

Business

At G-20, Trump tasks Mnuchin with selling the world on ‘America First’

By **Damian Paletta** March 16

Treasury Secretary Steven Mnuchin travels to Buenos Aires on Monday to meet with global finance ministers itching for a fight over President Trump’s new tariffs on steel and aluminum.

But Trump might have found his ideal emissary in Mnuchin, who has shown a deft ability to draw his foreign counterparts close while simultaneously advancing Trump’s “America First” agenda.

Mnuchin’s ability to toggle between diplomat and loyal soldier will be put to the test as never before in Argentina, for Trump is preparing to unleash tariffs that could affect more than a dozen U.S. allies, many of which are confused about details and threatening to retaliate.

The meeting comes as the White House is in a major shift on trade policy, with Trump imposing tariffs and other measures he promised as a presidential candidate. Mnuchin will be forced to explain these measures and in some cases deliver them.

At the same time, allies aren’t waiting long to threaten retaliation. On Friday, the European Union [made public a 10-page list](#) of American products that are potential targets for tariffs if Trump does not give the E.U. a reprieve from the steel and aluminum tariffs.

The treasury secretary is one of the few survivors of the White House clash between “globalists” and “nationalists,” leaving him close to Trump, and one of the few officials to whom business and foreign leaders can appeal as they plead for restraint.

“I’ve known the president for a long time,” Mnuchin said in an interview ahead of his trip to the international gathering of countries referred to as the Group of 20. “I’m one of the few people on the Cabinet who has worked with him from the campaign. I understand these issues. I’ve been talking to him. I’ve been talking to my counterparts.”

It hasn’t been easy. Mnuchin has worked hard to develop close ties with Canadian Finance Minister Bill Morneau at a time when Trump keeps antagonizing Canadian Prime Minister Justin Trudeau over how to renegotiate the North American Free Trade Agreement.

Morneau came to Washington last year for Mnuchin's wedding. Trump told a private audience Wednesday that he had made up facts during a debate with Trudeau about trade imbalances, and then on Thursday he publicly accused the Canadian leader of lying.

It's these sorts of broadsides that have led analysts to think that the recent White House turmoil and turnover will only make it harder for Mnuchin and Trump's remaining advisers to steer him in any direction or negotiate on his behalf, particularly on issues such as imports and exports. Mnuchin will be meeting next week with the top finance ministers from countries including China, Japan, Mexico, Germany, France and the United Kingdom.

Several have threatened to retaliate with their own tariffs against U.S. goods if Trump follows through.

"There is going to be a fair degree of skepticism about anything Mnuchin says that suggests the U.S. may pull back on its threats of tariffs and other trade sanctions against its allies," said Eswar Prasad, a trade expert and professor at Cornell University. "And, frankly, I think recent developments have undercut the credibility of any American official who claims to speak for the administration on any policy, because anything they say can be reversed in short order by a presidential tweet."

Mnuchin has an expansive background in banking and investing, but in some ways he is an atypical treasury secretary. He has rushed to the president's defense on issues far outside his purview, such as the firing of FBI Director James B. Comey, Trump's response to a white-supremacist rally in Charlottesville and Trump's criticisms of professional football players who kneel during the national anthem.

This has opened Mnuchin up to criticism that he panders to Trump, with former treasury secretary Lawrence H. Summers saying in a Twitter post last year that "Steven Mnuchin may be the greatest sycophant in Cabinet history." Mnuchin was heckled during a recent speech at the University of California at Los Angeles, and he has had to deal with criticism for his past use of government planes.

He has mostly brushed this aside, though, declining to be rattled by the criticism — and declining to respond to the sharp barbs from Summers.

"I've been very comfortable giving my views," Mnuchin said, referring to his relationship with Trump. "Sometimes they've been similar to [the president's]. Sometimes they haven't. But also, at the end of the day, I'm very comfortable with the fact that he's the president and it's his decision."

It's this sort of careful balancing act that has helped Mnuchin expand his influence both inside and outside the White House in the past year.

