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How Tariffs Deepened the D.C. Swamp

Maybe the GOP will stand up on trade once Joe Biden is picking winners.

By The Editorial Board

President Trump will soon leave town, but his tariffs may be staying. Joe Biden hasn't been exactly clear about his trade policy, so perhaps it's time to point out one unsightly effect of the Trump tariffs: expanding the D.C. swamp.

Republicans who cheered when the Trump Administration picked winners and losers might soon find out what it's like when the Biden Administration does it.

Take Missouri Sen. Josh Hawley, who lobbied last year for a company in his state, SM Products, to get tariff exclusions on imported Chinese-manufactured saw blades.

In a Sept. 19, 2019, letter to the U.S. Trade Representative (USTR), four members of Missouri's congressional delegation, including Mr. Hawley, argued that "it would not be beneficial to impair a small American company that does not have the financial resources or alternative supply chain options." Since SM's costs and prices are "locked in many months before delivery," the legislators wrote, the Missouri company "must absorb the entire cost of the tariffs," likely precluding profitability.

Join the club. Countless American businesses were in a similar situation. Most weren't lucky enough—or connected enough—to have a U.S. Senator pleading their case. Yet you might be surprised. As Mr. Trump's tariffs began to bite, Congress sent hundreds of letters to the USTR, supporting specific **tariff exclusions**. The examples here are taken from about 100 pages of correspondence from 2019, obtained via a Freedom of Information Act request.

Mark Meadows, now the White House chief of staff, urged tariff exclusions in a Nov. 22, 2019, letter, aiming to prevent “severe economic harm to an important business in my district.” He said the USTR had “my wholehearted support in your work to combat Chinese intellectual property theft and industrial espionage.” But given how fast Mr. Trump’s tariffs were kicking in, “it was not possible for Fairfield Chair to develop a new relationship with a new supplier of similar quality.” Please, please don’t tax these beech wood components from China.

In each of these cases, the tariff will cause severe economic harm to an important business in my district. The items in question are not involved in Chinese industrial programs, such as China 2025. While you have my wholehearted support in your work to combat Chinese intellectual property theft and industrial espionage, I believe this important focus need not encompass the furniture products imported by Fairfield Chair.

As you know, it is extremely difficult for importers to reorient their international supply chains away from longstanding, specially-trained suppliers to new suppliers in new countries. Fairfield Chair has done more than its due diligence in attempting to find alternative suppliers and has already engaged in a serious effort to assess its ability to reorient its supply chain. Given the timeframe of these tariffs, it was not possible for Fairfield Chair to develop a new relationship with a new supplier of similar quality in time to avoid the tariffs in question. Without the granting of the two exclusion requests before you, Fairfield Chair will be forced to raise prices to customers and potentially lay off employees.

Fairfield Chair is an exceptional business. They are truly members of the community and are a vital pillar supporting the economic health of my North Carolina’s 11th Congressional district.

I ask that you give their request full consideration and believe you will find their case convincing. Thank you for your service.

Sincerely,



Mark R. Meadows
Member of Congress

Arizona Rep. Andy Biggs wrote Aug. 27, 2019: “Make no mistake: I strongly support President Trump’s persistent efforts to ensure that our nation is no longer taken advantage of by our Chinese trading partners.” Alas, he added, tariffs on patio screens and pet grilles would “hurt the many small businesses that rely on these imports, including Unique Home Designs.”

Sen. Lindsey Graham sent many letters. “China’s behavior has unjustifiably burdened and restricted U.S. commerce and I am encouraged by President Trump’s attention to this important issue,” he wrote. Yet tariffs “could put South Carolina companies at a competitive disadvantage.”

On TV, Mr. Graham said things like: “We’ve just got to accept the pain that comes with standing up to China.” In private correspondence, he urged “careful consideration” of exclusions on everything from Electrolux condenser coils to Z-Man fishing tackle.

Other letters illustrate the insanity of letting the feds micromanage trade. Congressman Bob Latta spoke up Oct. 17, 2019, for Campbell Soup, which has “a significant presence” in his Ohio district. “The sweet potato juice concentrate sourced by Campbell is from a raw sweet potato variety whose flesh is yellow or white, but never orange,” he wrote. Suppliers outside China “cannot meet clarity specifications.”

A tariff is a blunt instrument that scrambles the supply chains of people with exacting standards for their never-orange-sweet-potato-juice concentrate—plus thousands of other products. An Aug. 27, 2019, letter from Kentucky Rep. Thomas Massie floated an exclusion for “TFM,” an ingredient in Iofina Chemical’s “Lampricide,” which is used to “control the invasive sea lamprey population in the Great Lakes.”

Rep. Steny Hoyer signed a letter, “on behalf of the Congressional Fire Services Caucus,” asking for an exclusion on smoke alarms. North Carolina Senator Thom Tillis sought one for Honda’s lawn mower flywheels. For Sen. Sheldon Whitehouse, it was BedJet’s “ultra-thin adjustable bed ‘device.’” For Congressman Doug Collins, Home Depot’s light fixtures. For Sen. Patty Murray, empty coffee K-cup pods.

Some of these exclusions were granted, and many weren’t. It’s difficult to know if lobbying by Congress made a difference, since the Trump Administration’s approval process is a black box. Return letters from the USTR, Robert Lighthizer, generally consisted of polite boilerplate, with an invitation: “Please do not hesitate to call me if you would like to discuss this or any other issues.”

Supporters say Mr. Trump's tariffs were necessary to get China's attention on trade, though the restrictions on Huawei have probably been more effective on that score. In any case, the tariffs aren't cost-free. One substantial downside is more political interference in the economy. Pretty swampy, but maybe Republicans will be more suspicious when Mr. Biden's appointees are in charge.