

Tariffs are the wrong tool to solve America's trade disputes with China.

Executive Summary

The Montana District Export Council (MT DEC) opposes the use of tariffs to settle trade disputes, and encourages the use of alternative diplomatic and economic tools to solve trade issues with China.

- The current tariffs with China are damaging Montana's businesses without a corresponding benefit to US strategic interests.
- Tariffs do not address underlying issues regarding the US trade imbalance with China, nor effectively remediate the loss of intellectual property rights.
- Tariffs exacerbate the likelihood of a trade war which will have long-term effects detrimental to Montana's economy.

Narrative

The issues outlined in the USTR Section 301 Investigation into China's practices are serious and should be addressed, and the MT DEC supports taking corrective actions. However, we believe the current tariff regime is creating more problems than it is solving, and is damaging Montana businesses.

After reviewing examples of Montana businesses hurt by these tariffs, the MT DEC believes tariffs are the wrong tool to solve US trade disputes with China. These tariffs raise the cost of doing business for Montana companies without a corresponding market benefit, and result in retaliatory tariffs by China. The consequent reduction in market share will have lasting effects as Montana businesses struggle to regain their competitive position.

We recommend the use of established diplomatic and economic tools to solve these issues, rather than executive imposition of escalating tariffs. International cooperation and collaboration are favored, and the US should pursue multilateral partnerships such as the Trans Pacific Partnership to resolve disputes, increase trade, and ensure peace throughout the Pacific.

About the Montana District Export Council

The Montana District Export Council is a volunteer organization drawn from Montana State businesses, governmental agencies, and non-profit organizations engaged in international trade. Our engagement in various market sectors across the world informs our policy positions.

For questions or to share the story of how trade policy impacts your business, please contact us at adeyoung@mt.gov.