

The New York Times

OPINION
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Trump, Lord of the Ring (Around the Collar)

Aug. 24, 2023



“Long Dirty Collar” by Lunna Menoh; photograph by Takuya Ichinose



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James J. Jordan was a Mad man — a copywriter who devised advertising catchphrases that were annoying but memorable, including “I’d rather fight than switch” for Tareyton cigarettes and “When you’re having more than one” for Schaefer Beer. In other words, he was very good at his job.

Now he has posthumously become a sloganeer for an actual madman, a former president who tried to overturn an election and may yet destroy U.S. democracy.

Given the existential threat he poses to America as we know it, Donald Trump’s economic ideas aren’t the first thing on most people’s minds. Nonetheless, it was a bit startling to see Trump propose, as he did last week on Fox Business, a 10 percent tariff on all U.S. imports, which he called a “ring around the collar” of the U.S. economy.

Before I get to why that would be a really bad idea, I can’t help noting how remarkable it was to hear Trump using that phrase. It’s an article of faith among many Republicans that President Biden is doddering and senile (even though he isn’t, at all). What would they be saying if Biden were promoting one of his big policy ideas with a 55-year-old advertising slogan that was meant to describe something bad? (Wisk detergent was supposed to *prevent* ring around the collar.)

OK, on to the economic substance. A tariff would, of course, be a tax — a tax that would, whatever Trump may assert, fall on U.S. families, probably disproportionately hitting lower-income households. It would also push consumers into buying higher-cost, lower-quality goods, because that's what protectionism does, making America as a whole poorer.

But focusing on the economic costs of Trump's ring around the collar misses the main reasons his idea is so bad.

One dirty little secret of international economics is that while tariffs create inefficiency, according to standard models, these efficiency costs are fairly modest unless tariff rates are very high. Even in the late 19th century, when America had average tariffs of 30 percent to 40 percent, the best estimates suggest that the efficiency costs were less than 1 percent of gross domestic product. The direct economic effects of Trump's tariff idea would probably be significantly smaller.

But the geopolitical effects of such a tariff would be disastrous.

The modern world economy is built around a system of rules governing and limiting the ability of national governments to impose trade restrictions at will — a system, by the way, that was largely created by the United States, building on the reciprocal trade agreements policy that began under F.D.R.

This system has multiple virtues. It's crucial for smaller, poorer economies that need assured access to world markets to prosper, in some cases even to survive. (Think of Bangladesh, which would probably be starving without the ability to export clothing.) But the system is valuable for big, rich countries, too, in large part because it protects us from the demands of our own special interests. In my limited experience in government, I saw multiple self-destructive protectionist ideas blocked by officials who informed political appointees that such plans would violate U.S. trade agreements.

If America were to implement Trump's proposal for a unilateral, across-the-board tariff, the country would in effect be seceding from the international order it did so much to create. The result would be a global wave not so much of retaliation — although that too — as of emulation, a free-for-all of tariffs imposed to cater to various interest groups. This would be bad for the world economy, but even more important, it would foster suspicion and hostility among nations that should be allies.

Now, you may say that you don't care, that America is a great power with the right to do whatever it thinks serves its own interests. But here's the thing: Trump's idea isn't just extreme; it's mindless.

Consider the contrast with the current administration. Biden's people aren't free-trade purists; they're pursuing industrial policies that include significant buy-American provisions — their policies are, in fact, nationalist enough to generate a backlash from some economists and protests from some of our trading partners. But their economic nationalism serves well-defined purposes. Some of it is intended to enhance national security by promoting crucial technologies, some to solidify political support for essential climate action and catalyze private investment in green energy.

You may or may not approve of Biden's break with free-trade orthodoxy (I do), but it's certainly not stupid.

Trump's ring around the collar, by contrast, *is* stupid. It's hard to see any rationale for his tariff beyond the crude idea that imports are bad and that a tariff would reduce the trade deficit (which it probably wouldn't).

And Trump's mindless protectionism is a symptom of a broader disdain not just for expertise but for any kind of hard thinking — a disdain that has infected pretty much the whole Republican Party.

So while Trump's tariff ideas aren't the biggest thing to worry about if he regains power — they may not even make the top 10 — they add to the reasons that his possible reoccupation of the White House should make you very, very afraid.

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A version of this article appears in print on , Section A, Page 19 of the New York edition with the headline: Trump, Lord of the Ring (Around the Collar)