

## **Firing Back at Trump in the Trade War With Tariffs Aimed at His Base**

By EDUARDO PORTER and KARL RUSSELL

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President Trump may have been overstating things when he argued from a United Nations podium last week that the Chinese were going after American farm products to hurt his political base because “they do not want me or us to win.”

But China clearly would like to send a signal to rural American voters.

Mapping the counties that voted for Mr. Trump in 2016 and those affected by China’s tariffs shows the extent to which Trump voters’ jobs rely on the products being targeted. Beijing hopes it can convince those voters — and their elected representatives — that the president’s trade war could hurt them.

Over the summer, the Chinese took aim at Mitch McConnell, the Senate majority leader. In his home state, Kentucky, 18,000 jobs depend on whiskey. So they put a 25 percent tariff on it. Representative Paul D. Ryan, the House speaker, is from Wisconsin, a leading producer of cranberries. So cranberries were added to the list, for good measure. And China went after pork and soybeans, two of the leading farm products in Iowa, home of Charles E. Grassley, a powerful member of the Senate Agriculture Committee.

“Forty percent of our exports are now under punitive tariffs,” said Jim Monroe, a spokesman for the National Pork Producers Council.

**Share of all export-dependent jobs that are threatened by tariffs within counties won by:**

**Trump**

8.1%

**Clinton**

3.2%

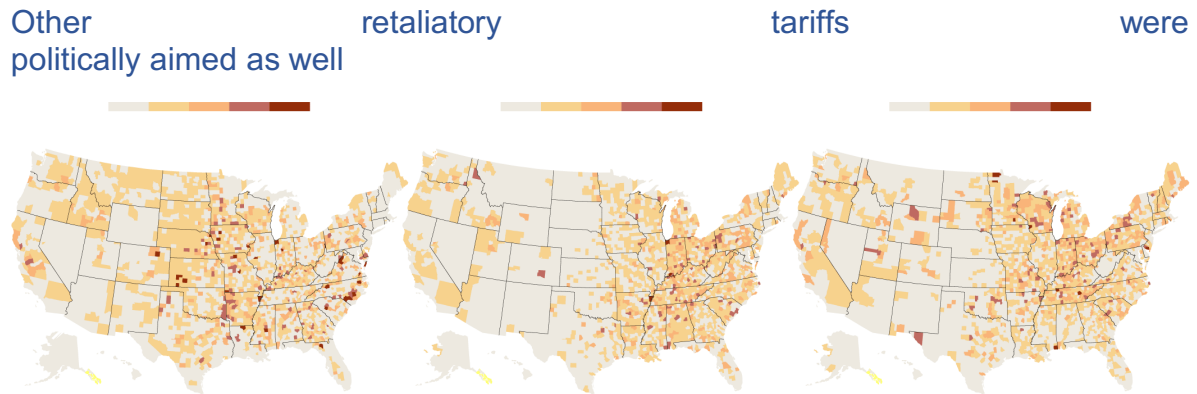
The Chinese aren’t the only ones playing this game. Mexico also took aim at whiskey. So did the European Union. And Canada. Mexico added pressure on Mr. Grassley’s voters with a tariff on pork. The European Union sent a message to the House speaker by singling out motorcycles — delivering a blow to Harley-Davidson, which is based in his state.

While trade relations with Mexico and Canada may be more cordial now that they have reached a deal with the United States to revamp the North American Free

Trade Agreement, Mexican and Canadian tariffs are likely to remain in place until the Trump administration lifts its original protectionist measures.

With China, the war remains hot. Last month, Mr. Trump announced tariffs on \$200 billion worth of Chinese imports to top off the original list of \$50 billion. China has announced retaliation on a total of \$110 billion worth of goods from the United States.

The target lists drawn up by the United States' four largest trading partners show a similar pattern.



### European Union's tariffs

Share of all export-dependent jobs  
that are threatened

Joseph Parilla and Max Bouchet of the Brookings Institution have analyzed [the impact of the tariffs](#) placed on \$121 billion worth of American exports, about 6 percent of the nation's total. About 650,000 people are employed in industries exposed to the new tariffs, they estimated. This includes both workers who make or grow the designated products and those indirectly dependent on their export.

Think of the workers assembling Harleys on the shop floor and the truck drivers hauling finished hogs to port. The geography of the retaliation — two rounds from China and one each from Mexico, the European Union and Canada — reveals the common calculations.

Tariffs are, in the first instance, a shot in the foot. They raise the cost of imports, hurting domestic consumers as well as companies that import intermediate goods — from steel to integrated circuits — that go into their finished products.

