



PROGRAM FOR PUBLIC CONSULTATION

SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

AMERICANS ON INTERNATIONAL TRADE POLICY



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OVERVIEW

During the 2016 election, Donald Trump articulated a wide-ranging critique of the post-war international order, America's role in that order, the international trade regime, and numerous aspects of US trade policy. Though he was elected by less than half of the electorate and continues to get job approval from less than half in polls, Trump's challenges have generated much debate about whether his election reflects significant change in public support for policies that have been sustained across a series of administrations from both parties. In response to this query, the Program for Public Consultation (PPC) of the School of Public Policy at the University of Maryland has undertaken a large-scale study of US public attitudes on the post-war world order and US foreign policy.

A major portion of this study, conducted in conjunction with Saul Stern Professor I.M. Destler, is an exploration of US public attitudes on the post-war international trade regime and the various initiatives under the current administration widely seen as challenging that regime.

This topic is particularly appropriate for the public consultation method that approaches issues in a more fundamental manner than standard polls. Respondents are given the opportunity to re-evaluate fundamental questions that have shaped the broad principles of policy before evaluating more specific policy actions.

Design of the Survey

Respondents were first given a briefing which set the stage by reminding respondents of the international agreements and institutions that the US and other countries established in the post-war period, in general, and then specifically in regard to the system that seeks to promote international trade. They were told there was a debate about whether the international effort to promote trade continues to serve US interests and then evaluated an extensive series of arguments in support of and against this effort. Only then did they make their assessment. They went through a similar process in regard to US participation in the World Trade Organization.

Next, they were given the opportunity to evaluate a number of current efforts to mitigate some of the negative effects of trade, especially for American workers. These included increasing unemployment benefits, worker retraining and education, Trade Adjustment Assistance, and including labor and environmental standards in trade agreements. For each one they were given a briefing and evaluated pro and con arguments before providing their conclusion on these efforts.

Finally, they were asked to evaluate a number of controversial steps taken by the administration. These included the imposition of steel and aluminum tariffs, tariffs on China, and efforts to revamp the North American Free Trade Agreement. Once again, for each issue respondents were given a briefing and evaluate arguments for and against each initiative before making their final judgment. The content of the survey was reviewed in advance by experts across the spectrum of opinions on the issues.

Fielding of Survey

The survey was fielded by Nielsen-Scarborough with a probability-based representative sample of registered voters. The sample was provided by Nielsen-Scarborough from its larger sample, which is recruited by telephone and mail from a random sample of households. The survey itself was conducted online. Some questions were only presented to half the sample.

Responses were subsequently weighted by age, income, gender, education, and race. Benchmarks for weights were obtained from the US Census' Current Populations Survey of Registered Voters. The sample was also weighted by partisan affiliation.

Fielding Dates: April 10-May 13, 2019
Total Sample: 2,993 registered voters

Total Sample Margin of Error: +/- 1.8%
Half Sample Margin of Error: +/-2.5%

THE INTERNATIONAL TRADE REGIME

1 Promoting the Growth of Trade Through an International Rules-Based System

Respondents were introduced to the international system for promoting international trade—two-thirds said they were familiar with it. Evaluating arguments for and against continuing to seek to further the growth of international trade through international agreements, in most cases large majorities from both parties found both pro and con arguments convincing, with Democrats responding more to the pro arguments and Republicans responding more to the con arguments. Nonetheless, in the end an overwhelming bipartisan majority approved of United States, together with other countries, promoting international trade through a set of agreed-on rules that seek to lower barriers to trade and to ensure trade is done fairly.

2 The World Trade Organization

A very large majority approved of the US continuing to be part of the World Trade Organization, though for Republicans this was only a modest majority, while Democrats approved overwhelmingly.

MITIGATING THE NEGATIVE EFFECTS OF TRADE

3 Increasing Unemployment Benefits

As a means of addressing some of the negative effects of trade, a bipartisan majority favored increasing unemployment benefits, with a majority favoring increasing the amount from 39% to 50% of previous earnings. However, a bipartisan majority did not support increasing the maximum period of unemployment benefits beyond the current average of 26 weeks.

4 Worker Retraining and Education

Presented several proposals for job training and education under consideration in Congress, very large bipartisan majorities favored proposals to increase spending on training for jobs in cybersecurity and the energy industry, and a proposal to provide employers a tax credit for apprenticeship programs.

5 Trade Adjustment Assistance

A majority of six in ten favored expanding the Trade Adjustment Assistance program to more people who get laid off from their job directly because of an increase in trade, however six in ten Republicans were opposed. Just four in ten, but a modest majority of Democrats, favored extending such assistance to all people who get laid off from their job.

6 Labor and Environment Standards in Trade Agreements

Overwhelming bipartisan majorities favored including in new international trade agreements the requirement that countries abide by both the labor and environmental standards they have committed to, that they do not lower their standards to attract business or to get a competitive edge, and that there is an effective system for enforcing these requirements.

7 Impact of Mitigating Negative Effects on Attitudes About Trade

Respondents who disapproved of promoting greater trade through international agreements, while also favoring steps to mitigate the negative effects, were asked how they would feel about the promoting trade if the mitigating steps they favored were adopted. About half said that they would then favor promoting greater trade through international agreements.

THE USE OF TARIFFS

8 Steel Tariffs

Voters divided sharply along party lines on the US administration invoking the national security exemption and imposing tariffs of 25% on steel imports and 10% on aluminum imports, with a large majority of Republicans approving and a large majority of Democrats disapproving. Overall, a very slight majority approved.

9 Tariffs on China

Voters divided along party lines on whether the US should have imposed tariffs on China without first getting a WTO ruling. Going forward, a modest majority opposed imposing additional tariffs on China to get them to change their trade practices, but instead favored working through the WTO to get a ruling against China. Views on both issues are highly polarized along partisan lines with large majorities of Democrats favoring working through the WTO and large majorities of Republicans favoring imposing tariffs.

North American Trade

10 NAFTA and the USMCA

Asked about the original North American Free Trade Agreement (NAFTA) agreement, a very large majority, including a majority of Republicans, expressed approval. Told about the proposed U.S.-Mexico-Canada Agreement (USMCA) agreement, a slight majority favored it, with large majority of Republicans in support and a modest majority of Democrats opposed. If Congress does not approve the USMCA deal, a large majority favors staying in NAFTA. Those who favored the new USMCA agreement and approved the steel and aluminum tariffs were asked whether they would be willing to lift the new steel and aluminum tariffs on imports from Canada and Mexico if it appears necessary to get agreement on USMCA; most said they would.

FINDINGS

THE INTERNATIONAL TRADE REGIME

1 Promoting the Growth of Trade Through an International Rules-Based System
 Respondents were introduced to the international system for promoting international trade — two-thirds said they were familiar with it. Evaluating arguments for and against continuing to seek to further the growth of international trade through international agreements, in most cases large majorities from both parties found both pro and con arguments convincing, with Democrats responding more to the pro arguments and Republicans responding more to the con arguments. Nonetheless, in the end an overwhelming bipartisan majority approved of United States, together with other countries, promoting international trade through a set of agreed-on rules that seek to lower barriers to trade and to ensure trade is done fairly.

Respondents were given a briefing on how in the post-World War II period the US and other countries established “a number of international agreements and institutions” to address a variety of objectives, among them to “promote international trade.” Going deeper into the objective of promoting international trade, they were told that the US and other countries pursued this objective “by agreeing on a set of rules that seek to lower barriers to trade and ensure trade is done fairly.” They were then informed:

- about the General Agreement on Trade and Tariffs (GATT)
- how tariffs and non-tariff barriers to trade work, and their potential effects
- how GATT rules prohibit arbitrarily raising tariffs, or discriminating against products based on their country of origin

They were then asked how familiar they were with the idea of promoting international trade through such agreed-upon rules. The majority of respondents reported being familiar (very 16%, somewhat 50%), with no significant differences between Democrats and Republicans.

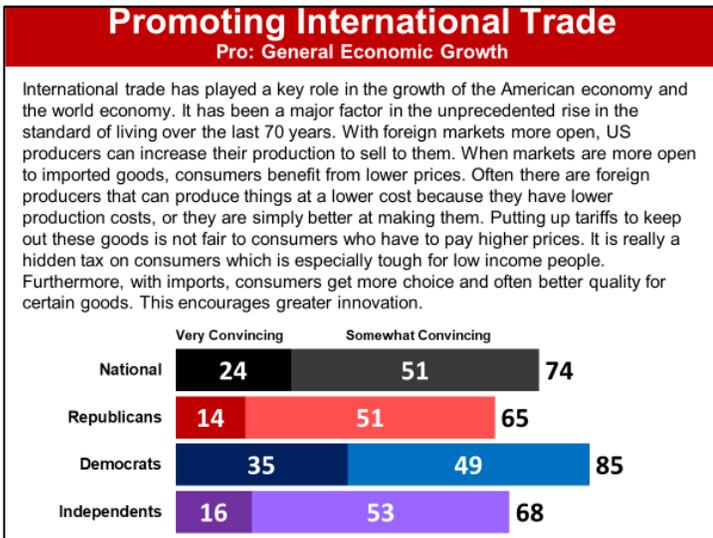
The briefing then turned to the creation of regional trade agreements, explaining that the US has many of these agreements, with the North American Free Trade Agreement being the most well-known.

They were told that there is a debate about the broader question of whether or not the US should continue to seek to further the growth of international trade through international agreements. They were presented a series of pro and con arguments and asked how convincing they found each one. As we will see, both pro and con arguments were most often found convincing by large majorities.



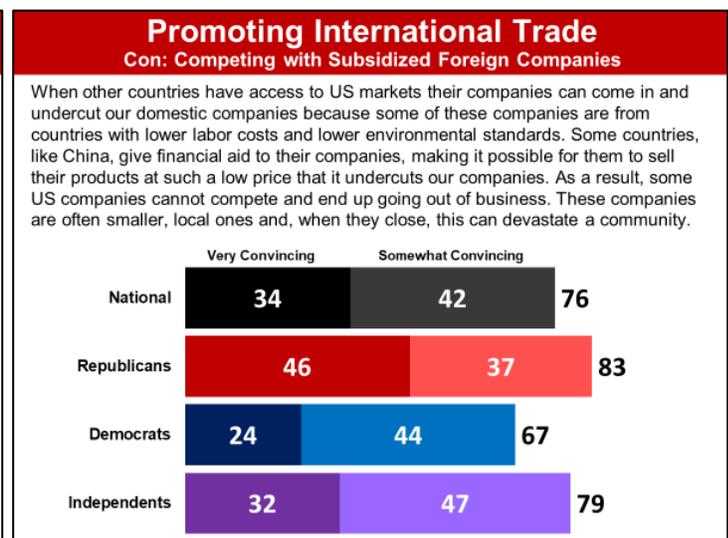
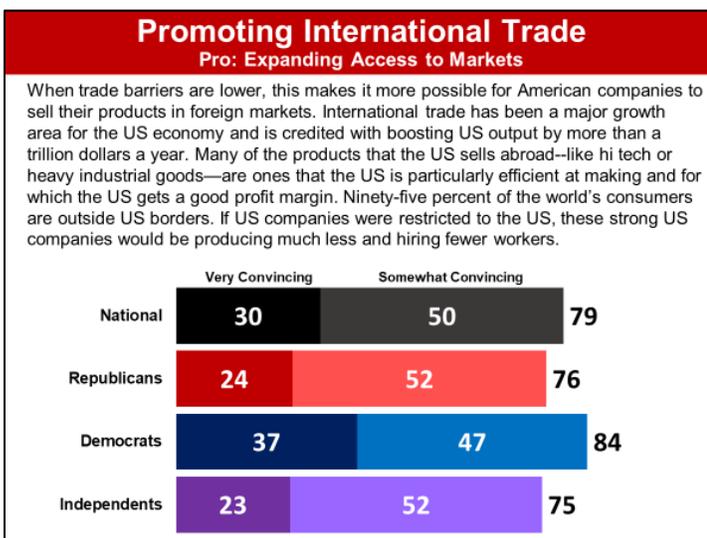
General Economic Growth and Unequal Costs/Benefits

The first argument in favor stressed the value of trade for economic growth broadly, for US consumers as well as US producers building on their comparative advantages. This argument was found convincing by three-quarters of respondents, including about two in three Republicans and six in seven Democrats. The counter argument emphasized the cost of lower trade barriers to some US workers and businesses that have to compete with cheaper foreign labor, leading to unequal outcomes for workers and the concentration of power in a handful of multinational corporations. This argument was found just as convincing (73%), with Republicans (83%) this time finding it more convincing than Democrats (63%).



