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## Trade Wars and Their Impact on Detroit

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President Trump has declared that "Trade Wars" are good and easy to win and has set the stage for some of the most intense tariff and trade battles which have not been seen in this country since the Smoot-Hawley Tariff in the 1930s, which some historians and economists argue led to the Great Depression. Tariffs have now come to affect the daily lives and well-being of a large part of the country in diverse sectors, ranging from manufacturing to agriculture, and have had an impact on the stock market. An announcement of increasing certain tariffs on China from 10% to 25% likely caused the stock market to drop by 600 points in one day.

The tariff impact has been especially felt in Michigan, and the Detroit metropolitan area due to its high concentration in the automotive industry sector, which has been particularly impacted by the "Trade Wars" and tariff issues in many ways: The automotive industry today is more dependent on international supply chains than ever before, and changes in tariffs or quotas that might affect costs and delivery times can have a catastrophic effect. Moreover, the question of who absorbs the tariffs—the supplier or the customer—has become a challenge and concern with lawyers for automotive manufacturers and their suppliers looking for answers in the "terms and conditions" of their contracts that often have not explicitly addressed these issues. The broader issue of Presidential authority to impose tariffs under certain laws is being considered in both the courts and Congress.

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