



## **Tariffs will put Republican loyalties to the test**

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President Trump confirmed that his proposed tariffs on steel and aluminum are going into effect by the end of March. His plans to increase tariffs — 25 percent on steel and 10 percent on aluminum — have met with derision from economists. They fear that trade retaliation will expose the U.S. economy to retaliation and cost jobs.

Economists haven't been the only ones concerned about Trump's actions. The tariffs will test Republican loyalties and reveal just how the party has — or has not — shifted its position on free trade.

Trump has already seen opposition to the move from within the party. Immediately following the White House's statement, Jeff Flake (R-Ariz.) threatened legislation to nullify the action. Senator Flake's response echoes Speaker Paul Ryan's (R-Wis.) earlier concern that tariffs would jeopardize recent economic performance.

The emerging rift between the White House and Congress has been anticipated for some time. During the 2016 campaign, many predicted that Trump's unorthodox approach would inevitably clash with the Republican establishment.

Until recently, Trump's agenda on immigration, taxes and health care has been broadly consistent with the traditional Republican platform. But these new tariffs are different. They represent a significant break from party orthodoxy on trade.

Congressional voting records demonstrate the consistency of Republican support for trade over recent years. Republican members in both the House and Senate voted in favor of pro-trade legislation about 92 percent of the time over the last two decades.

Contrast this with Democrats, whose support hovers around 35 percent for the same period. Part of the story is ideological. Democratic members' votes are far more sensitive to debates over

labor standards, environmental regulations and concerns for “fair trade.” Republicans, conversely, have been the much more reliable supporters of free markets and trade liberalization.

In spite of strong voting patterns, there’s reason to think Republican attitudes have changed in recent years. Fissures in the party on trade and other foreign policy issues began to open a decade ago during the Tea Party movement. The Tea Party highlighted growing anti-globalist sentiment among more conservative elements of the right.

The mounting trade deficit, outsourcing of jobs and the overall decline of U.S. manufacturing became hot-button issues for a Republican Party that was once nearly unanimously in its support of freer trade.

Trump appeared to capitalize on this shift in the 2016 campaign. Touting an “America First” economic nationalism, Trump called for a retreat from formal trade agreements and to stand up against markets that discriminated against U.S. firms.

For many, his election demonstrated that Republicans were no longer reliable cheerleaders for globalization.

The question remains: Just how many Republicans have actually changed their tune on trade? The answer is not clear.

The most recent vote on major trade legislation was in 2015. Back then, many members of the conservative Freedom Caucus voted against extending President Obama’s “fast-track” authority — the legislation that delegates trade negotiations to the executive branch.

However, the opposition fast-track faced may have been simple partisan politics rather than a signal of changing Republican attitudes. After all, the bill eventually passed through both chambers — both Republican-controlled.

Trump’s new tariffs serve as a much more direct test of where Republicans stand. Republicans will have to decide whether to push back against the White House, and that depends on whether they have the votes.

So what can be done?

The details of Flake’s proposal are not yet clear, but there are a couple of options available. First, Congress could take back the political authority delegated under fast-track and deprive the White House of its ability to set the trade agenda unilaterally.

As Cato Institute trade analyst Simon Lester notes, the legislative branch ultimately retains constitutional authority on trade policy. They can effectively veto Trump’s tariffs.

Short of rolling back presidential powers on trade, Congress could simply oppose Trump’s initiatives in other areas. Here, Republicans would need a compelling interest in clashing with the White House on other policy areas.

Both possible responses depend on whether Republicans have the votes necessary to stop the tariffs. If the party is truly divided, there will have to be a bipartisan coalition to intervene. That

might be difficult given Democrats' traditional opposition to trade. But it's certainly not unheard of. The majority of America's free-trade agreements were ratified with significant support from both sides of the aisle.

Of course, what ultimately matters is the looming election. Whether Congress acts will depend on the mounting political opposition to Trump's economic nationalism. Wall Street reacted negatively to Trump's original announcement, and manufacturers expressed worries over rising prices.

Given Republicans' growing concern over their prospects in the midterm elections, they can ill afford a trade war. Especially if that war hits average voters' wallets.