

The Great Soybean Conspiracy

By Paul Krugman

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Commerce Secretary Wilbur Ross recently blamed “antisocial” speculators for some of the costs of the Trump administration’s trade policy. Kevin Lamarque/Reuters

The Trump administration appears to be headed for a trade war on three fronts. As far as anyone can tell, it is simultaneously going to take on China, the European Union and our partners in the North American Free Trade Agreement. The economic fallout will be ugly.

But that’s probably not the whole story: There’s also likely to be ugly political fallout, not just abroad but here at home, too. In fact, I predict that as the downsides of hard-line trade policy become apparent, we’ll see a nasty search by President Trump and company for people to scapegoat. In fact, that search has already started.

To understand what’s coming, you need to understand two crucial points.

First, the administration has no idea what it’s doing. Its ideas on trade don’t seem to have evolved at all from those expressed in a [white paper](#) circulated by Wilbur Ross, now the commerce secretary, and Peter Navarro, now the trade czar, in 2016. That white paper was a display of sheer ignorance that had actual trade experts banging their heads on their desks. So these people are completely unprepared for the coming blowback.

Second, this administration is infested — I use that word [advisedly](#) — with conspiracy theorists. In fact, it seems, literally, to treat belief in absurd conspiracy theories as a job qualification. You may remember the case of an official at the Department of Health and Human Services who was temporarily suspended after reports that she had worked for a conspiracy-theory website. Well, it turns out that she listed that connection [on her résumé](#) when she applied for government employment. She was hired not despite but because of her connection to paranoid politics.

So what will happen when cluelessness meets conspiracy theorizing?

About that trade blowback: Trump [famously declared](#) that “trade wars are good, and easy to win.” Never mind the goodness issue: It’s already becoming apparent that the “easy to win” part is delusional. Other countries won’t quickly give in to U.S. demands, in part because those demands are incoherent — Trump is demanding that Europe end the “horrific” tariffs it [doesn’t actually impose](#), while the Chinese can’t even figure out what the Trump administration wants, with [officials calling](#) America “capricious.”

Add in the enormous amount of ill will Trump has generated around the world, and the idea that America is going to get major concessions anytime soon is deeply implausible. In fact, I’m finding it hard to see how we avoid a series of tit-for-tat retaliations that end up taking us well down the path toward [full-blown trade war](#).

And while some import-competing industries might gain from such a trade war, there would be a lot of American losers. For one thing, a lot of American jobs — more than 10 million, according to the [Commerce Department](#) — are supported by exports. Agriculture, in particular, is a very export-centered sector, sending [more than 20 percent](#) of what it produces abroad. A trade war would eliminate many of these jobs; it would create new jobs in import-competing industries, but they wouldn’t be the same jobs for the same people, so there would be a lot of disruption.

And the damage wouldn’t be limited to export industries: [More than half](#) of U.S. imports, and [95 percent](#) of the Chinese goods about to face Trump tariffs, are intermediate inputs or capital goods — that is, things that U.S. producers use to make themselves more efficient. So the coming trade war will raise costs and hurt prospects for many businesses, even if they aren’t exporters.

So how will this conspiracy-minded administration react when domestic victims of its trade policy start complaining? We’ve already had a preview.

To date we’ve only had some minor trade skirmishes; but even these have sent the price of soybeans, which we export to China, plunging, while the price of steel has soared. And farmers and steel-using businesses are unhappy.

So did the administration say, “Look, we’re taking a tough stand, and there will be some costs”? Why, no. Instead, Ross [declared](#) that the price changes were the work

of “antisocial” speculators engaged in “profiteering,” and called for an investigation. See, we aren’t looking at the predictable effects of administration policy; we’re looking at an anti-Trump conspiracy.

By the way, this kind of accusation isn’t normal for a top government official. I follow these things, and I’ve never seen anything like it.

And remember, soybeans and steel offer just a minor preview of [the disruptions ahead](#). How will the administration react to the blowback when the trade war really gets going? Will it admit that it misjudged the effects of its policies? Of course not.

What I predict, instead, is that it will start seeing villains under every bed. It will attribute the downsides of trade conflict not to its own actions, but to George Soros and the deep state. I’m not sure how they can work MS-13 into it, but they’ll surely try.

The point is that the politics of trade war will probably end up looking like Trump politics in general: a search for innocent people to demonize.