



AMERICANS *for* TAX REFORM

March 15, 2018

The Honorable Warren Davidson
United States House of Representatives
1004 Longworth HOB
Washington, DC 20515

Dear Congressman Davidson:

I write in support of H.R.5281, the Global Trade Accountability Act. This legislation reasserts Congressional oversight and accountability over trade-related decisions made by the Executive Branch. All members of Congress should support your important legislation.

Specifically, the Global Trade Accountability Act requires the president to secure a joint resolution from Congress before any “unilateral trade action” – including tariffs – can take effect.

While presidents are granted the power to negotiate international trade agreements, this historically has not included the authority to impose tariffs. Instead, the power to impose tariffs and regulate foreign commerce is granted to Congress under Article 1, Section 8 of the United States Constitution.

Over the years, Congress has ceded its authority to the president by allowing the executive to raise tariffs and restrict imports unilaterally. Most recently, President Trump proposed imposing tariffs on steel and aluminum as a negotiating tactic to ensure American businesses and families have better trade deals.

While this is the right goal, imposing tariffs is the wrong solution. Tariffs are taxes, and increasing them will, on net, hurt American manufacturing, its workers and their families.

In the case of steel and aluminum tariffs, while there will be some winners – in this case the domestic industries that manufacture steel and aluminum – there will be far more losers. Every industry that uses these products as an input will see higher prices, leading to increased costs for consumers, and lower wages and fewer jobs for American workers. Ironically, countries without these tariffs will be advantaged over the U.S.

Imposing tariffs risks starting a civil war within the U.S. economy by picking winners and losers among American workers and businesses.

Consumers will be clear losers as they will see higher prices on everyday products like cars, soda, and beer. But the real trade war we have to fear is the war between different sectors of the U.S. economy.

Tariffs also threaten to undercut the increased wages and greater take-home pay coming from tax reform. Because of tax reform, ninety percent of Americans are seeing more money in their paychecks, while at least four million workers are seeing higher salaries or bonuses.

Given the potential economic damage that tariffs can cause to the U.S. economy, it is crucial that Congress reasserts its authority over trade policy. As such, all members of Congress should support the Global Trade Accountability Act.

Onward,

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President, Americans for Tax Reform

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