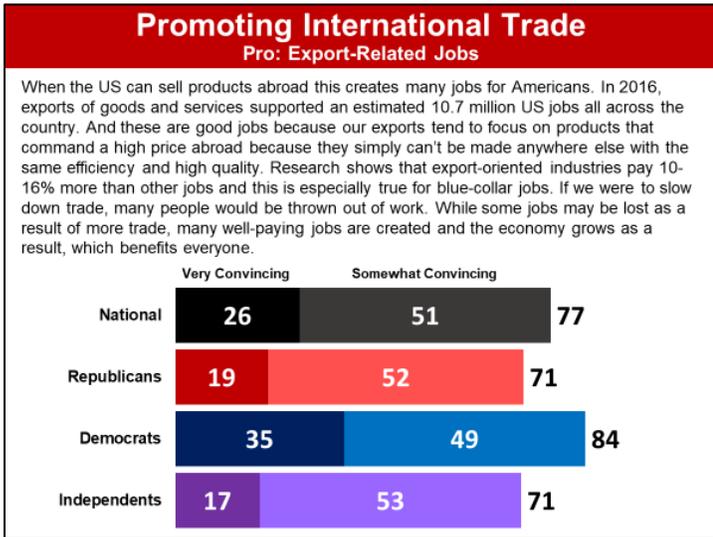
Expanding Access to Markets and Competing with Subsidized Foreign Companies

The second argument in favor elaborated how greater trade openness benefits US companies who gain more markets in which to sell their goods, leading them to hire more workers in the US. Eight in ten found this convincing, including 76% of Republicans and 84% of Democrats. The counter argument made the point that foreign companies that get subsidized by their governments, such as those from China, come into the US and undercut US companies. Three-quarters found this convincing, with more Republicans (83%) this time finding it more convincing than Democrats (67%).



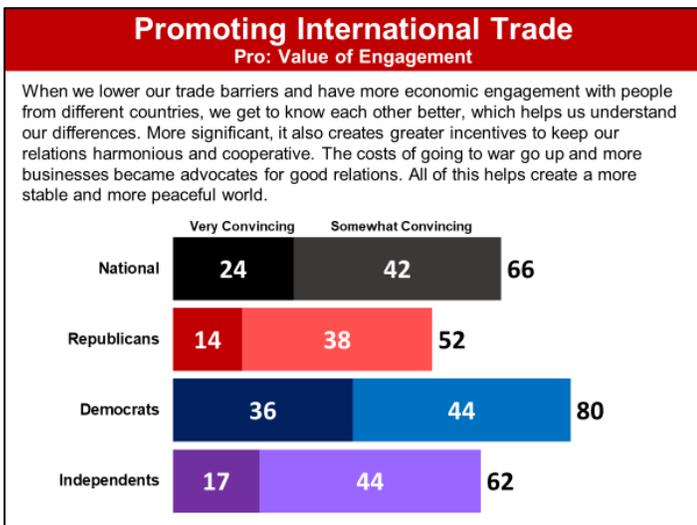
The Impact on Jobs

The next argument in favor stressed that the export industry in the US supports roughly 11 million jobs and pays higher wages, and that slowing it down would throw many people out of work. This was found convincing by 77% of respondents, including 71% of Republicans and 84% of Democrats. The counter argument underscored on how cheap imported goods can undercut US producers, leading to layoffs, with older or less-skilled workers finding it especially difficult to switch occupations or move to another area with available jobs. Nearly three-quarters (74%) found this convincing, 80% of Republicans and 69% of Democrats.



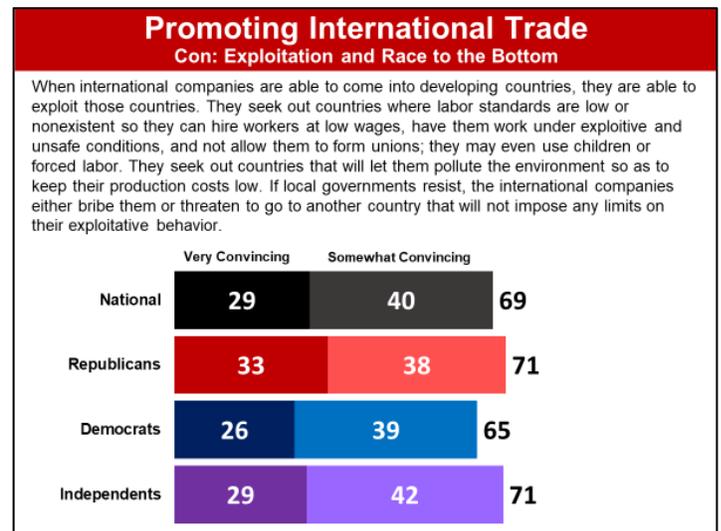
The Value of Engagement and the Threat to Sovereignty

The fourth argument in favor explained the cultural benefits of engaging economically with people from different countries, and how stronger economic relations decrease the chance of going to war. Two-thirds found this convincing, including 80% of Democrats but only a bare majority (52%) of Republicans. The counter argument honed in on the detriments of becoming too dependent on other countries for goods and services, and the loss of sovereignty that comes with being in a system in which foreigners judge whether we are following the rules. Sixty percent found this convincing, but it did not garner bipartisan support. Three-quarters of Republicans found it convincing, but less than half of Democrats (45%) did.

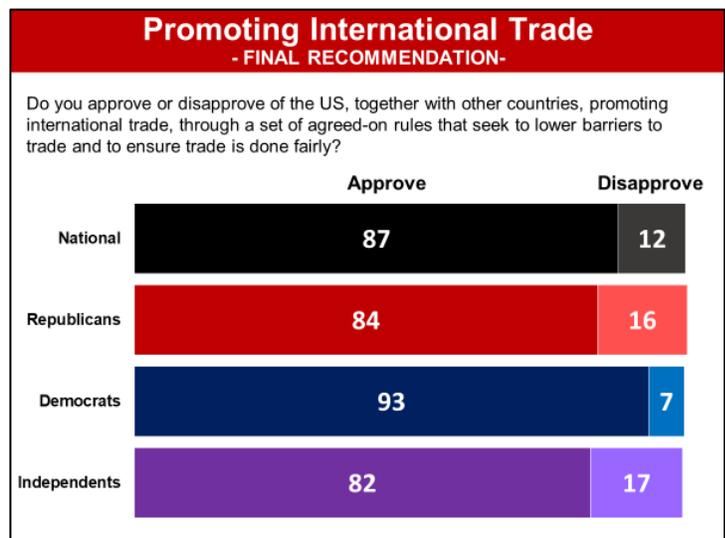


Effect on Poverty Around the World

The last argument in favor promoted the global benefits of increased trade, by helping to grow economies and lift people out of poverty around the world. Three-quarters found this convincing, including 67% of Republicans and 83% of Democrats. The counter argument focused on how international companies exploit developing countries and create a race to the bottom as their governments lower labor standards to compete and respond to pressures from international companies. Sixty-nine percent found this convincing, including 71% of Republicans and 65% of Democrats.

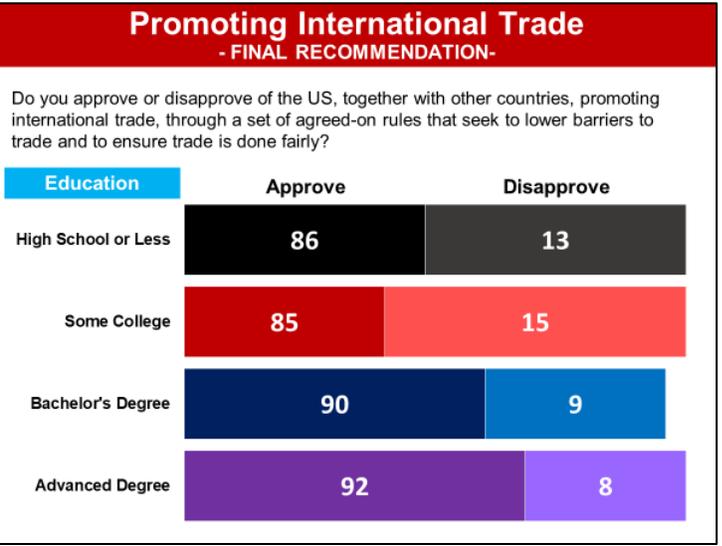
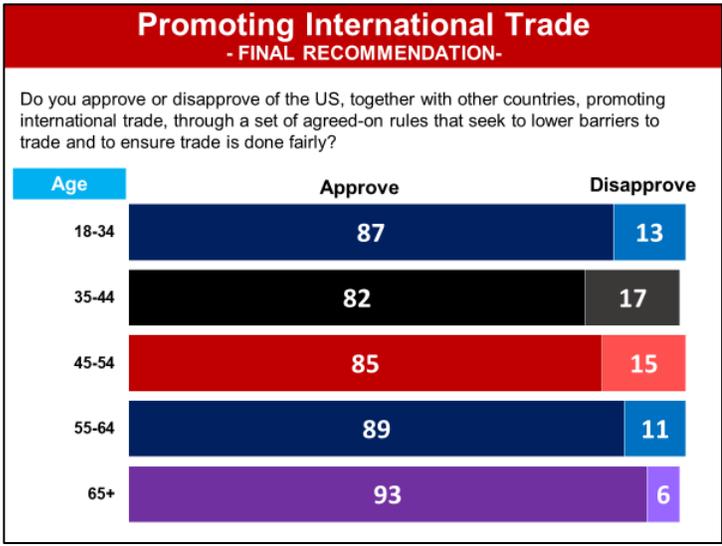


After reviewing all of the various arguments, respondents were, finally, asked whether they approve or disapprove of the US, together with other countries, promoting international trade through a set of agreed-on rules. Despite the fact that the arguments against international trade did nearly as well as the arguments against, an overwhelming majority of 87% approved. This result was also strikingly bipartisan. Even among Republicans—who in most cases found the argument against trade more convincing than those in favor—an overwhelming 84% approved. There was almost no difference between those in very red and very blue districts (88%, 86% respectively).



It is worth noting that support was so high though the arguments against the promotion of trade did very well and the arguments in favor were found convincing by less than the number who finally approved. This suggests the process of deliberation has a positive effect on views of trade, even when counter arguments are included.

There were no substantial demographic variations. Even among those with education of high school or less, approval was 86%, though those with an advanced degree were slightly higher at 92%. Age variations were slight, though the support among those in the 35-44 range were a bit lower than for either 18-34 (87%) or over 65 (93%).