In designing a retaliation package, a primary objective is to limit self-inflicted harm. "The first priority is that the tariffs should have a minimum impact on prices of basic consumer goods in Mexico, the second that they don't disrupt our value chains, including products which have alternative sources of supply," said Guillermo Malpica

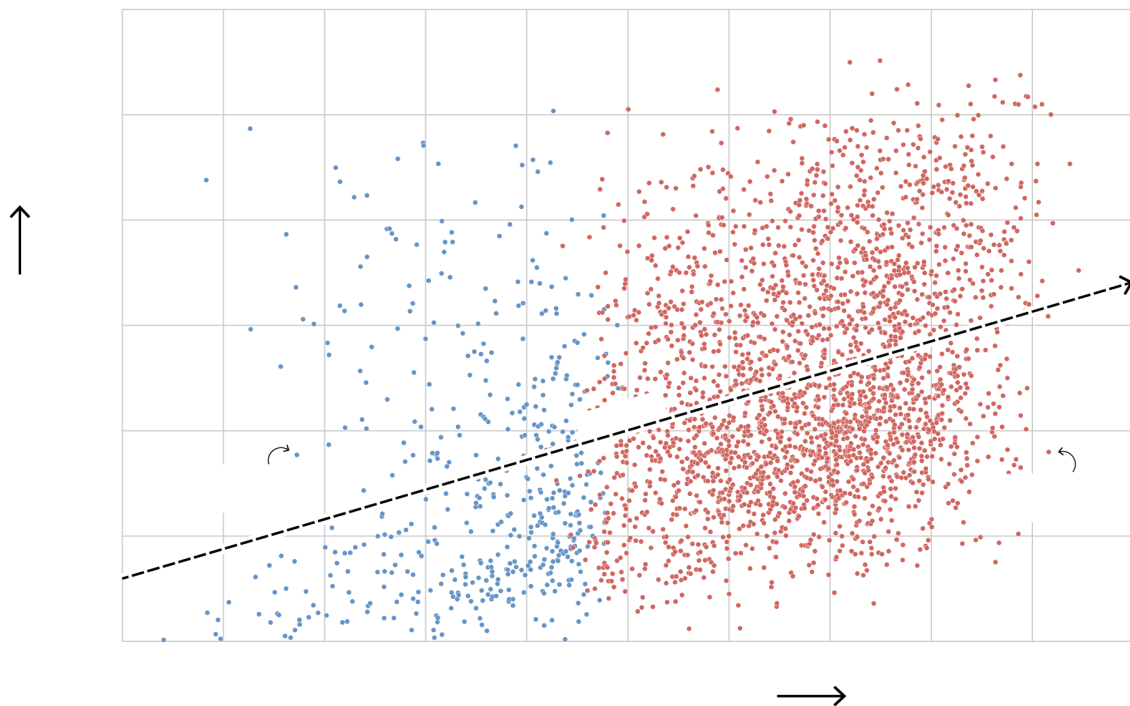
Soto, who heads the office dealing with trade and Nafta for Mexico's Economy Ministry in Washington.

Political messaging comes in third. "We choose states where we can create the right political incentives to get this resolved soon," Mr. Malpica said.

The objective, at least at the beginning, did not require much precision targeting. Other countries could hit mostly Republican-held, pro-Trump enclaves simply by focusing on steel and aluminum — much of which comes from the declining industrial areas that delivered the Midwest to the president — and agricultural goods from rural America, which remains deeply Republican. Even Canada's retaliation, which Ottawa said was dictated strictly by reciprocity, weighs more heavily on Mr. Trump's supporters.

### Trump and his supporters were bigger targets

The Brookings researchers estimated that 13 percent of export-dependent jobs in rural America were affected by the tariffs, in that they depend either directly or indirectly on products hit by tariffs. Big, diverse cities with large service economies are somewhat more insulated. In large metropolitan areas, only 3.5 percent of export-dependent jobs are exposed.



**Share of all export- dependent jobs that are threatened**

Counties

Clinton won

Counties

Trump won

### **Trump's share of county election votes**

But choosing targets has become more difficult. Chad P. Bown at the Peterson Institute for International Economics notes that China was more precise in its first round of retaliation — focused heavily on agricultural products — than in its second round in September. By then it had exhausted its agricultural imports from the United States and had to put tariffs on lots of intermediate goods, parts and components that lack the same political impact and might damage supply chains at home.

#### [Will any of this work?](#)

Tariffs do change behavior. In 1971, President Richard M. Nixon imposed a 10 percent tariff across the board in the hope of forcing Japan, Germany and some other countries to revalue their currencies. The tactic worked within months. In the 1980s, tariffs on Italian wine and French cheese helped persuade the European Union to put its Common Agricultural Policy on the negotiating table in the talks that created the World Trade Organization.

Retaliation can be an effective defense. The Smoot-Hawley tariffs of 1930, imposed by Congress on 800 imported products, as varied as wool and goldfish, are the most notable precedent for the trade war that Mr. Trump seems to have in mind. They set off a tit-for-tat brawl that stifled trade around the world, lengthening the Great Depression.

But Douglas Irwin, a trade historian at Dartmouth College, argues that the retaliation by American trading partners made a difference. Republicans weren't swayed. But once Democrats took over the government in 1933, they heeded the pleas of Southern agricultural interests shut out of European markets. In 1934 President Franklin D. Roosevelt signed the Reciprocal Trade Agreements Act and set off a cascade of tariff reductions.

Those episodes are hardly perfect analogies. But history does suggest it's best to hit back. "It inflicts a political cost and acts as a deterrent," Professor Irwin said. "If he didn't face a political cost, who knows what Trump would do?" He still has a further \$250 billion or so worth of Chinese imports to hit.

Sources: Brookings Institution (tariff data); David Leip's U.S. Election Atlas (election data)