

US Trade War with the European Union

Transcript of Skype interview

By [Peter Koenig](#) and [Press TV](#)
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According to an AFP Report “The EU is envisaging “a raft of retaliatory tariffs, including on **whiskey and motorcycles**, against painful metals duties imposed by the US”

The European Commission, which handles trade matters for the 28-country bloc, “expects to conclude the relevant procedure in coordination with member states before the end of June,” said European Commission Vice-President Maros Sefcovic at a news briefing.

This would allow “that the new duties start applying in July,” he added.

“It is a measured and proportionate response to the unilateral and illegal decision taken by the US to impose tariffs on the European steel and aluminum exports which we regret,” said the former Slovak prime minister.

From blue jeans to motorbikes and whiskey, the EU’s hit-list of products targeted for tariffs with the US reads like a catalogue of emblematic American exports.

*The European Union originally drew up the list in March but pledged not activate it unless US President Donald Trump followed through on his threat to **impose 25 percent tariffs on steel imports and 10 percent on aluminum**.*

The Trump tariffs came into effect on June 1 and the EU now joins Mexico and Canada and other close allies that have announced their own wave of counter-duties against Washington.

The EU commission must now take their proposal to be signed off by the bloc’s member states amid divisions over what path to take against Trump’s unpredictable policies.

France and the Netherlands back a tough line against the US, while export powerhouse Germany has urged caution towards Trump’s “America First” policies.” (AFP, June 6, 2018)

PressTV: How do you think this will affect the US? Wouldn’t it create more unemployment in America?

Peter Koenig: First, I think we have to distinguish between the various trade blocks and trade wars, like China, Russia, the NAFTA partner countries, Mexico and Canada – and the

European Union – the EU. They are all different in as much as they have different motives.

Second, there is much more behind the so-called trade wars than trade. Much of this trade war is propaganda, big style, for public consumption and public debate, where as in reality there are other negotiations going on behind closed doors.

And thirdly, there are mid-term elections coming up in the US this fall, and Trump must satisfy his home base, all the workers to whom he promised “Let’s Make America Great Again” – meaning bring back jobs, use US-made metals. So, Trump is also addressing those Americans who wait for jobs. As you know the unofficial but real figure of unemployment in the US is about 22% – and that does not even include the large segment of underemployed people, mostly youth.

I think we have to see the Big Picture here. And Trump, or rather those who give him orders, may not see all the risks that this complex multi-polar tariff war implies.

But for now, let’s stick to Europe.

It is very well possible that the EU will also impose import duties on US goods. But if it stays at that, it is very likely that this so-called trade war with the US is pushing Europe even faster than is already happening towards the East, the natural trading partners – Russia and China. As I said, its already happening.

But the Big Picture, in the case of Europe, I believe is IRAN. With tariffs on steel and aluminum – quite sizable tariffs, European producers of these metals, the second largest after China, would hurt. There may not be an immediate replacement market for America.

So, Trump may want to blackmail Europe into accepting his new sanctions on Iran. In other words, “either tariffs or you follow my dictate – abandon the Nuclear Deal and impose sanctions”.

Frankly, I doubt very much that this will work, since EU corporations have already signed billions worth of contracts with Iran. On the other hand, Germany in particular, is keen in renewing political as well as trade relations with Russia.

And the recent remark of the new US Ambassador to Germany, Richard Grenell, that he will support conservative right-wing movements in Germany and in Europe – did certainly not go down well in Germany, with already a Parliamentary movement to expulse him – which certainly doesn’t help US-German relations.

As we speak, most likely this type of “blackmail” negotiations, “either tariffs or you go with us against Iran”, are going on with the EU behind closed doors.

Of course, nobody knows the outcome.

Trump is like a straw in the wind, bending to whatever seems to suit him best at the moment.

Remember, a couple of months ago he already imposed tariffs on Europe, along with everybody else, on steel and aluminum, then he lifted them again – and now we are on again. It’s like with most everything he does. It’s probably his business negotiation strategy.

But, this would just confirm, that this trade war is much more than meets the eye, more than a trade war – it's about geopolitics – like “show me your card – which camp are you in?”

Trump and those who manage him may still be under the illusion of the last 70 years, that the whole world, especially Europeans, have to bend over backwards to please the US of A, because they saved Europe – and the world – from the Nazi evil.

Not only is it time to stop the vassalage and become autonomous again, but also, many European start understanding that whom they really have to thank for liberating them from the Nazis – is Russia.

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