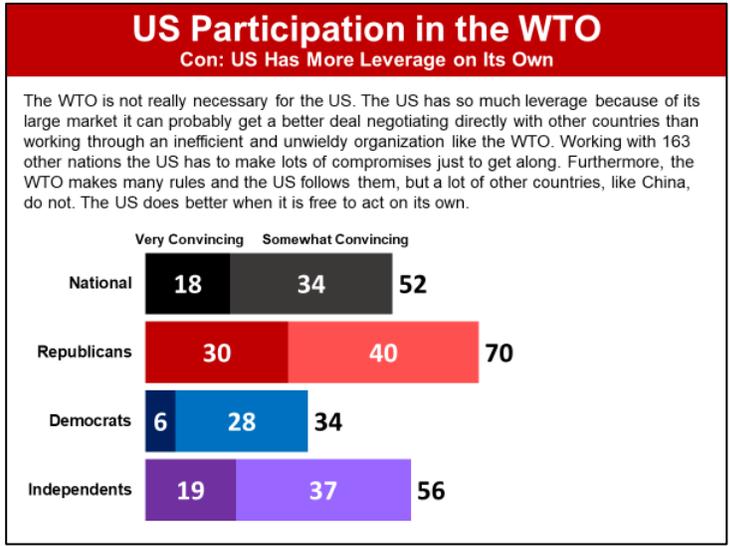
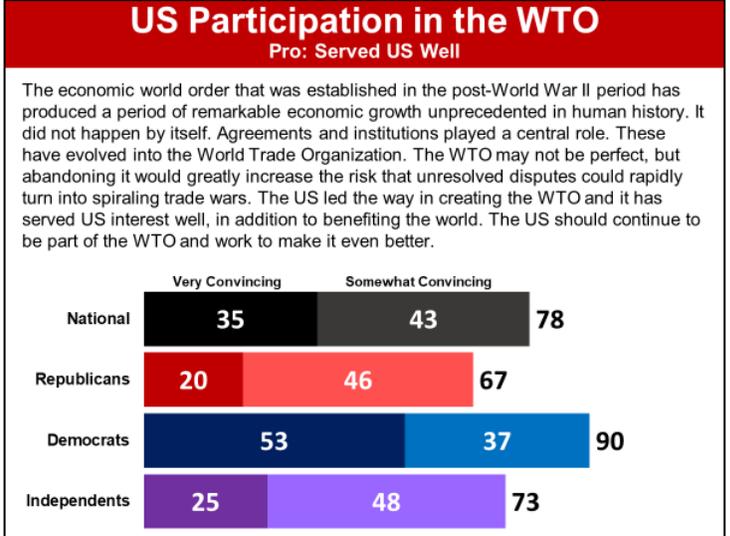
2 The World Trade Organization

A very large majority approved of the US continuing to be part of the World Trade Organization, though for Republicans this was only a modest majority, while Democrats approved overwhelmingly.

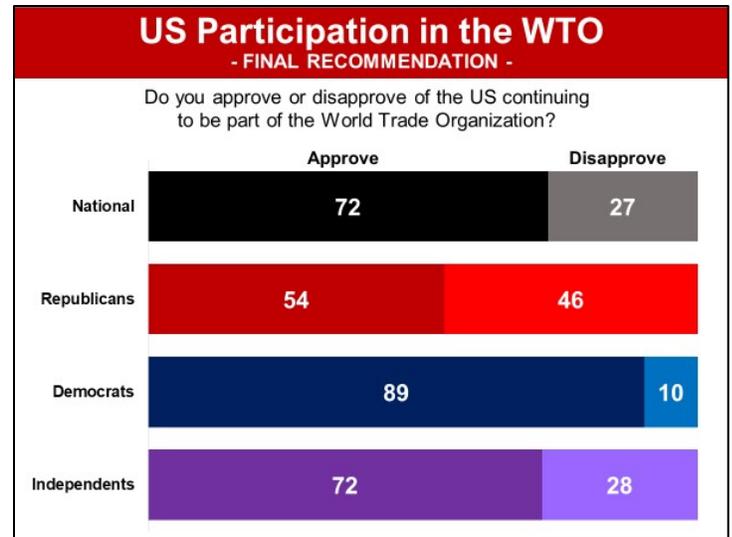
Respondents were presented the history of how the General Agreement on Trade and Tariffs (GATT) was established and later led to the establishment of the World Trade Organization to facilitate negotiation of trade rules and especially to deal with disputes. The procedure for dealing with disputes was described. A brief recap of the US experience with WTO dispute resolution process was provided, showing the US win-loss record as similar to that of other countries. They then heard arguments for and against the US continuing to be part of the WTO.

The first argument in favor established the importance of an internationally agreed-upon dispute settlement system for economic stability, and how the US was instrumental in its creation. This was found convincing by 78% of respondents, including 67% of Republicans and 90% of Democrats.

The counter argument made the point that, because the US is so economically powerful, it is better to be free to act on its own, rather than be a part of a system that requires compromise, sometimes with countries like China that often break the rules. Far fewer—only 52%—found this convincing, with a significant partisan divide: 70% of Republicans found this argument convincing, which is more than with the argument in favor, and only 34% of Democrats did.



Finally, asked whether they approve or disapprove of the US continuing to be part of the World Trade Organization, 72% approved. However, only a modest majority of Republicans approved (54%) while an overwhelming majority of Democrats (89%) did so.



MITIGATING THE NEGATIVE EFFECTS OF TRADE

Respondents were told that they would evaluate a number of proposals for mitigating the previously mentioned negative effects of trade. They then evaluated a number of options including raising unemployment benefits, expanding worker retraining and education, trade adjustment assistance, and having more robust labor and environmental standards in trade agreements.

3 Unemployment Benefits

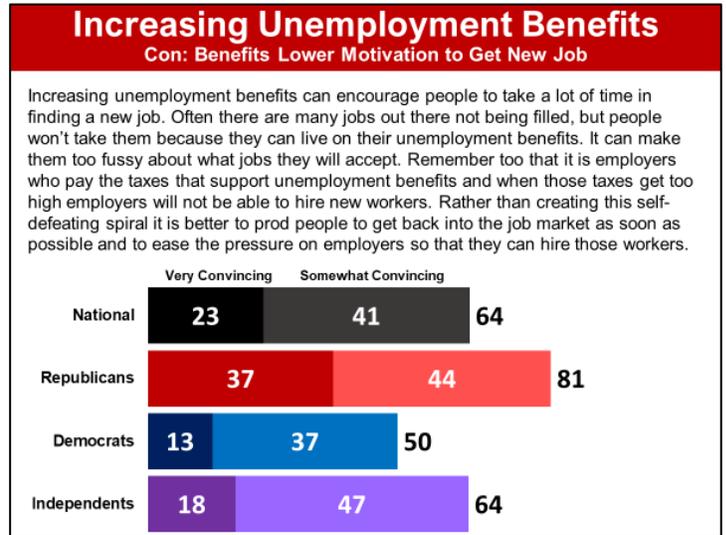
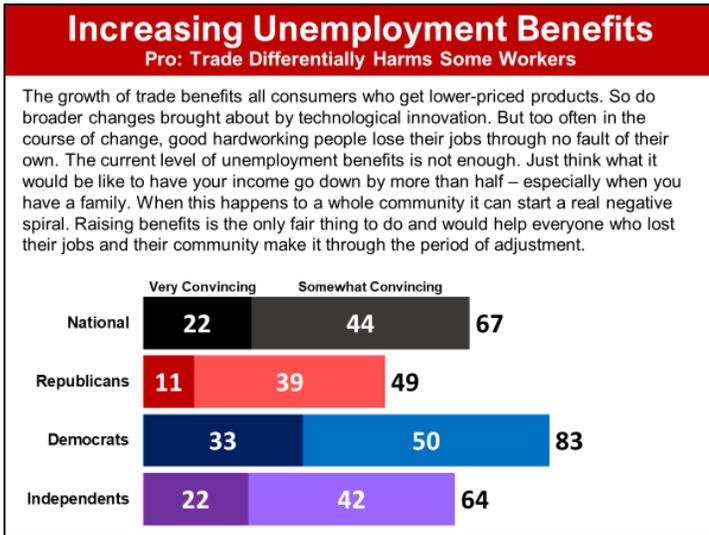
As a means of addressing some of the negative effects of trade, a bipartisan majority favored increasing unemployment benefits, with a majority favoring increasing the amount from 39% to 50% of previous earnings. However, a bipartisan majority did not support increasing the maximum period of unemployment benefits beyond the current average of 26 weeks.

To address the loss of jobs that can arise from international trade respondents considered the role of unemployment benefits. They were told how much the US spends on unemployment benefits, currently and during the Great Recession, as well as the average length that people can collect them (26 weeks), the average amount they collect (39% of earnings), and the average maximum amount that can be collected (\$472 a week).

They then evaluated arguments for and against increasing unemployment benefits as a way to mitigate the negative effects of increased trade. The argument in favor talked about the effects on a community when large amounts of people suddenly lose half of their previous income, and how raising benefits is a fair way to mitigate the uneven effects of trade. This was finding convincing by two-thirds of respondents, including a very large majority of Democrats (83%), but only half of Republicans.

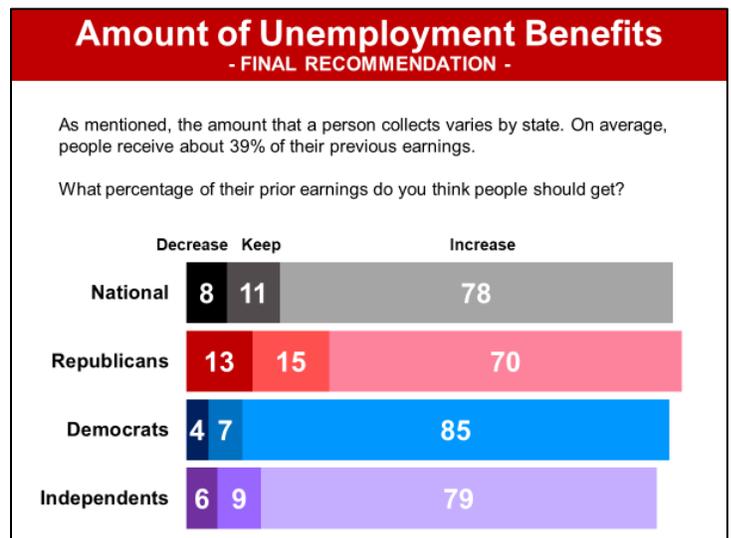
The counter argument stated that too many benefits can encourage people to take a lot of time looking for the perfect job and it is better to prod people back into the work force. A similar number found this convincing (64%), with the partisan divide reversed: Democrats were split (50%), while a very large majority of Republicans found it convincing (81%).

Respondents were asked about the possibility of increasing the amount of unemployment benefits. They were told, on average people get an average of 39% of prior earnings, and asked to specify what the percentage should be 78% increase the amount including 70% of Republicans as well as 85% of Democrats. A majority (58%) recommended that unemployment recipients get 50% of their previous earnings or more, including 67% of Democrats. A majority of Republicans (53%) raised it to 45%.



When asked about the maximum amount of benefits that a person can receive there was also support for an increase. Told that the maximum amount of benefits is on average \$472 a week, and asked what it should be, seven in ten proposed an increase including six in ten Republicans, three-quarters of Democrats. The increase was rather modest though — a majority (65%) recommended \$500 a week or more, overall and for both parties.

However, when asked about the period of time that unemployment benefits can be collected, no majority increased it. They were told that the average amount of time an unemployed person is allowed to collect benefits is 26 weeks and asked to specify what they thought it should be in an ordinary period when unemployment is not unusually high. Only 28% increased the number of weeks (Republicans 15%, Democrats 39%). The largest number wanted to keep the current 26 weeks (37%), while one-third wanted to decrease the number of weeks (Republicans 49%, Democrats 21%).



4 Worker Retraining and Education

Presented several proposals for job training and education under consideration in Congress, very large bipartisan majorities favored proposals to increase spending on training for jobs in cybersecurity and the energy industry, and a proposal to provide employers a tax credit for apprenticeship programs.

