

On March 12, President Trump's administration imposed sweeping 25% tariffs on imported steel and aluminum, a move that has been championed as a bold step toward protecting American metal producers. But far from bolstering American industry, these tariffs risk striking a fatal blow to the very economy they are meant to protect.

While the stated goal is to shield U.S. manufacturers from subsidized Chinese competition, the reality is that China—often the target of trade grievances—exports relatively little steel and aluminum to the U.S. Instead, the tariffs disproportionately punish key allies like Canada, Brazil, and South Korea, while providing little relief from China's true economic encroachments.

The Cost to American Industry

For industries that rely on steel and aluminum—construction, automotive, packaging, appliances, machinery, and even oil and gas—these tariffs spell trouble. When the price of raw materials jumps, manufacturers have little choice but to pass those costs onto consumers or cut expenses elsewhere—often in the form of layoffs.

History teaches us that protectionist measures rarely yield the intended economic benefits. The last major steel tariffs imposed by President George W. Bush in 2002 led to an estimated 200,000 job losses, mostly in downstream industries. There's no reason to believe this time will be any different. If anything, the consequences may be more severe given the integrated nature of today's global supply chains.

The Fallout Abroad

Canada, America's closest ally and largest supplier of steel and aluminum, will take the hardest hit. The tariffs could ignite retaliatory measures, leading to tit-for-tat trade wars that

could spill over into broader economic tensions. Brazil and South Korea, both significant steel exporters to the U.S., face similar risks.

Ironically, China, the administration's supposed target, will feel little impact. With minimal steel and aluminum exports to the U.S., Beijing remains largely insulated, while America alienates its trade partners and weakens its own industries in the process.

A Path to Compromise?

Some countries, including Canada and Mexico, may negotiate for exemptions, potentially using the United States-Mexico-Canada Agreement (USMCA) as a bargaining chip. Brazil and South Korea may follow suit, though it remains uncertain how the administration will determine eligibility. If exemptions are granted selectively, the tariffs risk devolving into an arbitrary system that favors certain allies while punishing others, further undermining trust in U.S. trade policy.

The Bigger Picture

If the goal is to counter China's trade practices, there are far more effective strategies than a blanket tariff that damages American industries and provokes allies. Addressing intellectual property theft, unfair subsidies, and forced technology transfers through coordinated international pressure would be a far smarter approach.

The Trump administration has framed these tariffs as an "America First" policy. But for American businesses and consumers, they will likely amount to an America Last reality—higher prices, job losses, and strained diplomatic relations. If Washington truly wants to protect American industry, it should scrap this misguided policy before the damage becomes irreversible.