

The Dallas Morning News

Trump's USMCA shows how Texas GOP, amid some grumbles, is shifting on trade

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December 15, 2019

Republicans in Texas and beyond are poised to support a revamped North American trade pact that's earned gushing praise from top House Democrats and a rare endorsement from the country's most influential labor union.

That head-snapping partnership comes courtesy of President Donald Trump.

The Republican has succeeded in reshaping — in dramatic fashion — his party's views on cross-border commerce, finding the GOP base eager to reject traditional dogma on free trade in favor of a protectionist, America-first agenda that overlaps with many Democratic priorities.

Texas and its trade-heavy economy is now serving as a crucible for that transition.

Many Texas Republicans, particularly in the House, have embraced Trump's revamp of the North American Free Trade Agreement — a deal that preserves key economic bonds but also creates some additional trade barriers and accomplishes several long-desired Democratic goals.

That's not to say there isn't GOP grumbling about the new U.S.-Mexico-Canada Agreement.

Texas Sen. John Cornyn, for one, said that he wanted to review in detail **the labor-backed compromise reached last week between the Trump administration and House Speaker Nancy Pelosi** to make sure “they didn't end up doing more harm than good.”

“My concern is that what the administration presented has now been moved demonstrably to Democrats, the direction they wanted,” he **told reporters**.

But even that mild pushback came with significant caveats. Cornyn, who's up for reelection next year, signaled that he still was likely to support the bipartisan accord, predicting that it would ultimately pass Congress and “become the law of the land.”

The bottom line is that the GOP's electorate in Texas and beyond has made clear they trust Trump to deliver the goods on trade.

“This is an issue where Trump has driven something of a wedge between traditional Republican elites and the Republican base,” said Jim Henson, who’s conducted polling on the issue as director of the Texas Politics Project at the University of Texas at Austin.

How do Texans rate Trump’s handling of trade negotiations?

Texans’ views on President Donald Trump’s handling of trade negotiations are split along partisan lines, according to an October survey.

Party	Approve strongly	Approve somewhat	Neither approve nor disapprove	Disapprove somewhat	Disapprove strongly
Republican	52%	29%	8%	5%	5%
Democratic	4%	5%	5%	11%	72%
Independent	24%	14%	8%	6%	45%

Trump’s brawling trade agenda was on full display all week, as the president announced Friday that he had also reached a truce with China in the sweeping cross-Pacific tariff battle that has engulfed businesses and consumers all over the U.S.

NAFTA: ‘Worst trade deal ever made’

But nothing captures how Trump has smashed the conventional trade debate quite like NAFTA.

Republicans have tended to champion those kinds of free trade deals, saying they boost economic growth by lowering the cost of goods and opening up markets. Democrats have instead tended to seek trade measures aimed at protecting American workers, particularly in the manufacturing sector.

Enter Trump, a Republican who’s long called NAFTA the “worst trade deal ever made” — an example of how the U.S. has been ripped off by the world at the expense of average Americans.

That criticism of the 25-year-old pact may have resonated with many workers in the Midwest, where factory jobs have fled abroad. It jarred many lawmakers in Texas, where both Republicans and Democrats have come to consider the deal a key peg of the state’s economy.

In Texas alone, trade with Mexico and Canada totals hundreds of billions of dollars each year and supports hundreds of thousands of jobs, according to government data and outside estimates.

“I personally was satisfied with NAFTA,” Cornyn said, while noting that some areas were due for an update. “But President Trump was not.”

Texas Republicans in Congress have expended substantial effort to persuade Trump to not follow through on his threats to ditch NAFTA altogether, even as they have not taken meaningful legislative steps to otherwise constrain Trump’s sweeping authority over trade.

The result was the initial U.S.-Mexico-Canada Agreement that Trump struck last year.

USMCA and the era of ‘managed trade’

While that pact won praise from many business and political leaders for providing essential economic certainty, it was telling that the accord’s signature component seeks to boost automobile manufacturing in the U.S. in part by creating additional trade barriers.