Respondents were presented another way to mitigate the negative effects of trade by investing resources in:

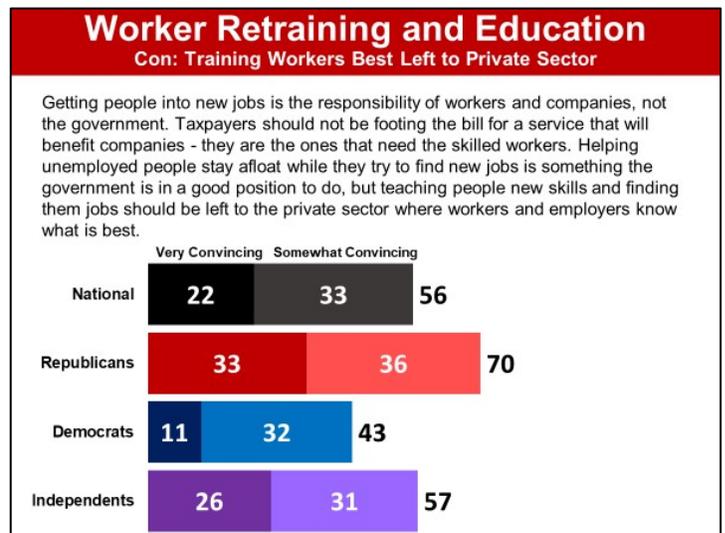
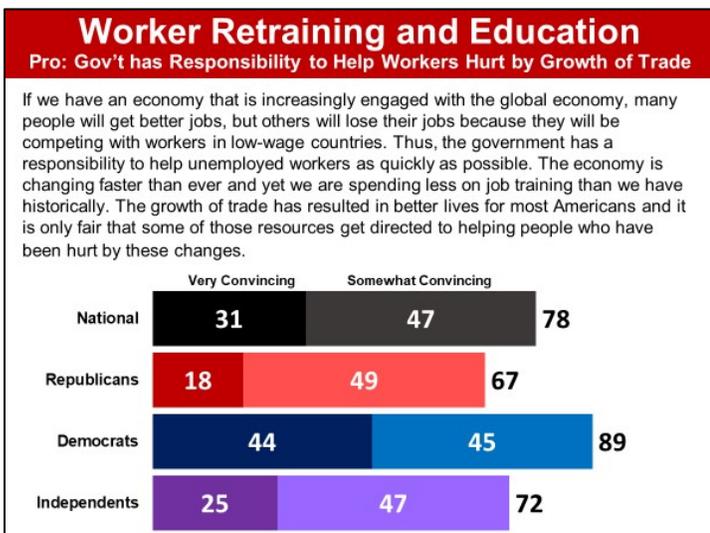
- *retraining workers whose skills are no longer in demand so they can get a new job*
- *educational programs that prepare both students and people already working with new skills that are needed in the global economy*

They were informed that the federal government spends about \$6 billion annually on these programs and were presented with two debates about how much responsibility government should have in providing such programs. In both debates, there was an interesting partisan difference. A large majority of Republicans found all the arguments, both for and against government responsibility in providing job training, to be convincing at similar rates (67-74%). Democrats, however, fluctuated much more:

A much larger majority found the pro-government responsibility arguments convincing (88-89%), while about six in ten found the arguments against government responsibility unconvincing. Thus, national opinion shifted almost solely as a result of changes in Democrats' attitudes.

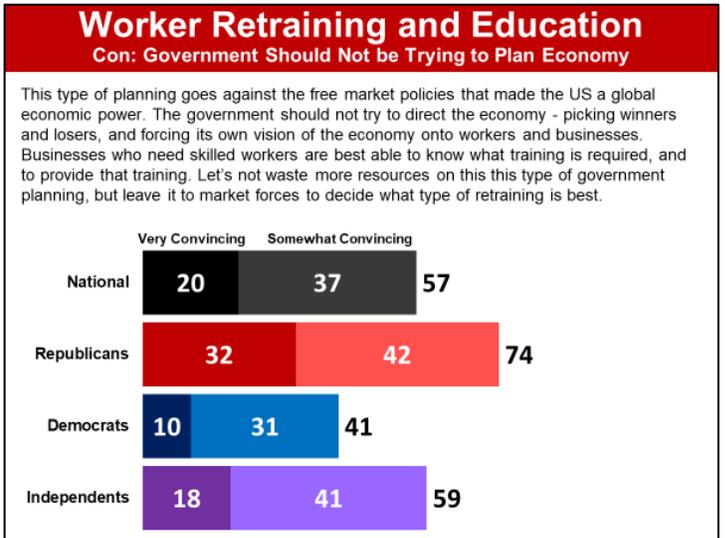
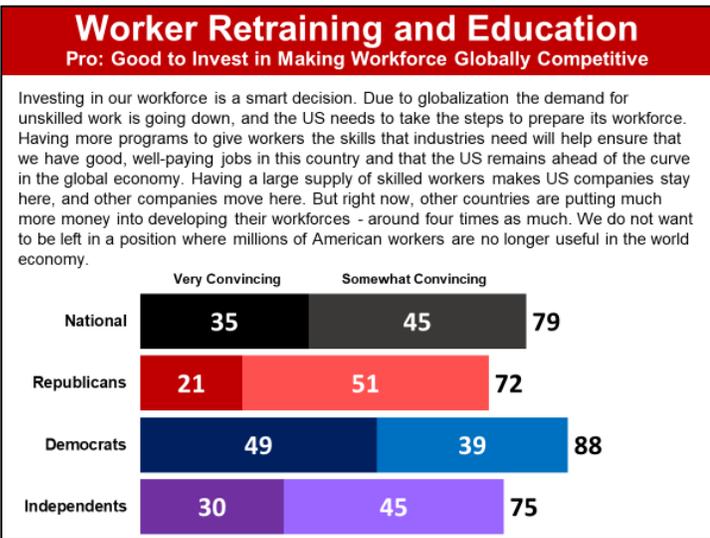
The first debate was about how much responsibility the government has in providing job training to unemployed workers so they can find a job. The argument in favor of the government taking this responsibility by spending more on these programs pointed out that as the US economy becomes more globalized there will be more people thrown out of jobs, and that some of the benefits from that increased trade should go to helping the losers of international trade. This was found convincing by more than three-quarters of respondents, including an overwhelming majority of Democrats (89%), but also two-thirds of Republicans (67%).

The counter argument stated that getting people into jobs is best done by workers and private companies, and taxpayers should not be paying for what companies should be doing. A more modest majority (56%) found this convincing, but this time a larger 70% of Republicans found it convincing, while less than half of Democrats (43%) did.

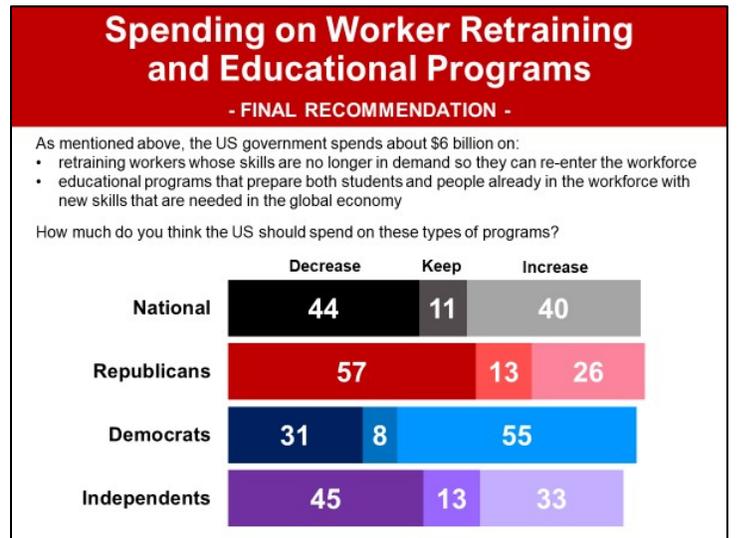


The second debate was over the government’s responsibility for providing education and training for skills currently in demand, or likely to be in demand in the future, including program for students as well as people already in the workforce to teach them skills needed in the global economy. The argument in favor of increasing spending on these programs stated that, “having more programs to give workers the skills that industries need will help sure that we have good, well-paying jobs in this country.” Nearly eight in ten found this convincing, including 72% of Republicans and 88% of Democrats.

The argument against laid out how free market policies made the US the global economic power it is now, and these programs go against free market practices. A slight majority of 57% found this convincing, with another partisan divide: 74% of Republicans found this convincing, but only 41% of Democrats did.

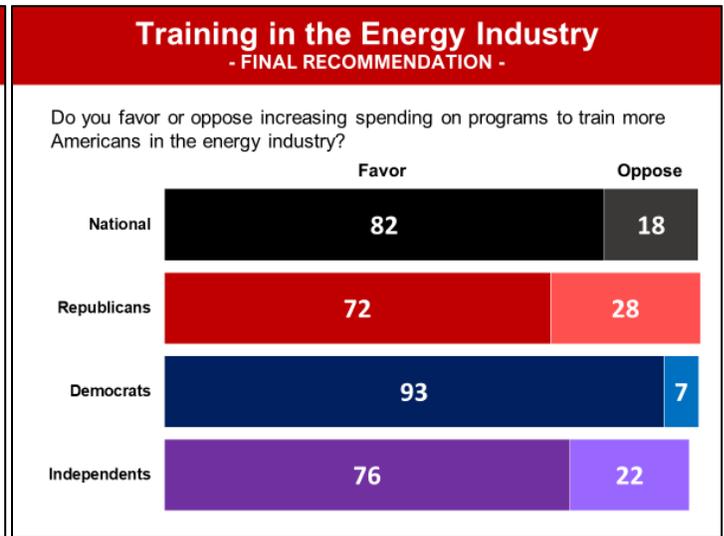
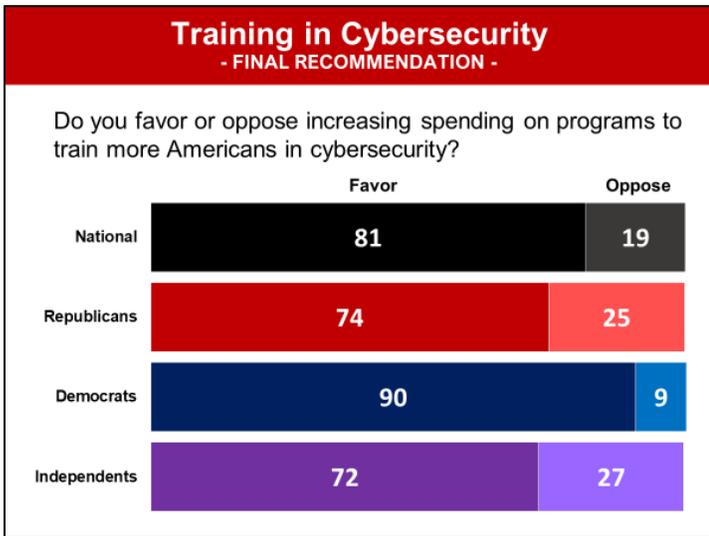


After evaluating the arguments, they were then given the opportunity to recommend how much the government should be spending on these programs and were told that the current amount is \$6 billion per year. Overall there was no majority support for increasing or decreasing, but a majority of Republicans (57%) decreased it, while a majority of Democrats (55%) increased it. Among all Republican respondents, the median amount chosen was \$5 billion, and among Democrats it was \$9 billion.



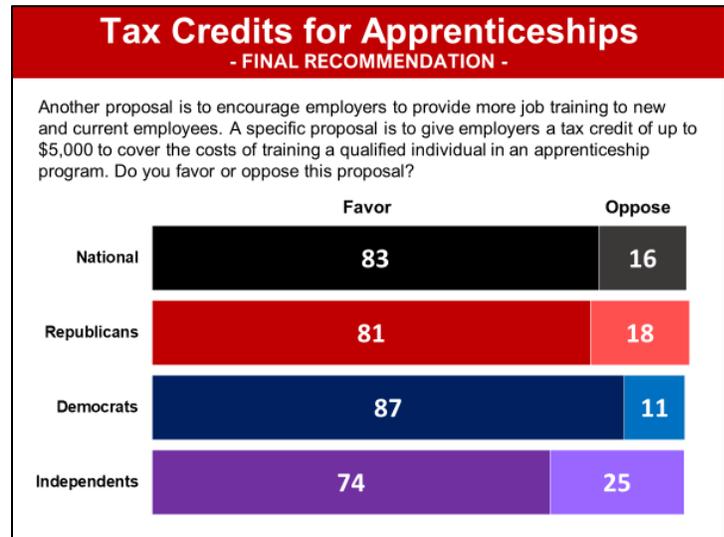
Worker Training for Cybersecurity and Energy Industry

They were then presented three proposals based on current legislation for increasing the amount of job training. The first proposal recommended increasing spending on training Americans for skilled jobs in cybersecurity. Eight in ten favored this, including 90% of Democrats. Despite their tendency to reduce spending on job training, 74% of Republicans favored the proposal as well. The second proposal would increase spending on training for jobs in the energy industry. Eighty-two percent favored this, including 93% of Democrats and once again 72% of Republicans.



