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Trump's pick for Commerce secretary will face questions on trade and conflicts of interest

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Like the man who picked him to be the next Commerce secretary, Wilbur L. Rossis a billionaire with extensive financial interests and an ardent critic of America's trade policies — both of which will come under scrutiny at his confirmation hearing set for Wednesday morning.

The head of the Commerce Department traditionally hasn't been a powerful or high-profile Cabinet member. But that could change, as President-elect Donald Trump's transition team has indicated that Ross will spearhead the new 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.

Ross, 79, was a top economic advisor to Trump's campaign, and the two men, who have known each other personally for more than 20 years, share a disdain for trade deals that the U.S. has cut, especially the North American Free Trade Agreement with Mexico and Canada.

At the confirmation hearing, delayed nearly a week to give Ross more time to work out his financial disclosure requirements and ethics agreement, members of the SenateCommittee on Commerce, Science and Transportation are likely to question Ross on NAFTA and about the risks of provoking trading partners with threats of levying heavy tariffs. Members may also ask Ross about his views on House Speaker Paul D. Ryan's idea for a "border tax" instead of broad tariffs on countries.

Ross, in a white paper on Trump's economic plan co-written with business professor Peter Navarro, railed against what they described as China's mercantilist practices, including currency manipulation.

The Commerce Department, which represents the nation's business and economic interests, promotes U.S. exports and enforces trade agreements and fair-commerce rules such as anti-dumping laws. The agency also issues patents, conducts oceanic and atmospheric research, and is a major collector of economic and demographic statistics.

Ross, in a response to the Senate Commerce Committee's questionnaire ahead of the hearing, said that he believed one of the top challenges facing the agency is expanding U.S. exports and reducing the nation's trade deficit.

Although Trump's tough stance on trade has populist support and is shared by many Democrats, Ross and the new administration are expected to face resistance from leaders in their own Republican Party and others who favor free trade and worry about the U.S. turning inward.

Ross has “misguided views on trade agreements and the trade deficit, [which] in conjunction with his affinity for protectionism and backroom deal-making, will necessitate our vigilance to protect the economy and free markets from the follies of crony capitalism,” wrote Dan Ikenson, trade policy studies director at the Cato Institute libertarian think tank.

Wednesday’s hearing is also expected to spotlight Ross’ vast wealth and whether that, as with his boss, could create conflicts of interest.

Ross, a financier and deal maker known for investments in distressed properties, is estimated by Forbes to be worth about $2.5 billion.

He holds positions in 58 companies and other organizations, mostly as a director, according to a public financial disclosure report filed this week with the U.S. Office of Government Ethics.

Ross’ employment income over the last 12 months, derived from multiple business and investment sources, totaled at least $11 million, and he had millions more in earnings from stocks and other assets. He reported having employment agreements with 29 parties.

Unlike Trump, who as president will be exempt from federal ethics laws and plans to retain ownership of his business empire, Ross has agreed, upon confirmation, to step down from most of the positions he holds and divest his financial interests in a number of companies and entities, in particular Invesco Ltd. and Exco Resources.

Ross listed 40 assets that he would divest within 90 days of confirmation and another 40 financial entities to be sold off within 180 days. He identified nine assets in which he said he would retain a financial stake, but promised not to be involved in any way to benefit personally.