THE PHYLLIS SCHLAFLY REPORT

Open for Business, not Phony Free Trade

by John and Andy Schlafly

January 30, 2018

A few days before delivering his report to Congress on the State of the Union, President Trump took a victory lap at the World Economic Forum in Davos, Switzerland. That's the annual gathering of CEOs, celebrities, and liberal politicians who think they run the global economy.

Trump was not on the initial guest list for Davos, and few in the audience were pleased when he decided to crash their party. After all, Trump had won the presidency partly by campaigning against the global elites who dominate the goings-on in Davos.

"The world is witnessing the resurgence of a strong and prosperous America," Trump told the world's movers and shakers. "There has never been a better time to hire, to build, to invest and to grow in the United States. America is open for business, and we're competitive once again."

Trump flattered his reluctant audience of "business titans, industry giants and many of the brightest minds in many fields." But he warned them that they owe "a duty of loyalty to the people, workers, customers, who made you who you are."

In an obvious reference to China, Trump said: "The U.S. will no longer turn a blind eye to unfair economic practices including massive intellectual property theft, industrial subsidies and pervasive state-led economic planning. These and other predatory behaviors are distorting the global markets and harming businesses and workers, not just in the U.S. but around the globe."

President Trump sent a high-powered advance team to Davos including Treasury Secretary Steven Mnuchin and Commerce Secretary Wilbur Ross. At a press conference the day before Trump arrived, the cabinet secretaries pushed back against the media's disdain for the American president.

When a reporter asked the inevitable, tiresome question of whether Trump's America First policy would start a trade war, Wilbur Ross was ready with a crisp answer. "There have always been trade wars," he said. "The difference now is U.S. troops are now coming to the ramparts."

“Trade wars are fought every single day,” Secretary Ross continued. “Unfortunately, every single day there are various parties violating the rules and taking advantage.”

Ross’s comments echoed what the president told CEOs at the Asia-Pacific Economic Cooperation (APEC) conference in November. “We are not going to let the United States be taken advantage of anymore,” he said. “From this day forward, we will compete on a fair and equal basis.”

The day before Secretary Ross spoke in Davos, President Trump signed off on a recommendation to impose tariffs of up to 30% on Chinese-made solar panels and up to 50% on large residential washing machines from South Korea. These remedies for unfair trade practices are authorized by Section 201 of the Trade Act of 1974 and were recommended by the independent U.S. International Trade Commission.

The decision was announced by Robert Lighthizer, who works at the White House as U.S. Trade Representative. As Lighthizer declared, “The president’s action makes clear again that the Trump administration will always defend American workers, farmers, ranchers, and businesses.”

The trade action was welcomed by employees of Whirlpool, the Michigan-based appliance manufacturer that employs 10,000 Americans at five plants in Ohio. Whirlpool announced it would immediately hire 200 more manufacturing workers at its plant in Clyde, Ohio.

“This is a victory for American workers and consumers alike,” said Whirlpool’s Chairman Jeff Fettig, who wasn’t invited to Davos. “By enforcing our existing trade laws, President Trump has ensured American workers will compete on a level playing field with their foreign counterparts, enabled new manufacturing jobs here in America and will usher in a new era of innovation for consumers everywhere.”

In a rare act of bipartisanship, Trump’s decision was praised by both of Ohio’s U.S. Senators, including Democratic Senator Sherrod Brown, who’s up for reelection this year, and Republican Senator Rob Portman, who had Lighthizer’s job during the free-trading George W. Bush administration. “After moving their production from overseas back to Clyde, Ohio,” Portman said, “Whirlpool has had to fight a series of cases against companies who would rather cheat than compete.”

Trump was predictably criticized by the hard core of never-Trumpers such as Nebraska's Republican U.S. Senator Ben Sasse and the columnist George Will, who called it protectionism. But the broad public support for a policy of putting Americans first shows why Trump won the states of Ohio, Michigan, Pennsylvania, Wisconsin and Iowa in 2016 and can do so again in 2020.

Back in Washington, Trump told reporters that his State of the Union address would be "a very important speech on trade. The world has taken advantage of us on trade for many years and, as you probably noticed, we're stopping that. We're stopping it cold."

"We have to have reciprocal trade," Trump declared. "It's not a one-way deal anymore."

John and Andy Schlafly are sons of Phyllis Schlafly (1924-2016) whose 27th book, The Conservative Case for Trump*, was published posthumously in 2016.*