Tax Credits for Apprenticeship Programs

The third proposal was to provide employers a tax credit of up to \$5,000 to cover the costs of training a new employee in an apprenticeship program. Eighty-three percent favored this, including 87% of Democrats. Eighty-one percent of Republicans also favored this program (which does not entail spending). Slightly fewer independents were in favor (74%).

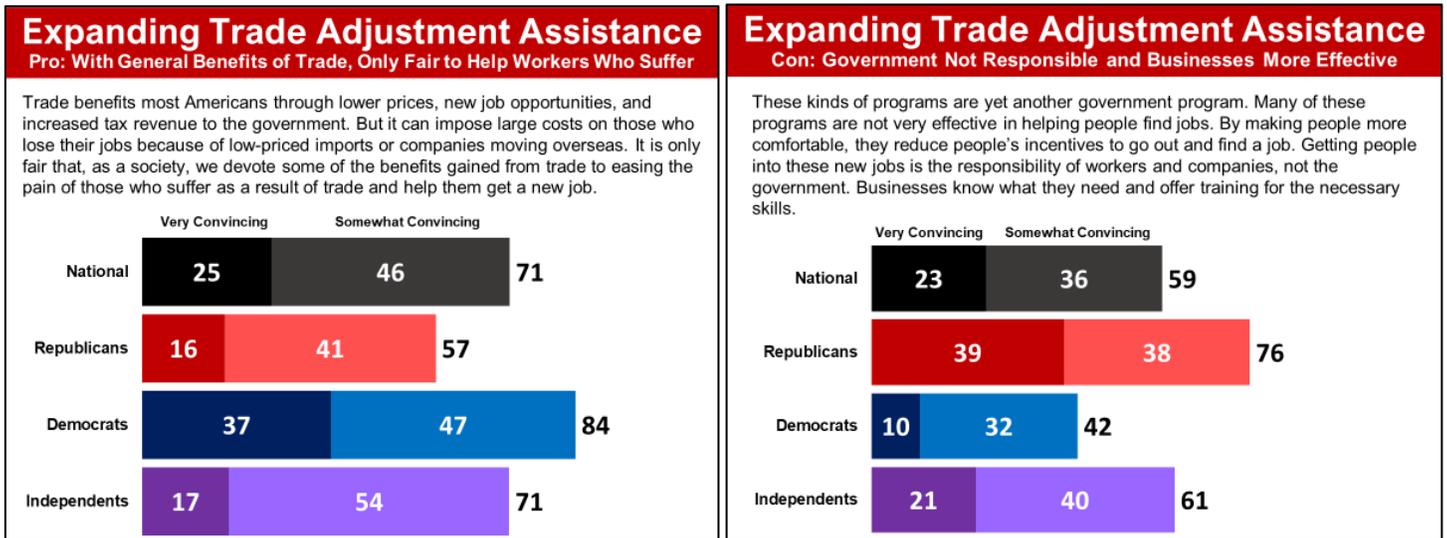


5 Trade Adjustment Assistance

A majority of six in ten favored expanding the Trade Adjustment Assistance program to more people who get laid off from their job directly because of an increase in trade, however six in ten Republicans were opposed. Just four in ten, but a modest majority of Democrats, favored extending such assistance to all people who get laid off from their job.

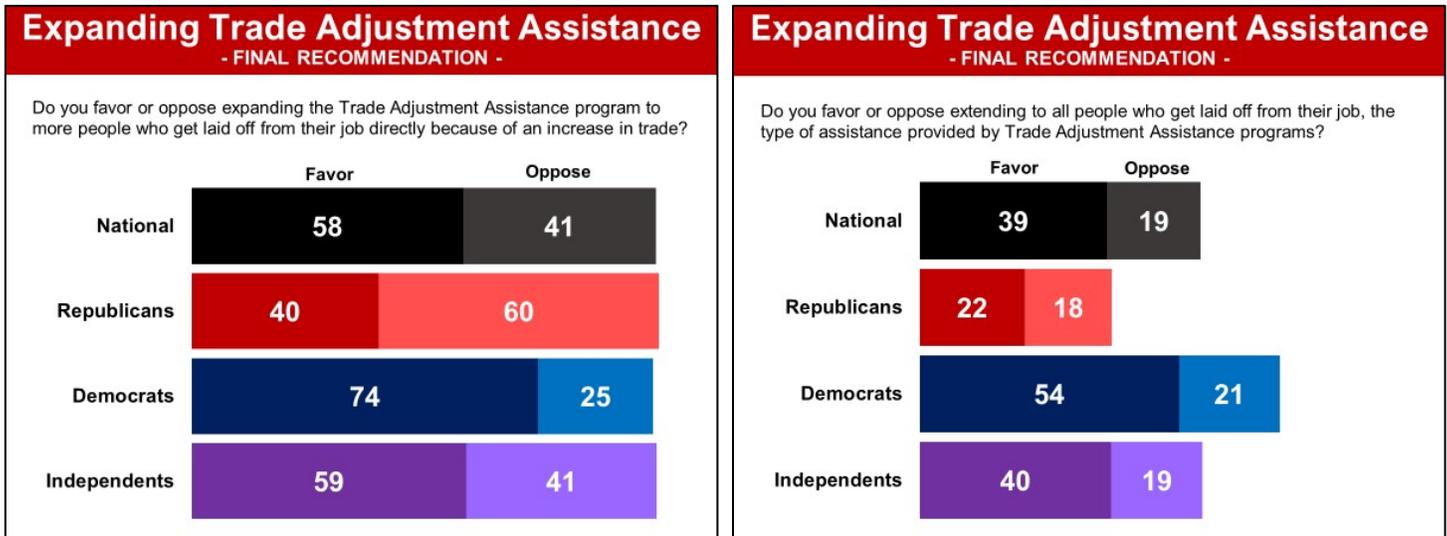
Respondents were introduced to the Trade Adjustment Assistance (TAA) program for people who get laid off from their job directly because of an increase in trade. They were told that it goes above and beyond normal unemployment benefits by including free job training, a longer period of time that unemployment benefits can be collected, and health insurance credits. They were told TAA costs about half a billion dollars a year and serves about 50,000 people, and that there is a proposal to increase funding so TAA can benefit more people laid off as a result of trade.

The argument in favor emphasized the large costs of trade to those who have lost their job as a result, and society’s responsibility to use some of the benefits from trade to ease the pain for those who suffer from it. Over seven in ten found this convincing, including a majority of Republicans (57%) and a large majority of Democrats (84%). The counter argument highlighted the inefficiency of many government programs, and how businesses know what kind of skills they need more than bureaucrats. Fifty-nine percent found this convincing, with a partisan divide similar to those found in other free-market arguments: 76% of Republicans found it convincing, compared to 42% of Democrats.



Respondents were then asked whether they favor or oppose expanding TAA to more people who get laid off because of an increase of trade. A majority of 58% favored this proposal, including 74% of Democrats and 59% of Independents. However, six in ten Republicans opposed it.

Those that favored this proposal were then asked if the benefits granted by TAA, which were above and beyond normal unemployment benefits, should be offered to all people laid off from their job through no fault of their own. Among Democrats, a majority (of the whole sample) supported it (54%). Nationally only 39% of respondents favored it, as did 22% of Republicans.



6

Labor and Environmental Standards in Trade Agreements

Overwhelming bipartisan majorities favored including in new international trade agreements the requirement that countries abide by both the labor and environmental standards they have committed to, that they do not lower their standards to attract business or to get a competitive edge, and that there is an effective system for enforcing these requirements.

Respondents were introduced to the idea that another way to mitigate some of the negative effects of trade is to include, in international trade agreements, the requirements that countries abide by certain labor and environmental standards. This is the briefing they received:

As was discussed above, one possible negative effect from international trade is that lowering trade barriers can weaken labor standards or environmental standards. There are two ways that this can occur.

- *Companies in countries with lower labor and environmental standards may have lower production costs and are thus able to charge lower prices. This makes their products more competitive in international trade. It may also encourage other countries to lower their standards so they can compete.*
- *Companies in countries with higher labor and environmental standards may move their factories to countries with lower standards, to lower their production costs. Here too, this may encourage countries to lower their standards so that they are attractive to companies when they decide where to have their factories.*

To discourage these things from happening, and to generally raise labor and environmental standards, there have been efforts through the UN to establish international labor and environmental standards. The UN has held a number of conferences on these issues and most countries of the world have agreed to certain international standards.

Sometimes, however, countries have signed the UN agreement and established such laws but have not enforced them or later lowered the standards. In other cases, they have not even established the laws. As mentioned, in cases where a country is not abiding by the standards it has agreed to, they may get an advantage because it becomes cheaper to produce certain products.”

They were then informed: “There is some debate about whether the US, in any new international trade agreements, should make it a requirement that countries abide by the standards they have agreed to and do not lower their labor or environmental standards to attract business or to get a competitive edge and to have an effective system for enforcing the standards.”

Respondents were then given two briefings about labor standards and environmental standards and evaluated whether the US should include each in its new trade agreements.

Labor Standards in Trade Agreements

Respondents were informed about the main labor standards that trade agreements aim to enforce:

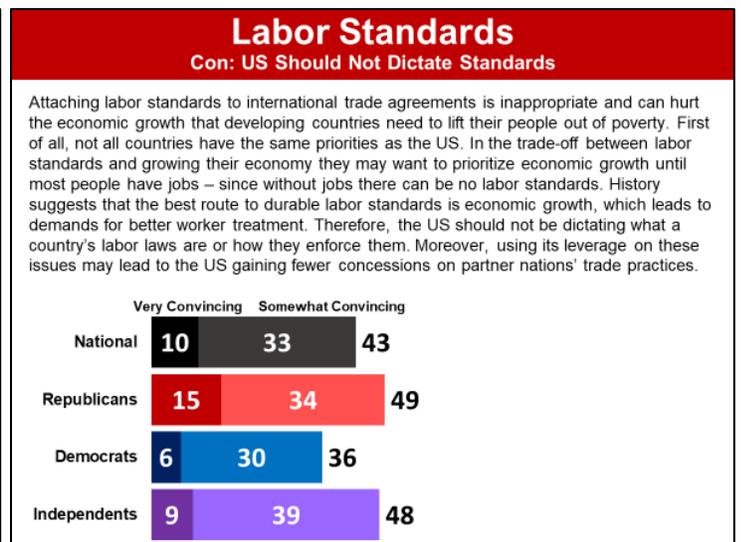
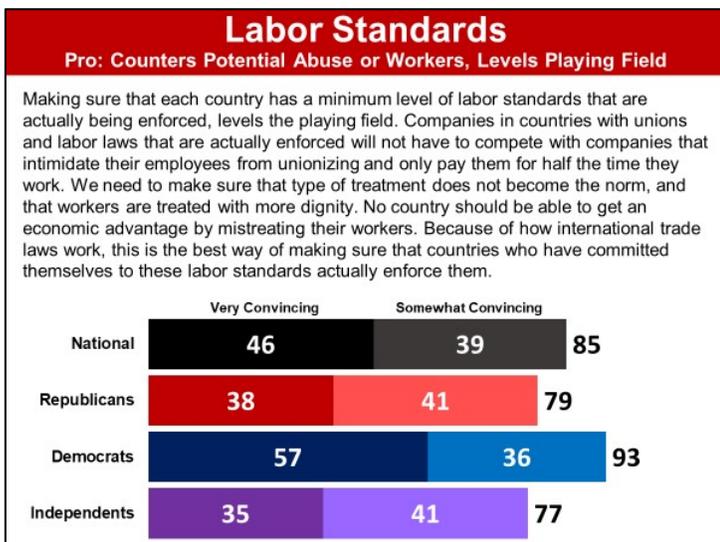
- *No child labor that is likely to harm the health, safety, or morals of children or prevent them from attending school*
- *No forced labor where a person is coerced to work through the use of violence, intimidation, or threats of harm*
- *Right to form and join unions*
- *The elimination of discrimination in employment, for example based on gender, religion, ethnicity.*

They then heard arguments for and against the US including in its new international trade agreements the requirements that:

- *countries abide by the labor standards they have committed to*
- *countries do not lower their standards to attract business or to get a competitive edge*
- *there is an effective system for enforcing these requirements*

The argument in favor pointed out the benefits of US workers and companies not having to compete with exploited laborers in other countries, and the moral necessity of ensuring all workers are treated with dignity. Eighty-five percent found this convincing, including 79% of Republicans and 93% of Democrats.

