

‘Liberation day’ not so liberating

What was promised as a time of economic freedom is now leading to global trade chaos, rising recession fears

BY ORION DONOVAN SMITH THE SPOKESMAN-REVIEW

WASHINGTON – The sweeping tariffs on imports from across the globe that President Donald Trump announced on Wednesday appear certain to remake the global economy, for better or worse.

“I think you’re going to remember today,” Trump said on Wednesday. “It’s going to be liberation day in America, and it’s going to be a day that, hopefully, you’re going to look back in years to come and you’re going to say, ‘He was right. This has turned out to be one of the most important days in the history of our country.’ ”

As the week drew to a close, with U.S. banks predicting a recession and the S&P 500 stock index down more than 10% since “liberation day,” Northwest Republicans in Congress who have largely stood by the president through his first 75 days in office voiced a mix of concern and optimism about the impact of the import taxes. Meanwhile, trade groups representing the region’s wheat and tree fruit growers said the tariffs may bring about more favorable trade deals at the cost of shortterm economic pain.

Rep. Michael Baumgartner, who represents heavily trade-dependent Eastern Washington, said in an interview on Friday that he understands why many Americans see the tariffs that other countries impose on U.S. exports as unfair, and he respects the fact that voters elected Trump after a campaign in which the president made no secret of his love for tariffs. But the GOP congressman said the tariffs that went into effect on Saturday represent “a departure” from the trade policy of Trump’s first term.

“I’ve long had concerns about tariffs,” Baumgartner said, citing the agricultural commodities that his constituents export largely to markets in Asia.

“Certainly, President Trump thinks they’re going to usher in a new era of economic prosperity, and I hope he’s correct,” he said with a laugh. “But in my role, I’ll continue to advocate – I’ve been in communication with counterparts here on Capitol Hill and across Washington, D.C., expressing some concerns, and will continue to try to navigate those.”

It doesn’t take a degree in economics to know that tariffs tend to slow job growth, Baumgartner said, although he earned one from Washington State University before studying international development at Harvard.

Those studies, and concerns he has heard from constituents since being elected in November, have led the firstterm lawmaker to conclude that tariffs should be used only selectively.

“In general, they are not the best economic tool,” he said. “However, they can be an important geopolitical tool, and I would differentiate between the tariffs on some of our allies versus the tariffs on countries like China.”

After the Trump administration imposed duties of at least 10% on the entire world – including uninhabited islands with zero exports to the United States – and a total of 54% on China, the Chinese government on Friday announced a retaliatory tariff of 34% on U.S. goods. That kicked off what economists expect to be a global trade war as other countries raise their own tariffs in response to the U.S. gambit.

In the weeks leading up to Wednesday’s announcement, Trump insisted that his tariffs were intended to stay in place, not just a negotiating tactic to force other countries to the bargaining table. But in a post on his Truth Social platform on Friday, the American president announced that Vietnam’s leader had agreed to discuss lowering his country’s tariffs on U.S. exports, an early

sign of what some Northwest farmers see as the best-case outcome of a trade war.

Mark Powers, president of the Northwest Horticultural Council, represents tree fruit growers in Washington, Idaho and Oregon who export roughly 30% of their harvest to foreign markets. He said that while the impact of the tariffs remains to be seen, he hopes they will prompt new deals the United States and its trading partners to reduce both tariffs and other barriers, such as regulations, that make U.S. exports less competitive.

“We are, by definition, export-dependent,” Powers said. “We need to export that fruit, because we produce more than we can consume here in the United States.”

Apples, pears and cherries are imported to the United States virtually duty-free, he said, while other countries slap taxes on U.S. exports of those same fruits. India, for instance, imposes a 50% tariff on apples and 30% on pears and cherries from the United States, according to Powers.

“When the president talks about other countries taking advantage of the system, we think he’s probably right,” Powers said.

Rep. Dan Newhouse, a central Washington Republican who represents most of the state’s tree fruit growers, said in a statement that Trump’s tariff plan “aims to level the playing field and rebalance the United States’ deficits with trading partners.”

“Our economy in Washington is heavily trade dependent, and we must find ways to expand existing markets while identifying new trading opportunities,” Newhouse said. “I have consistently raised concerns with unilateral tariffs and the impacts that a reciprocal response would have on the agriculture industry. Strengthening our trade agreements is a shared long-term goal, but we must seek ways to minimize short-term impacts to American families.”

Michelle Hennings, executive director of the Washington Association of Wheat Growers, said the farmers she represents are concerned in the short term about how new tariffs imposed by other countries in response to the U.S. levies will increase the cost of inputs like fertilizer, equipment and parts for repairs.

“We understand the longrange plan for these tariffs and the potential

positives, but the short term could be very stressful, and could cause some farms to go out of business,” Hennings said.

Unlike the years of the first Trump administration, wheat growers in Eastern Washington haven’t managed to break even for the last few years, Hennings said, so they are even more vulnerable to additional costs that tariffs could create.

“It’s all intertwined,” she said. “People don’t understand that it comes back to the farmer. We don’t have any way of passing on those costs, as wheat farmers, because we rely on our export system and the market we have.”

Rep. Mike Simpson, a Republican who represents Eastern Idaho and most of Boise, said in a statement that other countries’ “unfair trade practices have burdened American workers for many years.”

“President Trump understands that free trade must be fair, and his efforts to lower tariffs globally reflect that commitment,” Simpson said.

“While it is too soon to tell if Idahoans and Americans may feel some short-term pain, these negotiations aim to put America’s economy first, and I trust this long-term strategy will pay off.”

The rest of Idaho’s all-GOP congressional delegation – Rep. Russ Fulcher and Sens. Mike Crapo and Jim Risch – didn’t respond to questions about their position on the tariffs.

Democrats, meanwhile, have raised the alarm. In a statement on Friday, Gov. Bob Ferguson of Washington called the duties “a direct threat to affordability and prosperity for families, communities, and businesses across Washington state.”

After Sen. Maria Cantwell of Washington joined a top Senate Republican on Thursday to introduce a bill that would give Congress the power to end the tariffs, Ferguson called on lawmakers to pass it. Rep. Don Bacon, a Nebraska Republican, announced on Friday that he would introduce the same bill in the House, but Baumgartner dismissed the chances of both chambers overriding Trump’s veto of such a bill as outside the realm of political possibility.

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