

# The Dallas Morning News

## **TRADE OFTEN DOMINATED TRUMP'S FIRST-TERM AGENDA. BUT IT'S SLIPPED FROM THE 2020 FOREFRONT, EVEN IN TRADE-HEAVY STATES LIKE TEXAS**

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Dallas Morning News  
September 23, 2020*

WASHINGTON — President Donald Trump has upturned the status quo on international trade unlike any modern-day occupant of the White House, fulfilling a campaign pledge to spare nobody's feelings in taking on countries he's long accused of ripping off the U.S.

The Republican's tactics have often dominated his agenda, both politically and policy-wise, holding enormous stakes for a trade-dependent state like Texas.

But trade has taken a back seat in the waning months of this year's White House race between Trump and Democrat Joe Biden, even before the contest was jolted anew by an opening on the Supreme Court following the death of Justice Ruth Bader Ginsburg.

Cross-border commerce, tariff fights and global trade deals have simply been supplanted by other matters — most notably, the coronavirus pandemic and its resulting economic fallout.

"When you think about what's going on with the health issues and the overall economic anxiety ... I don't know that trade will be at the top of the list of issues," said Vance Ginn, chief economist at the Texas Public Policy Foundation, a conservative think tank based in Austin. What's most remarkable about that shift is that the fundamentals of Trump's trade policy are all still there.

An epic trade war with China rages on. Tariffs on hundreds of millions of dollars in imports — typically paid for by U.S. businesses and consumers — remain a drag on the economy. A landmark revamp of a trade deal between the U.S., Mexico and Canada has now officially taken hold. The president also continues to cite the issue as a foremost example of his "America First" mentality to governing.

But China's role in the COVID-19 outbreak looms larger than its trade gamesmanship. Added tariff costs often pale in comparison to businesses' existential crisis of finding enough customers amid the pandemic. The new North American trade pact hasn't been in effect long enough to evaluate.

Perhaps the most telling signal of trade's punctured standing as a campaign issue is that Biden has been

comfortable enough to echo some of Trump's views on the topic, even admitting that the president's reboot of the North American trade deal is better than the original. That approach may reflect a narrow focus on what both candidates see as a strong message to voters in manufacturing-heavy swing states in the Midwest. Or it may underscore how Trump has flipped the norms on cross-border commerce by being a Republican skeptical of free trade.

Or it may just be that Trump, in part by scoring a win like the U.S.-Mexico-Canada Agreement, was unusual in bullying the nebulous topic of trade to the political forefront for as long as he did.

"Most people don't vote on trade," said Scott Lincicome, a Texas native and trade expert at the libertarian Cato Institute, explaining that even significant changes in trade policy don't always produce impacts that are obvious to everyday consumers.

### STILL A BIG DEAL FOR TEXAS

Trade, in any case, remains a big deal in Texas.

The Lone Star State is among the biggest trading states in the U.S. Entire industries — and hundreds of thousands of jobs — have cropped up to support that commerce. Both Republicans and Democrats in Texas tend to be relatively open to free trade, especially as it relates to North America.

So Trump's swaggering trade rhetoric has held significant implications for the Lone Star State.

Trump pitched himself as a "tariff man." He threatened to withdraw from the North American Free Trade Agreement, which he tagged as the "worst trade deal ever." He accused not only rivals like China of taking advantage of the U.S., but also close allies like the European Union of doing the same.

The president then backed up those words with action, launching trade wars across the globe.

But "if you're honest about his scorecard, it's pretty modest," said Antonio Garza, a Texan who served as U.S. ambassador to Mexico under President George W. Bush and who's continued to closely watch trade relations as counsel to White & Case in Mexico City.

"This administration has been very good about identifying problems that in fact existed," he continued, citing as an example China's disregard for intellectual property rights.

# The Dallas Morning News

“But they’ve lacked a coherent strategy and approach to solving them.”

Trump succeeded in redoing NAFTA. But his U.S.-Mexico-Canada Agreement mostly enshrined the trade deal he so despised. Trump reached a détente with China. But there’s little evidence Beijing is committed to any real concessions on trade. Trump captured the world’s attention with his tariffs. But Americans have often been left paying an ever-growing bill.

The end effect may depend on one’s perspective, even in Texas.

Justin Yancy, president of the Texas Business Leadership Council, described the overhauled North American pact as critical. Even though it’s not been in effect for long, the fact that the accord is a done deal has provided many businesses much-needed certainty, he said.

That assurance has taken on added importance amid the coronavirus pandemic, serving as a “silent engine in our recovery,” he added.

## TARIFFS STILL A PROBLEM

But at Fort Worth-based Samsill, an office supply company, spokesman Drew Bowers said the company is dealing these days with the double-whammy of reduced sales due to the pandemic and the continued imposition of tariffs on a wide range of goods it imports from China. Samsill is hardly an outlier, either.

“It’s not sustainable — the math doesn’t add up,” Bowers said, stressing that the import taxes are “real expenses that are paid for up front.”

“We can do this for a year or two, but this is not something that companies can survive for five years,” he said. Those countervailing dynamics help explain the muddled election-year politics around trade, even before the coronavirus proceeded to dominate the agenda by coupling a historic public health crisis with an economic downturn that has proved stubbornly resistant to recovery.

But whether or not trade resonates as a campaign issue, it is still sure to be significant over the next four years. China is an obvious example, representing a major challenge that either Trump or Biden will have to confront head on. The Asian economic power continues to earn criticism for skirting trade rules, even after the onslaught of tariffs that Trump put into place over the last few years. Consider also the U.S.-Mexico-Canada Agreement.

The pact may already be ratified and implemented. But now it must be enforced, particularly in regards to several union-backed provisions that the Democratic-run House included to toughen the accord’s standards on labor, the environment and the pharmaceutical industry.

“There is still a lot of work to be done to ensure that this new deal is effective in protecting good jobs, preserving our environment and ensuring workers’ rights,” United Steelworkers International president Tom Conway said this summer.

Trump’s unpredictable approach is predictable at this point.

Then there’s Biden, who voted for NAFTA in 1993 and then unsuccessfully tried to win support for the Trans-Pacific Partnership, another major free trade deal roundly criticized by Trump, when he served as vice president under President Barack Obama.

Trump has sought to use those facts as a wedge issue in manufacturing hubs like Michigan.

“Biden supported every disastrous globalist sellout for over a half a century, including NAFTA, China and TPP,” Trump said at a recent rally, also mocking Biden for saying that the U.S.-Mexico-Canada Agreement was an improvement over its predecessor.

But Biden, who’s struck a blue-collar friendly, “Made in America” tone on the campaign trail, explained in an interview on CNN that even if the new North American pact is better, Trump’s “overall trade policy and how he deals with it made everything worse.”

Texas Democratic Party spokesman Abhi Rahman echoed that point, accusing the president of “recklessly and baselessly threatening Texas’ economic well-being” through his trade policy and “engaging in huge tariffs hurting Texas farmers.”

Some experts also said it’s conceivable that Biden would take a harder line on enforcing the new North American deal, in part because the most contentious issues reflect Democratic priorities.