A higher percentage of a vehicle would have to be made in North America to qualify as duty-free, while more production in Mexico would have to come from workers earning a higher wage.

Those efforts, in tandem, could help encourage some auto manufacturing to shift back to the U.S. – or, at least, help bolster American autoworkers’ wages. But the added cost and compliance would likely also have the effect of increasing the prices of new vehicles, experts said.

“We’re no longer in the great era of free trade,” said Tony Payan, who’s studied North American trade as director of the Mexico Center at Rice University’s Baker Institute for Public Policy. “This is really managed trade.”

Then came the changes to the deal that House Democrats secured from the Trump administration.

Pelosi, the House speaker, **reportedly crowed that her team “ate their lunch,”** winning the inclusion of several long-sought provisions designed to better enforce the deal’s labor standards and strengthen protections over the environment and other areas.

It was enough for the AFL-CIO’s Richard Trumka to give his labor union’s first endorsement of a free trade agreement in more than two decades.

“This is the best deal Dems (labor) have ever seen,” Dan Ikenson, a trade expert at the Cato Institute, a libertarian think tank, wrote on Twitter. “Old GOP would object, but Trump’s GOP and Trumka’s Dems (2 peas in a pod on trade) won’t.”



GOP frustration

Some frustration — or hesitation, at least – has bubbled up from the GOP.

Texas Sen. Ted Cruz said Thursday that he was still reviewing the compromise. He had previously expressed concern that the deal still includes a provision that provides sweeping immunity to online firms like Facebook or Google from harm caused by their users' content.

Senate Majority Leader Mitch McConnell said the agreement **was “not as good as I had hoped.”** Sen. Pat Toomey of Pennsylvania **said there are “serious problems.”** Former Energy Secretary Rick Perry **lamented a change Democrats won related to the pharmaceutical industry.**

But that grouching isn't likely to stop passage of the North American trade deal, which now has broad bipartisan support and the backing of key business groups.

Take Cornyn, the senior Texas senator who complained that Trump's trade negotiator went “radio silent” with Senate Republicans while crafting a labor-friendly deal with Pelosi. Asked if he could see himself voting against the tri-nation accord, Cornyn didn't hesitate.

“I'm not going to let my irritation over the process overcome my support for free trade,” he said.

Many other Texas Republicans offered robust praise for the deal, hailing it as a worthy NAFTA successor that would create jobs and benefit the state's manufacturers, farmers and consumers.

Rep. Kevin Brady of The Woodlands is the top Republican on the House Ways and Means Committee. He called the deal a “major win for President Trump and the U.S. economy,” playing down criticism of the concessions won by Democrats.

“While they were really focused on about 1% of the entire agreement, those areas such as enforceability of the entire agreement, in making sure there was confidence that Mexico would implement their transformative labor agreement, those were good areas to focus on,” he said.

Brady added that any bipartisan model for trade “means giving up some things.”

Candidate Trump vs. President Trump

In the end, Trump will likely be the final arbiter for GOP voters in Texas and beyond.

Consider that in October 2016 — just before Trump won office — 60% of Texas Republicans said international trade deals were bad for the U.S. economy, compared to just 16% who said they were good, according to polling by the University of Texas/Texas Tribune.

By October 2019, those views had flipped.

That shift may, at first blush, make it seem like the GOP electorate is returning to its free trade roots. But Henson, the UT expert, said it’s a reasonable hypothesis that Texas Republicans are instead just following the lead of their standard bearer.

Trump the presidential candidate railed against trade deals at every turn. Trump the president is now selling his own deals, like USMCA, that he says are the greatest the world has ever seen.

“It could simply be that this is a partisan effect,” Henson said, while cautioning that it can be difficult to discern respondents’ motivations on complex issues like trade. “The Republican base really responds to the element of nationalism that strongly colors Trump’s positions on trade.”