

Hood: Trade factors are difficult to measure

John Hood

December 29, 2018

There has always been a robust political debate between advocates of free trade and advocates of manipulating the terms of trade to protect special interests. But the partisan affiliations of these two factions have fluctuated over time.

Consider these examples from contemporary politics:

As North Carolina-based trade attorney Scott Lincicome pointed out in a recent Cato Institute paper, Republicans expressed mostly positive views about free trade during the presidency of George W. Bush, who pushed for more free-trade agreements, while Democrats expressed mostly negative views, from rank-and-file voters all the way up to presidential hopefuls Barack Obama and Hillary Clinton.

But during Obama's second term, when he was seeking support for the Trans-Pacific Partnership to expand free trade around the Pacific Rim, "these views flipped," Lincicome observed, "with Democrats embracing trade and Republicans becoming trade skeptics."

This isn't merely an oppositional effect, a pro-trade White House vs. a party out of power. It's a cuing effect.

One of the few political issues about which Donald Trump has been consistent throughout his decades in the public eye is his criticism of free-trade policies. Not coincidentally, Republicans have been more likely than Democrats since the rise of Trump to endorse tariffs — despite the indisputable fact that tariffs are tax increases, not typical GOP fare.

One way you can tell this is a "follow the leader" dynamic, not a fundamental change in values, is that when pollsters ask a series of questions, rather than just one, most GOP-leaning voters seem to support Trump's tariffs as well as free-trade agreements. They either see no contradiction — believing that the tariffs are merely a negotiating tactic, not a long-term policy choice — or they feel no obligation to reconcile their partisan loyalties with their policy preferences.

That's not to say there haven't been more sweeping partisan realignments in the past. During the early decades of the republic, the party we now know as the Democrats — originally named the Republicans, or Democratic-Republicans — tended to defend free trade. They were opposed on the issue first by the Federalists, then by the Whigs, and eventually by the Republicans of the late 19th and early 20th centuries.

Still, each party contained dissenters. Democratic presidents such as Andrew Jackson, James K. Polk and Grover Cleveland faced off repeatedly with protectionist members of their own party, often from industrial areas where both factory owners and workers sought protection from foreign competitors.

At the same time, the Whig and Republican parties contained a fair number of free traders, ranging from agricultural interests and consumer advocates to urban professionals and anti-corruption crusaders.

During the latter decades of the 20th century, however, the Republican Party of Ronald Reagan and his presidential and congressional successors made a clear turn toward free trade (some wearing Adam Smith neckties to their Capitol Hill or West Wing offices just in case the point wasn't clear) while Democrats with close ties to organized labor became increasingly protectionist.

There has always been an ardently protectionist faction in our politics, an equally committed free-trade faction, and a "malleable middle," as Lincicome put it, "whose views depend on the political moment." The latter group mixes generally positive feelings about the benefits of international trade with caution about national sovereignty and suspicion of foreign actors such as China.

The most recent poll of North Carolina voters on the topic, I think, was a High Point University survey in October. Asked whether "in general" they thought "free-trade agreements between the U.S. and other countries have been a good thing or a bad thing for the United States," 54 percent said good, 24 percent said bad, and 23 percent weren't sure.

But only a third of respondents said they had heard "a lot" about Trump's tariffs, only 18 percent said they were worried "a lot" about the tariffs costing them money, and most said they had yet to see any impact on their household budgets.

Public opinion about trade is both important and hard to measure. Interpret with care.