The counter argument stated that trade agreements are an inappropriate place to insert labor standards, and the US should not force other countries to adopt the same values that we have when it comes to the trade-off between labor standards and economic growth. This argument did quite poorly. Just 43% found it convincing, with neither party having a majority finding it convincing.



Finally, they were then asked whether they favor or oppose including in new international trade agreements requirements for labor standards and an effective system for enforcing them. An overwhelming and bipartisan majority were in favor (89%, Republicans 86%, Democrats 93%).

Environmental Standards in Trade Agreements

Turning to the inclusion of enforceable environmental standards in trade agreements, respondents were given a briefing about international environmental standards:

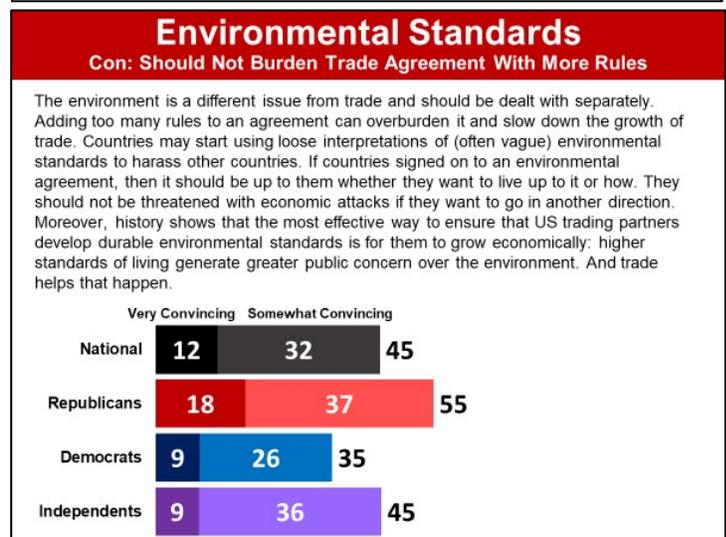
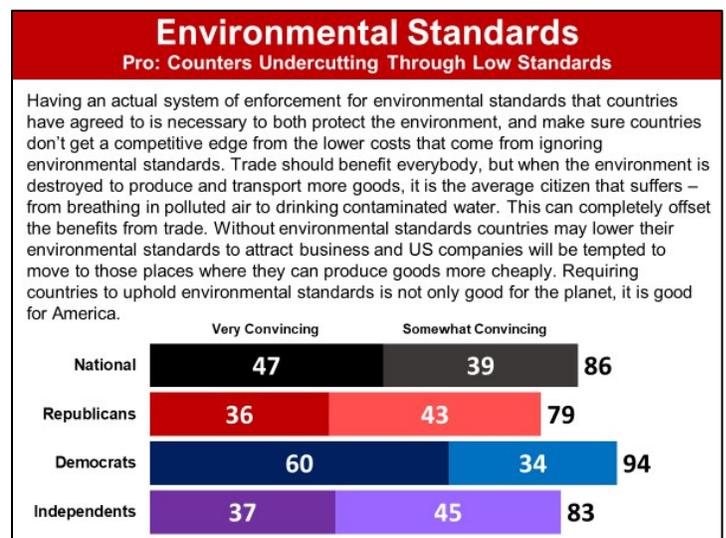
As mentioned, there have been a number of international conferences attended by UN member countries where the countries agreed to pursue certain environmental standards or goals related to such areas as air and water pollution, endangered species, greenhouse gas emissions, deforestation and others. Each country has agreed to bring their own laws in line with those standards or goals.

They were then told, “There is some debate about whether the US should include in all of its new international trade agreements the requirements that:

- *countries abide by the environmental standards they have committed to*
- *countries do not lower their standards to attract business or to get a competitive edge*
- *there is an effective system for enforcing these requirements*

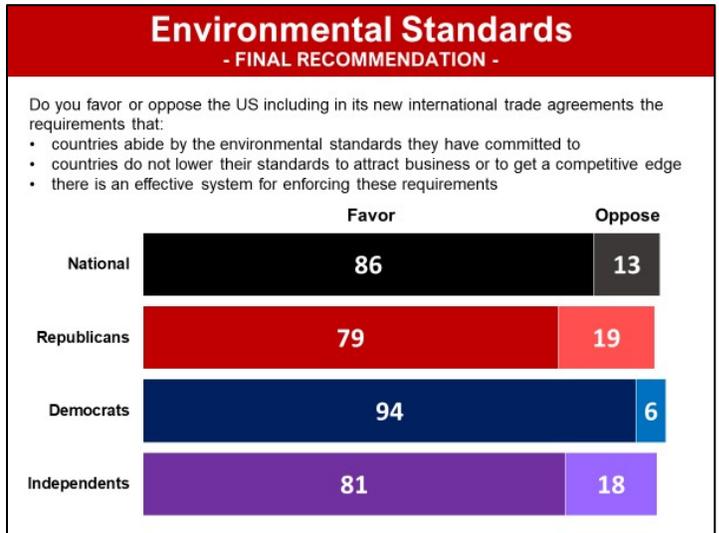
Respondents then evaluated arguments for and against the US including those requirements in new international trade agreements. The argument in favor emphasized that including environmental requirements in trade agreements is the best way to ensure countries actually abide by their environmental agreements, and do not get a competitive edge by over-exploiting their environments — which would offset the benefits of trade by hurting average citizens with air and water pollution. Very large bipartisan majorities found this convincing (86%, Republicans 79%, Democrats 94%).

The counter argument, similar to the one against including labor standards in trade agreements, stated that environmental requirements overburden trade agreements with too many rules, that it should be up to each country whether they want to follow



the environmental agreements they signed, and that economic growth is the best path to increasing a country’s environmental standards. Similar to the responses to the argument against labor standards, less than half (45%) found it convincing. However, partisan variation was greater, with a modest majority of Republicans (55%) finding it convincing.

Finally, asked whether they favor or oppose including in new international trade agreements requirements for environmental standards and an effective system for enforcing them, an overwhelming and bipartisan majority were in favor (86%, Republicans 79%, Democrats 94%).

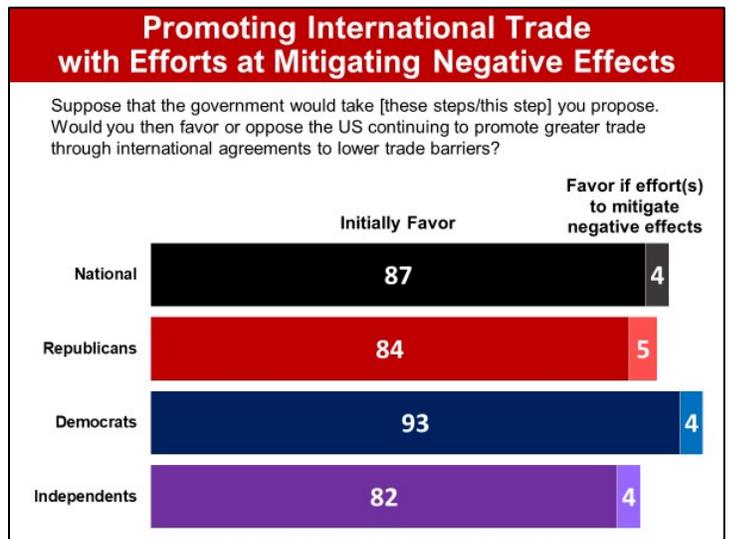


7 Impact of Mitigating Negative Effects on Attitudes About Trade

Respondents who disapproved of promoting greater trade through international agreements, while also favoring steps to mitigate the negative effects, were asked how they would feel about the promoting trade if the mitigating steps they favored were adopted. About half said that they would then favor promoting greater trade through international agreements.

A key question is whether people who initially said they opposed promoting international trade would have a different view if any of the proposals to mitigate the negative effects of trade were adopted. To find out respondents who initially said they did not favor promoting international trade and did favor at least one of the methods for mitigating the negative effects of trade (just 8% of the sample) were asked if they would support promoting international trade if their favored method(s) were adopted.

In this case, about half (4%) said they would then favor promoting trade. Among Republicans, an additional 5% of the sample moved to support promoting trade. Among Democrats and Independents, 4% shifted.



THE USE OF TARIFFS

8

Steel Tariffs

Voters divided sharply along party lines on the US administration invoking the national security exemption and imposing tariffs of 25% on steel imports and 10% on aluminum imports, with a large majority of Republicans approving and a large majority of Democrats disapproving. Overall a very slight majority approved.

Respondents were given a briefing about the US administration’s imposition of new tariffs on steel and aluminum, of 25% and 10%, respectively. The briefing went as follows:

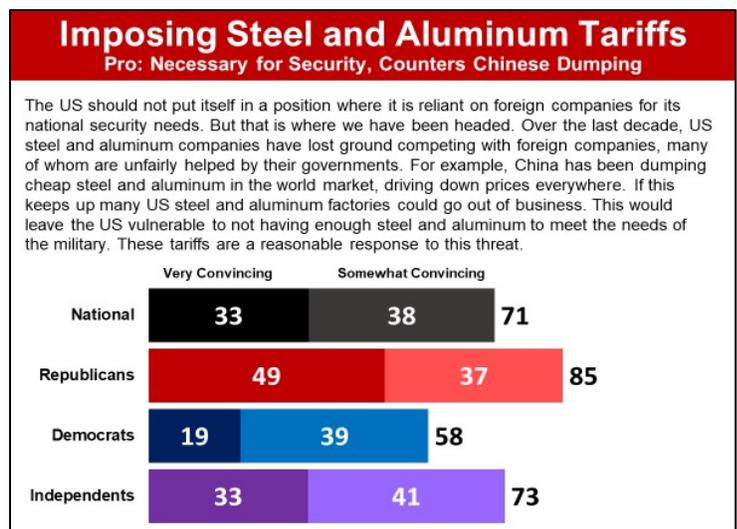
As you may know the US administration recently increased its tariffs on steel to 25% and 10% on aluminum. Raising tariffs like that is generally not allowed under WTO rules, but there are some exceptions. One of these exceptions is for national security. The national security exemption goes like this: if a certain domestic industry is necessary for national security and it is failing or at risk of failing, then a country may raise tariffs to protect that industry.

The US administration has used this national security exemption to justify its tariffs on steel and aluminum. Here is some background. In the last decade the demand for steel has grown. But while the amount of steel that the US produces has not diminished, it has become a smaller portion of the total US steel market, primarily as a result of lower priced steel imports from China and other countries.

The US administration has recently said that the US steel and aluminum industry is at risk due to foreign competition and that steel and aluminum are critical for US military systems such as weapons. Therefore, the US administration says it is justified in invoking the WTO national security exemption and imposing these tariffs to protect its steel and aluminum industries.

They were then presented arguments for and against the US invoking the national security exemption and imposing tariffs on steel and aluminum tariffs.

