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Trump's pick for Commerce secretary assures lawmakers he is not anti-trade

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Wilbur Ross, the billionaire financier selected to be the new Commerce secretary, made clear Wednesday that Donald Trump's campaign promise to reopen the North American Free Trade Agreement was not just an empty threat.

At his confirmation hearing, the 79-year-old Ross, who like his future boss has long expressed concerns about NAFTA, said that renegotiating the 23-year-old pact with Mexico and Canada would be "very, very early" as a matter of priority for him and the Trump administration.

Ross also signaled that his agency was likely to take steps to impose duties on Chinese steel and possibly other goods that have been dumped at unfairly low prices or subsidized by the state.

At the same time, he struck a more measured tone overall than Trump, whose populist attacks on trade throughout the campaign had raised worries among businesses and leaders in the Republican Party who favor free trade.

"I am pro-trade," Ross told the Senate Committee on Commerce, Science and Transportation.

Asked about Trump's repeated threats to impose a 45% tariff on Chinese goods and 35% on Mexican products, Ross responded that it's a "complicated issue." And of tariffs more generally, he said that they "play a role both as a negotiating tool and if necessary to punish the countries that don't play by the rules."

Ross' views on trade were a focus of what was a four-hour-long hearing filled with polite exchanges over a range of topics reflecting the agency's multiple responsibilities -- enforcing fair trade, issuing patents, conducting weather research and collecting census and economic data.

The head of the Commerce Department traditionally has been a cheerleader for U.S. businesses and hasn't wielded much power. But that could change, as Trump's transition team has indicated that Ross will spearhead the administration's initiatives on trade, an issue that was central to Trump's campaign and figures to be a dominant part of his economic growth strategy.

Like Trump, Ross' vast financial holdings initially drew a lot of interest, but earlier this week Ross filed a financial disclosure report and signed an agreement with the U.S. Office of

Government Ethics to divest most of his assets and step down from multiple positions on companies and foundations.

Committee members seemed satisfied with the agreement and that he could avoid conflicts of interest, but the hearing then turned on the question of his fellow billionaire in the White House.

"Shouldn't the president do the same?" Sen. Richard Blumenthal (D-Conn.) asked.

Ross demurred, saying he wasn't familiar enough with Trump's financial assets. Ross didn't disagree with Blumenthal that, as head of an agency that oversees patent and trademark issues, he could be put in a very difficult position given that Trump's business has pending trademark applications.

Unlike Ross, Trump has refused to divest his business empire, despite criticisms from the Government Ethics Office and lawyers. Ross said, however, that he expects potential conflict-of-interest cases at Commerce involving the president won't fly below the radar. "Those matters will be subject to public scrutiny," he said.

On NAFTA, Ross indicated that the agreement had shortcomings on labor and environmental standards, particularly the low wages of Mexican workers. Ross also suggested that he might also push to renegotiate the "rules of origin" in the agreement. The provision, particularly important for the auto industry, allows a certain percentage of content made outside of the NAFTA countries to be shipped duty-free when they are included in the final product traded among the U.S., Canada and Mexico.

Ross told the Senate Commerce Committee that such rules of origin were a reason that he came to sour on the Obama administration's Trans-Pacific Partnership trade agreement, which Trump has said he would scrap.

Ross was also asked whether he supported NAFTA's procurement clause that opens publicly funded U.S. projects to be bid and won by foreign companies. "It's a highly questionable practice," he responded.

It remains to be seen how much influence Ross will have in Trump's trade policies. Trade deals are negotiated by the U.S. trade representative, for which Trump has picked trade lawyer Robert Lighthizer. Trump also announced the creation of a new White House-based trade council to be headed by UC Irvine business professor Peter Navarro, a strident critic of China's economic policies.

Dan Ikenson, trade policy studies director at the Cato Institute libertarian think tank, said Ross came across well at the hearing. "He's well-spoken, doesn't sound hysterical," said Ikenson. But he remained concerned about what the Trump administration might do that could hurt trade.

"Some days I feel they just want to talk a tough game, but I'm pretty sure we're going to see some form of tariffs imposed," he said.

John Thune (R-S.D.), the Senate Commerce Committee chairman, welcomed Ross' selection, applauding his extensive business know-how and many decades of experience in investing and

helping salvage businesses in steel, textiles and other industries. And judging by the comments from the committee's ranking Democrat, Sen. Bill Nelson (D-Fla.), Ross looked to be a shoo-in to get confirmed.

"You have comported yourself quite well, you have been very detailed and non-evasive in your answers, and that is appreciated," Nelson said. "Let me assure you that this hearing is a piece of cake compared to some of the other nominees that are going through the process."

Nelson, however, did press Ross on his views about global warming and urged him to continue to support the department's measurements and research on weather events and trends over time.

"It's my hope we'll get a commitment from you to not allow intimidation and censorship of climate scientists under your jurisdiction," Nelson said.

Ross, while not addressing climate change, which Trump had once called a Chinese hoax, noted the importance of having good weather information.

"Living on the coast in southern Florida, we are all very sensitive to weather because of the yearly hurricane season," he said.