Mnuchin's trip could come the same week Trump imposes tariffs on steel and aluminum imports, while simultaneously slapping \$30 billion or more in tariffs on a range of Chinese products. The White House is negotiating with several countries on ways to avoid these tariffs, but Mnuchin said Trump feels strongly that such steps are necessary to help U.S. manufacturers.

“If you are not prepared to do things, you are not going to have results,” Mnuchin said. “While on the one hand I can say our objective is to not have a trade war, that’s consistent with the president saying we can win a trade war.”

Trump is still threatening to withdraw from NAFTA and rip apart a trade agreement with South Korea, moves that he largely put on hold last year as National Economic Council Director Gary Cohn and Secretary of State Rex Tillerson repeatedly urged caution.

But Cohn and Tillerson are leaving, leading business executives and foreign leaders to rely on Mnuchin to convey their angst to the White House.

So far, it’s the Europeans who appear the most confused by Trump’s new trade decisions, in part because he seems the most unwilling to offer them exemptions to the new tariffs.

“I’m sure behind the scenes messages will be delivered, because too much is at stake, and trade wars are lose-lose situations,” said Marietje Schaake, a member of the European Parliament.

Trump has leveled some of his most antagonistic trade threats at Europe, saying he will slap a large tariff on the import of German automobiles unless officials make it easier for U.S. companies to sell products in Europe.

Mnuchin’s first trip to a G-20 meeting came last year in Germany, where he was practically gang-tackled by foreign finance ministers who were still coming to terms with Trump’s presidency.

At the end of each meeting, the finance ministers publish a document, referred to as a communique, that represents their shared beliefs. Mnuchin stunned them all by [refusing to agree to include past language that warned against the perils of protectionism](#).

Then-German Finance Minister Wolfgang Schäuble expressed frustration at the time, saying the United States was at an internal “impasse” and wouldn’t agree to anything.

“Obviously [Mnuchin] had had no mandate to talk about any definitions or interpretations of what the U.S. administration means by ‘fair trade,’ and that is something we have to accept for the time being,” Schäuble said last year.

But foreign leaders have seen Mnuchin grow into his role in the past year, and they are less likely to try to force him to accept their views because he showed them last year that he could dig in if necessary.

“What I realize a year later into this is — not that the communique isn’t important — but what’s more important is people understanding our policies and having good two-way communication about our policies,” Mnuchin said.

He played a key role in the White House’s push to overhaul the tax law last year, and now he has a daily meeting on how to implement the sweeping changes. While Trump has called for repealing the 2010 Dodd-Frank financial overhaul law, Mnuchin

has pursued a more cautious approach and sought specific changes, a strategy that appears to be working its way through Congress.

He also played a lead role in helping Trump select Jerome H. Powell as the next chairman of the Federal Reserve, people involved in the process said, suggesting that Trump trusted his guidance over others'. Powell was seen as more palatable to business executives and Wall Street, and he received widespread support from Democrats and Republicans.

U.S. lawmakers are also watching Mnuchin more closely, given the departures all around him.

“He’s got a lot on his shoulders now,” said Sen. Jeff Flake (R-Ariz.). “Looking for a free-trader in the White House is kind of tough right now. He certainly is not an evangelist like Cohn was on this. He seems more reticent to speak up on something that differs from where the president has been. Gary Cohn did that.”

Amid the ongoing struggle between White House “globalists” and “nationalists,” Mnuchin has avoided being labeled as either. He has at times backed different camps during different fights. He quietly helped lead the White House’s push to quash a proposed border-adjustment tax last year that could have driven up costs on imports, aligning with Cohn and resisting pressure from people such as former chief strategist Stephen K. Bannon.

But Mnuchin also has spoken in favor of the numerous tariffs Trump plans to pursue, an issue that helped drive Cohn out of the White House.

“I think if you look back at the last year, we’ve been very transparent,” Mnuchin said. “I don’t think there should be surprises. We have broadcasted very clearly, going back to the campaign, what the president’s economic agenda is.”

Erica Werner contributed to this report.

 **261 Comments**

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