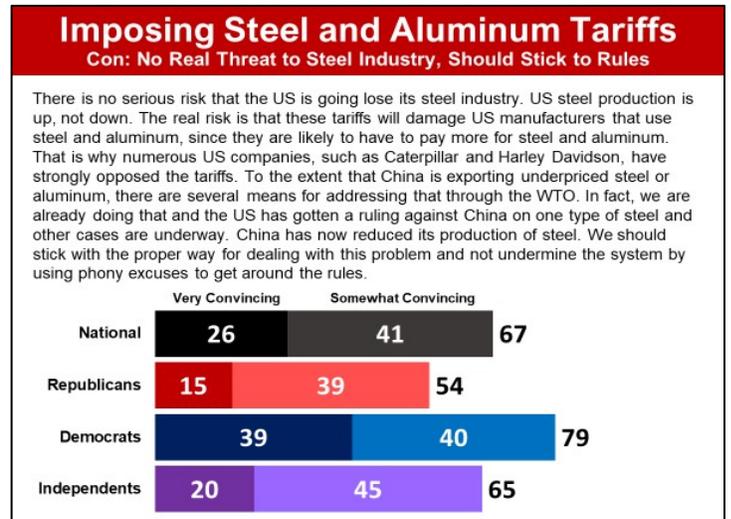
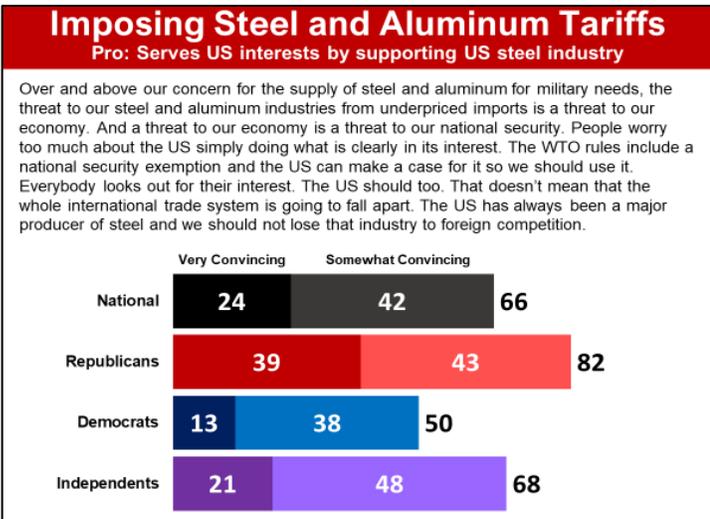
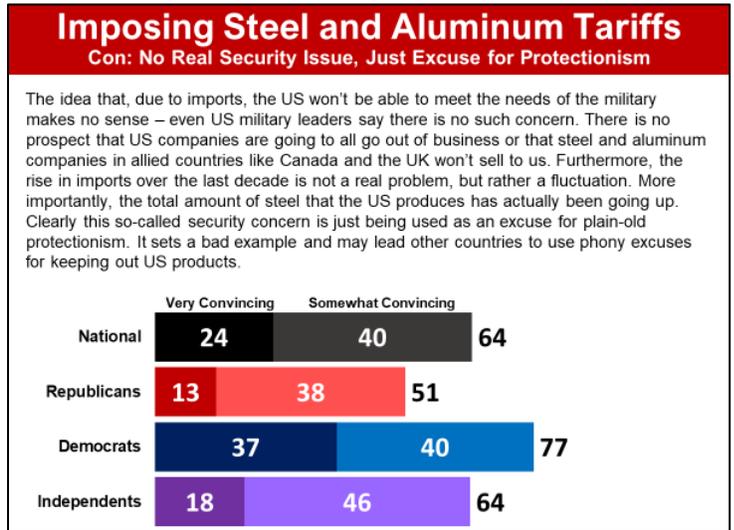
The first argument in favor of the US imposing new tariffs on steel and aluminum made the case that the US becoming reliant on foreign steel and aluminum for its military needs is a legitimate national security concern. This argument was found convincing by 71% of respondents, with a very large majority of Republicans (85%) and a smaller majority (58%) of Democrats.



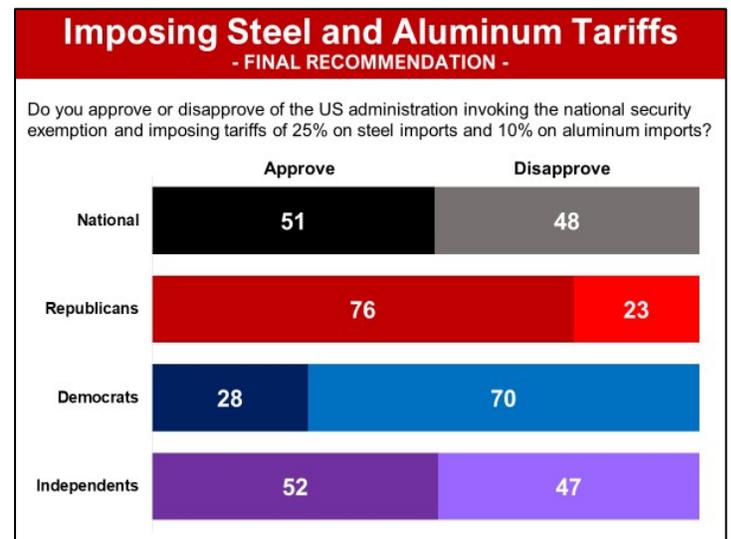
The counter argument laid out how US military leaders do not feel there is a national security concern, stressed that the US has historically relied on allies for key materials during wartime, and called out the tariffs as simple protectionism. Sixty-four percent found this convincing, including an overwhelming 77% of Democrats, but a bare majority of Republicans (51%).

The second argument in favor led with a rationale based on economic concerns, but also tied this back to national security concerns by saying that a threat to the US economy is a threat to national security. Two-thirds found this convincing, including an overwhelming 82% of Republicans, and half of Democrats.

The counter argument emphasized how tariffs will hurt US manufacturers, many of which have come out against the tariffs, and how the US should use the proper route – WTO dispute settlement. About the same number found this convincing (67%), with far more support from Democrats (79%) than Republicans (54%).



For the final recommendation, respondents split along party lines on the US administration invoking the national security exemption and imposing tariffs on steel and aluminum. Three-quarters of Republicans but only 28% of Democrats approved (70% disapproved). A slight majority of Independents approved, pulling the overall majority just slightly into the approve column.



9 Tariffs on China

Voters divided along party lines on whether the US should have imposed tariffs on China without first getting a WTO ruling. Going forward, a modest majority opposed imposing additional tariffs on China to get them to change their trade practices, but instead favored working through the WTO to get a ruling against China. Views on both issues are highly polarized along partisan lines with large majorities of Democrats favoring working through the WTO and large majorities of Republicans favoring imposing tariffs.

Respondents were given a briefing about the US administration's imposition of tariffs on \$250 billion worth of Chinese goods, and the retaliatory tariffs put in place by China:

As you may know there is currently a controversy about the US administration imposing tariffs on China without first getting a WTO ruling.

For some years now, the US has sought to get China to change a number of trade practices that it has found to be unfair, such as requiring many US companies to hand over their intellectual property, not enforcing copyright laws for US products, and in various ways improperly favoring Chinese companies over US companies.

The US has had one-on-one meetings with China that have not ultimately produced results satisfactory to the US. It has also submitted complaints to the WTO, but the process has taken time and the WTO has not yet made a ruling. Recently, the US administration proceeded to put 25% tariffs on \$50 billion worth of Chinese goods and 10% tariffs on an additional \$200 billion of imports from China.

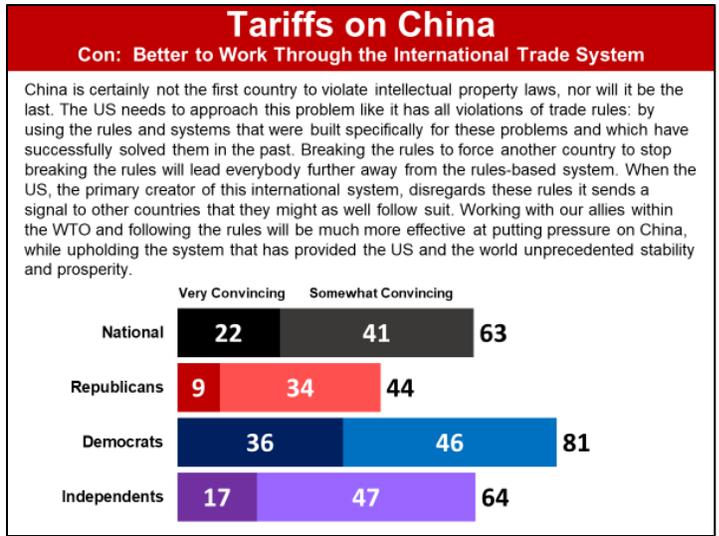
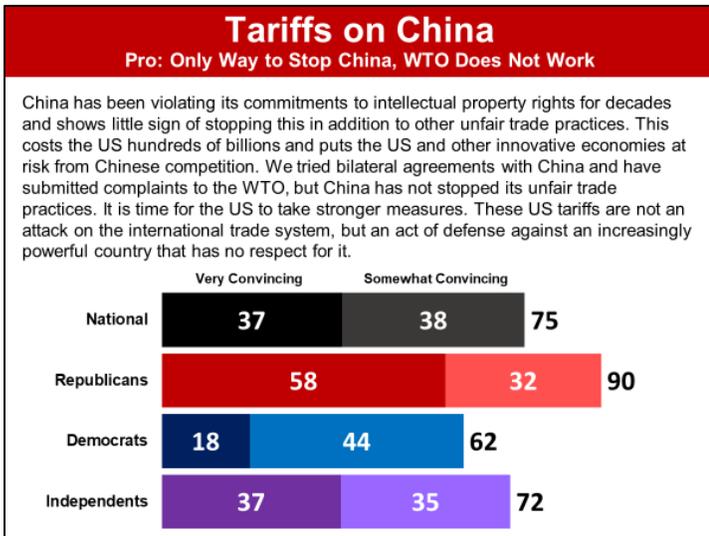
This US step is controversial because, as discussed, within the WTO system countries are not supposed to punish other countries with tariffs on their own. They are supposed to submit their complaints to the WTO. If the WTO rules in their favor and the other country does not change their behavior the WTO then gives the complaining country the right to raise certain tariffs in retaliation, and the other country has to accept the punishment.

China has accused the US of violating WTO rules and imposed tariffs of 5 to 25% on \$60 billion of US goods. This action is also controversial because it is also not consistent with WTO rules.

They were then told that, "there is a debate about whether the US administration should have unilaterally imposed tariffs on China without first getting a ruling by the WTO," and presented arguments for and against the US unilaterally imposing tariffs on China.

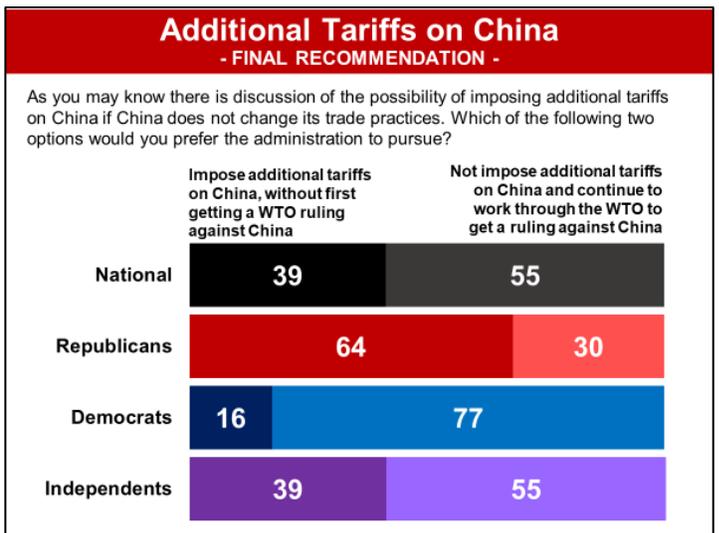
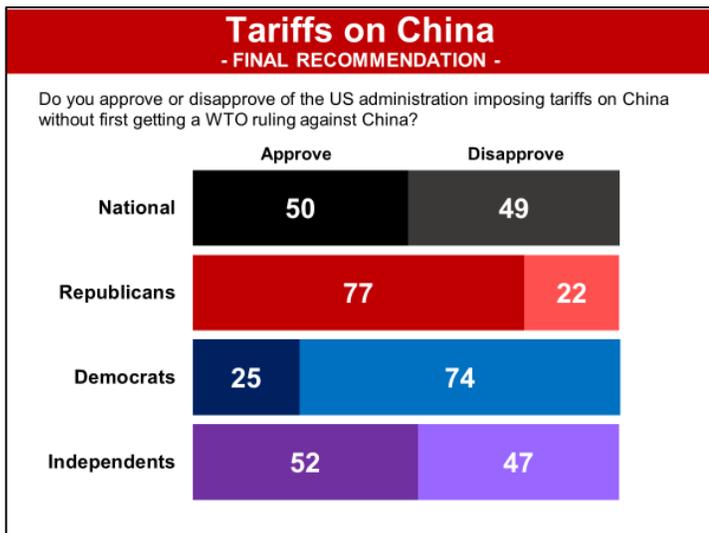
The argument in favor mentioned how China has continually violated intellectual property rights despite US complaints, and described the tariffs as, "not an attack on the international trade system, but an act of defense against an increasingly powerful country that has no respect for it." Three-quarters found this convincing, including nine in ten Republicans and over six in ten Democrats.

