



Farmers, GOP Lawmakers Question Trump's \$12B Agriculture Lifeline

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A bevy of Republican lawmakers this week lambasted President Donald Trump's plans to infuse \$12 billion of emergency aid into a U.S. agriculture industry increasingly at risk of taking collateral damage from the administration's efforts to retool America's international trade standing.

Despite the criticism, however, few conservative lawmakers have taken immediate action to rein in the president's ability to erect trade barriers without consulting Capitol Hill.

And several of the president's most vocal Republican critics have declined to run for re-election, leaving others within the party's ranks to choose between sticking to conservative orthodoxy – generally pro-trade, anti-subsidy – or criticizing a president considered deeply popular among the GOP's voter base.

"The only real factor constraining Trump's prosecution of his trade war is the potential that workers in red states will abandon the cause and turn on him. Aid to farmers mitigates that concern," Daniel Ikenson, director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies, said in a statement Tuesday.

Indignation among Republican lawmakers was swift once news broke that the Trump administration would funnel \$12 billion into propping up an agriculture sector that's been increasingly targeted by China and other U.S. trade partners as Trump and his international counterparts announce a series of tit-for-tat tariffs and barriers.

Sen. Jeff Flake, R-Ariz., is one of several GOP lawmakers to frame the president's actions as equivalent to a series of "taxpayer-funded bailouts" designed to address fallout from trade disputes in which Congress didn't formally choose to engage.

"These tariffs are a massive tax increase on American consumers and businesses, and instead of offering welfare to farmers to solve a problem they themselves created, the administration should reverse course and end this incoherent policy," Sen. Bob Corker, R-Tenn., said in a [statement](#) Tuesday.

Sen. Orrin Hatch, meanwhile, indicated in a [tweet](#) that the U.S. needs to "find a better approach toward current trade challenges" that doesn't involve "giving handouts." The Utah Republican has previously expressed interest in advancing legislation that would place greater limits on the president's ability to enact trade barriers without consulting Congress.

Arguably one of the more notable Republican lawmakers to split from the president over his farm subsidies is Rep. Jeb Hensarling, R-Texas, the outgoing chairman of the House Financial Services Committee who at one time was rumored to be among the front-runners to serve as Trump's treasury secretary.

"A tariff is a tax. So we have a policy now that is taxing the American consumer and then bailing out U.S. farmers with welfare. I don't get it. I don't agree with it," Hensarling said Wednesday morning at a CNBC event held in Washington, D.C. "I thought Barack Obama had too much power. I think that Donald Trump has too much power. And I think that Congress needs to reassert their authority. And last I read the Constitution, it's Congress that has authority over tariffs."

Erecting trade barriers is technically under the purview of congressional lawmakers, but the president under Section 232 of the Trade Expansion Act of 1962 is able to bypass Congress on the basis of national security. Hensarling called on the administration to "drop any pretense of using [Section 232] to say that my 11-year-old Honda Accord is a threat to national defense," but lawmakers to this point have not signed off on a bill that would rein in Trump's executive authority.

"The \$12 billion to bail out farmers is troubling for at least three reasons: First, it begins to show the steep costs of the president's trade war, costs that are likely to mount. Second, increasing subsidies to farmers moves us away from free and fair trade and is likely to cause new troubles with trade partners," Phil Levy, a strategy professor at Northwestern University's Kellogg School of Management, said in a statement Tuesday. "Finally, it subverts the budget process and Congress' power, as Congress never appropriated money to heal the self-inflicted wounds of the president's trade policy."

The tariffs and subsequent agriculture support package also drew condemnation from Sens. Rand Paul, R-Ky., and Ben Sasse, R-Neb., who are among the president's more regular conservative critics. And Sens. Lisa Murkowski, R-Alaska, and Ron Johnson, R-Wisc., also expressed skepticism over the plan's long-term efficacy.

But Flake, Corker, Hatch and Hensarling have all announced plans to step down at the ends of their respective terms. Lawmakers still dependent upon the Republican base for re-election have generally been less outspoken in batting down the president's policies and calling for greater congressional oversight on the trade front.

"This latest step raises the odds that Congress legislates some limits on the president's trade authority, although we still view that as unlikely," Nancy Vanden Houten, a senior economist at Oxford Economics, wrote in a research note Wednesday.

The Trump administration has for months been threatening – and, more recently, following through on – the introduction of tariffs and trade barriers to the U.S. marketplace. China is chief among Trump's targets, but he has also enacted steel and aluminum tariffs on products exported from Europe, Canada and Mexico, among other trade partners.

The president on Wednesday appeared to make progress in easing trade tensions with European allies following a White House meeting with European Commission President Jean-Claude Juncker. Trump said during a news conference that the parties are working toward "zero tariffs," but that announcement comes only a day after the president tweeted that tariffs "are the greatest!"

"Either a country which has treated the United States unfairly on Trade negotiates a fair deal, or it gets hit with Tariffs," Trump tweeted on Tuesday.

But Trump's tariffs have led to retaliatory actions that have hung some U.S. exporters out to dry. Prices have swung considerably for some U.S. farm products in recent weeks as growers fear the long-term viability of crops targeted by international trade barriers. Soybean exporters, for example, were particularly worried earlier this month when bushel prices plunged to their lowest levels in a decade. The price swing followed China's introduction of U.S. soybean tariffs and its elimination of duties on soybeans from nearby India.

Trump's promised \$12 billion lifeline – which consists of a three-pronged approach including direct payments to certain producers, the purchase of excess products and investment in Agriculture Department efforts to find new markets for U.S. goods overseas – has been touted as a boon to farmers, many of whom reside in red states and districts and who largely voted for Trump during the most recent presidential election.

But that \$12 billion figure was thrown into question on Wednesday when Trump's top economic adviser suggested that was just a ballpark estimate.

"What we put on the board is what I think is a temporary assistance measure. I don't think it's going to get near to \$12 billion. I think the sums are going to be much lower," Larry Kudlow, head of Trump's National Economic Council, said during an interview on "CBS This Morning." "Nobody's really thrilled about this. We're just trying to protect American agriculture from some of the unfair trading practices."

Notably, however, several farmers and agriculture-focused trade groups have spoken out against the one-time subsidies against a backdrop of uncertainty over where they will sell their products in the years to come. Brian Kuehl, executive director of the Farmers for Free Trade coalition, said in a statement Tuesday that "the best relief for the president's trade war would be ending the trade war."

Meanwhile, Kalena Bruce, a rancher living in Stockton, Missouri, who describes herself as "a farmer and a Trump supporter, wrote in an op-ed published Wednesday by The Washington Post that "Trump's aid package tacitly admits, tariffs hit farmers especially hard."

"Many of Trump's farmer supporters like me are holding out hope that these tariffs are part of a grand strategy to reduce trade barriers for U.S. exporters. But with each passing day, and each new tariff, we get more nervous," Bruce wrote. "Surely there is a less destructive way to hold China accountable for its intellectual property offenses without limiting U.S. export opportunities. This is where we could use a president who 'makes great deals.'"