become the Free Trade Party." *CNN*, March 13, 2018. Accessed March 13, 2018. Available at: <https://www.cnn.com/2018/03/13/politics/democrats-free-trade-fault-lines/index.html>.
9. Mark Muro and Joseph Parilla. "U.S. Metros Most Exposed to a Trump Trade Shock." *Brookings Institution*, January 30, 2017. Accessed March 14, 2018. Available at: <https://www.brookings.edu/blog/the-avenue/2017/01/27/u-s-metros-most-dependent-on-trade/>.
10. Craig Kafura, Dina Smeltz, and Lily Wojtowicz. "Actually, Americans Like Free Trade." *The Chicago Council on Global Affairs*, September 7, 2016. Accessed March 12, 2018. Available at: <https://www.thechicagocouncil.org/publication/actually-americans-free-trade>.
11. Bradley Jones. "Support for Free Trade Agreements Rebounds Modestly, But Wide Partisan Differences Remain." *Pew Research Center*, April 25, 2017. Accessed March 12, 2018. Available at: <http://www.pewresearch.org/fact-tank/2017/04/25/support-for-free-trade-agreements-rebounds-modestly-but-wide-partisan-differences-remain/>.

12. Chris Canipe, Shannon Vavra. “Just How Much Steel and Aluminum Are We Talking About?” *Axios*, March 9, 2018. Accessed March 12, 2018. Available at: <https://wwwaxios.com/just-how-much-steel-and-aluminum-are-we-talking-about-1f1bee31-f563-4780-9157-7b948ceba64f.html>.

13. Veronique de Rugy. “The Trump Tariffs Will Cost American Jobs.” *New York Times*, March 5, 2018. Accessed March 12, 2018. Available at: <https://www.nytimes.com/2018/03/05/opinion/trump-tariff-americans-jobs.html>.

14. James Mattis. “Memorandum for Secretary of Commerce: Response to Steel and Aluminum Policy Recommendations.” *Department of Defense*. Accessed March 13, 2018. Available at: https://www.commerce.gov/sites/commerce.gov/files/department_of_defense_memo_response_to_steel_and_aluminum_policy_recommendations.pdf.

15. Edward Alden. “Trump, China, and Steel Tariffs: The Day the WTO Died.” *Council on Foreign Relations*, March 9, 2018. Accessed March 12, 2018. Available at: <https://www.cfr.org/blog/trump-china-and-steel-tariffs-day-wto-died>.

16. “A New Cause for Democrats: Restoring the Opportunity to Earn in the Digital Age.” *Third Way*, March 14, 2018. Accessed March 14, 2018. Available at: <https://www.thirdway.org/memo/a-new-cause-for-democrats-restoring-the-opportunity-to-earn-in-the-digital-age>.