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Why the Rust Belt Economy will Suffer in a Trade War.

President Trump's unanticipated announcement of steel and aluminum tariffs has sent markets reeling, and stoked trade war fears. The president appears motivated in part to deliver on his promise to voters in the industrial Midwest, where many responded positively to his anti-trade rhetoric and pledge to dismantle what he called the NAFTA "disaster."

But Trump's proposed tariffs, which many see as his latest negotiating tactic to make Mexico and Canada accept his demands on NAFTA, are unlikely to help these Midwestern voters and their communities. The early consensus is that the tariffs would cost many more jobs than they will keep or create. As Economic Outlook Group chief economist Bernard Baumohl put it, "More workers in the U.S. make products that are made from steel, than make steel itself."

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The Brookings Institute

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