



Congress

Lawmakers, businesses warn of long-term damage of tariffs

“Tit-for-tat tariffs as a negotiating tactic are very, very dangerous”



Pennsylvania Sen. Patrick J. Toomey has a bill that would limit the ability of the president to impose levies for national security reasons. (Tom Williams/CQ Roll Call file photo)

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The Trump administration may have pushed trading partners to come to the negotiating table with tariffs, but a Delaware soybean farmer and a Virginia distillery owner say business people like them are paying a price for the tactic.



At a Wednesday press conference by Tariffs Hurt the Heartland, Senate Republicans Patrick J. Toomey (https://www.rollcall.com/members?422&utm_source=memberLink?utm_source=memberLink) of Pennsylvania and Ron Johnson (https://www.rollcall.com/members?32657&utm_source=memberLink?utm_source=memberLink) of Wisconsin joined Democrats Thomas R. Carper (https://www.rollcall.com/members?634&utm_source=memberLink?utm_source=memberLink) of Delaware and Mark Warner (https://www.rollcall.com/members?2693&utm_source=memberLink?utm_source=memberLink) of Virginia in decrying the tariffs, which they said are squeezing businesses and could eventually take a bite out of the U.S. economy. Tariffs Hurt the Heartland represents 150 organizations from several industries.

They want steel and aluminum tariffs on Canada and Mexico lifted, pointing to President Donald Trump's pledge to cancel the duties once the U.S. renegotiated the 1994 North American Free Trade Agreement with the two countries. The three countries signed the product of those talks, the United States-Mexico-Canada Agreement, on Nov. 30. Implementing legislation for the revised trade pact has yet to be sent to Congress.

The lawmakers also urged the administration not to increase the tariff rate from 10 percent to 25 percent on imports from China valued at \$200 billion or to pursue tariffs on foreign-made autos and auto parts, as Trump has threatened to do with European car imports.

Toomey, whose bill would limit the ability of the president to impose levies for national security reasons, said U.S. tariffs in 2018 sparked retaliatory duties that raise costs for businesses and make U.S. products more expensive and less competitive against foreign competitors in those markets.

Ohio GOP Sen. Rob Portman (https://www.rollcall.com/members?373&utm_source=memberLink?utm_source=memberLink) filed legislation Wednesday that would shift the authority to the Defense Department to determine if a national security

 rationale exists for imposing future tariffs. The Commerce Department determined there was a national security basis for the steel and aluminum tariffs on Canada, Mexico and other countries. 

“Tit-for-tat tariffs as a negotiating tactic are very, very dangerous.” Toomey said.

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Charles Boustany (https://www.rollcall.com/members?22822&utm_source=memberLink?utm_source=memberLink) Jr., a former Republican House Ways and Means member who currently is spokesman for Tariffs Hurt the Heartland, said lawmakers should pay attention to a study commissioned by his group.

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The study projects job losses ranging from 934,700 if a series of tariffs levied by the administration and retaliatory duties by other countries remain in place over a one to three-year period. The potential job losses could reach 2.2 million under a doomsday scenario if

~~the~~ the U.S. and Beijing don't reach an agreement by March <https://www.rollcall.com> and if the administration imposes 25 percent tariffs on imported cars and parts.

“Given that the administration has continually followed-through on escalating the trade war, the lost jobs, income and GDP in this report can't be taken lightly,” Boustany said. “It's time for the administration to take tariff increases off the table for good, end the threat of new tariffs and finally bring an end to the crippling tariffs we are facing right now.”

Under its base scenario, the gross domestic product could be nicked by less than 0.4 percent and a family of four could see annual costs for goods increase by \$767. Under the worst case scenario, the annual impact on the gross domestic product would be just over 1 percent and the additional cost to a family of four would be \$2,389.

Richard Wilkins, president of the Delaware Farm Bureau, and Scott Harris, founder of Catoctin Distillery in Purcellville, Virginia, said they've already been affected by the U.S. tariffs.

Wilkins, a soybean farmer, said market prices and overseas sales have fluctuated after China retaliated with a 25 percent tariff on U.S. soybeans in response to the 25 percent U.S. tariff slapped in June on Chinese imports valued at \$34 billion.

Wilkins said the loss of Chinese sales combined with a fifth year of low market prices is causing financial pain.

“Between 2013 and 2018, we saw a 50 percent reduction in our take-home pay, our net farm income,” he said. “On top of the already 50 percent reduction in net farm income, now we've had to be hurt by this 20 percent reduction in value of a crop that supports our operation.”

However, Wilkins said he and his wife have equity in the farm and other assets they can tap. Younger farmers who have been in business only a few years don't have that safety net, he said.

Harris, the distiller, said Europe is a market because American “whiskey sells well. We have great cachet in places like Europe.” But when American whiskey is not being sold, he said buyers can fill the void with products from “Ireland, whiskey from Scotland, whiskey from Japan. India has very good whiskey.”

Harris said U.S. steel and aluminum tariffs on foreign-made metals set back his efforts to diversify his sales and expand his company. The distributor he had lined up to handle sales in London stopped taking his calls after the tariffs were imposed, Harris said.

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