The argument against mentioned how this is not the first time a country has violated international trade rules, nor will it be the last, that the WTO dispute settlement system exists for this very reason, and the US should set a good example. While a majority found this convincing (63%), this was split along party lines: while 81% of Democrats and 64% of independents found it convincing, this was true of only 44% of Republicans.



Asked for their final assessment, respondents once again divided along party lines, with over three-quarters of Republicans approving of the administration imposing tariffs on China, as compared to just 25% of Democrats. A bare majority of independents approved (52%). Overall, responses were statistically divided with 50% approving and 49% disapproving. Respondents were then asked, if China does not change the practices that led to the US imposing tariffs on China, whether the US should impose additional tariffs on China or not impose additional tariffs but continue to work through the WTO to get a ruling.

A majority (55%) recommended not imposing additional tariffs and instead continuing to work through the WTO to get a ruling, including 77% of Democrats and 55% of independents. However, nearly two-thirds of Republicans (64%), preferred imposing additional tariffs without a WTO ruling.



North American Trade

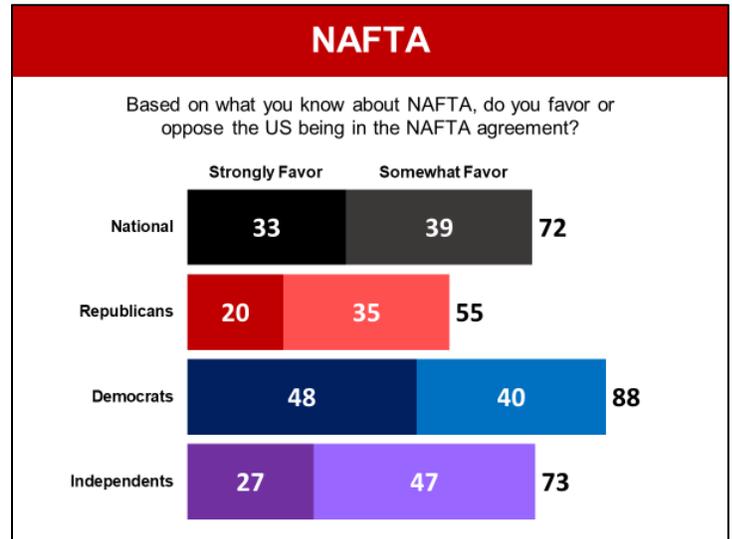
10 NAFTA and the USMCA

Asked about the original North American Free Trade Agreement (NAFTA) agreement, a very large majority, including a majority of Republicans, expressed approval. Told about the proposed U.S.-Mexico-Canada Agreement (USMCA) agreement, a slight majority favored it, with large majority of Republicans in support and a modest majority of Democrats opposed. If Congress does not approve the USMCA deal, a large majority favors staying in NAFTA. Those who favored the new USMCA agreement and approved the steel and aluminum tariffs were asked whether they would be willing to lift the new steel and aluminum tariffs on imports from Canada and Mexico if it appears necessary to get agreement on USMCA; most said they would.

Given a short refresher on NAFTA, respondents were asked whether they favored or opposed the US being in the agreement. A bipartisan majority favored it (72%), including 55% of Republicans as well as 88% of Democrats.

Respondents were then told about the proposed NAFTA replacement – the USMCA – including several important changes:

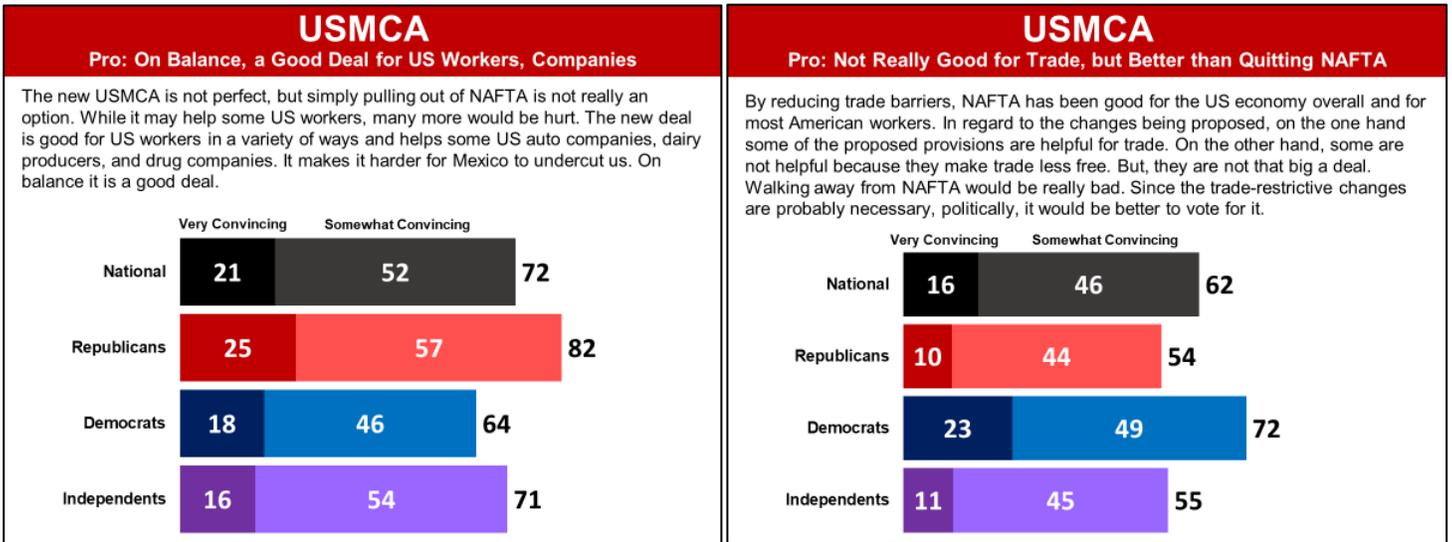
- *Requires a certain portion of auto parts to be made by workers making \$16 an hour, reducing the competition from lower wage auto workers in Mexico.*
- *Reduces the amount of parts that can be imported from outside of North America for cars sold tariff-free, helping North American auto parts producers, especially in the US, but likely raising the price of cars.*
- *Lengthens the period that certain kinds of prescription drugs would be protected from competition from generic drugs, helping US drug companies, but likely raising drug prices.*
- *Lowers Canadian tariffs on some US dairy products.*
- *Takes a number of steps to modernize the 25-year-old NAFTA accord, addressing such matters as e-commerce, trade in services, and data flows.*
- *Also, though NAFTA already requires all three countries to maintain certain standards related to the treatment of workers and the environment, this new agreement makes these standards stronger and more enforceable.*



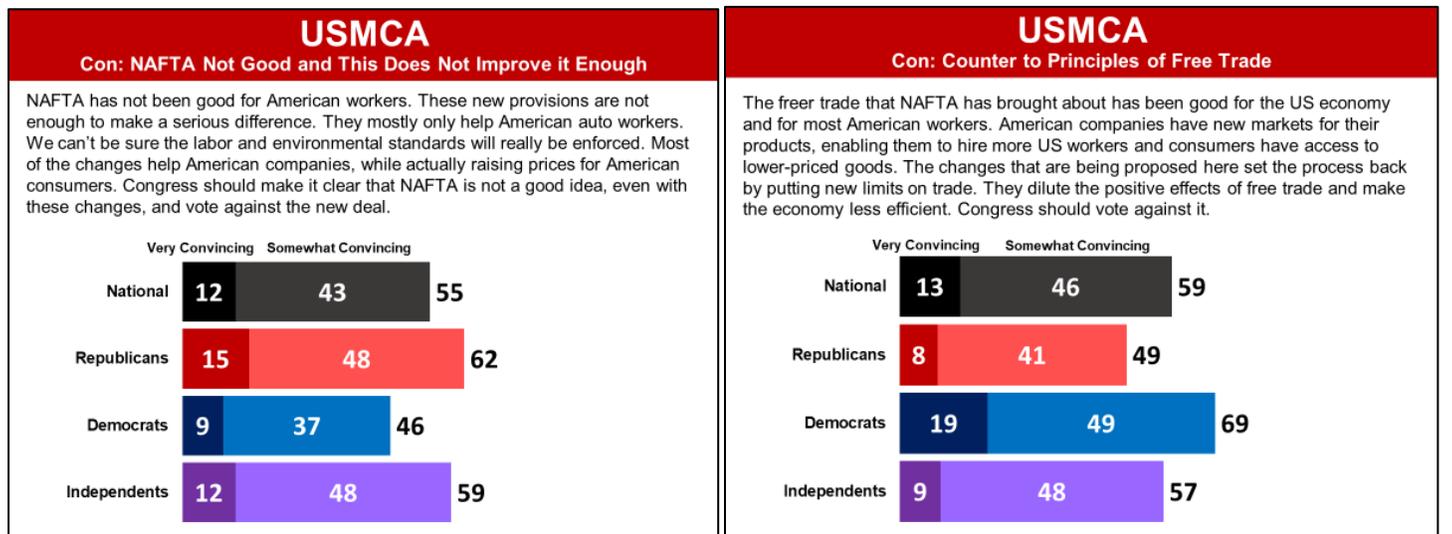
Informed that Congress was deciding whether to approve of this new deal, and the possibility of leaving NAFTA if the deal is not approved, respondents were given four arguments that addressed the pros and cons of the USMCA and NAFTA, as well as the pros and cons of pulling out of NAFTA. The debate about USMCA is quite complex as there are trade-skeptic arguments both for and against it, just as there are pro-trade arguments for and against it.



The two arguments in favor of USMCA were presented in sequence. The first argument expressed dissatisfaction with the USMCA, but stressed that it did make some improvements so that on balance it is a good deal. Seventy-two percent found this convincing, including 64% of Democrats as well as 82% of Republicans. The second argument emphasized the value of NAFTA, and from a pro-trade perspective expressed dissatisfaction with the USMCA imposing limits on trade, but argued that they were not significant, pointed to some positive elements, and stressed that simply walking away from NAFTA would be a bad idea. A smaller majority of six in ten (62%) found this convincing, with more Democrats finding it convincing (72%) than Republicans (54%).



The first argument against USMCA, from a trade-skeptic perspective, stated that NAFTA has not benefited US workers, and the new provisions in USMCA mostly just help companies and not workers or consumers. A modest majority of 55% found this convincing, with a partisan divide: 62% of Republicans found it convincing, compared to just 46% of Democrats. The second argument, from a pro-trade perspective, stressed that NAFTA has been good for the US, and that the changes in USMCA would dilute those benefits and hurt the economy. Six in ten found this convincing (59%), including 69% of Democrats and 57% of independents. Republicans were evenly split (49%).

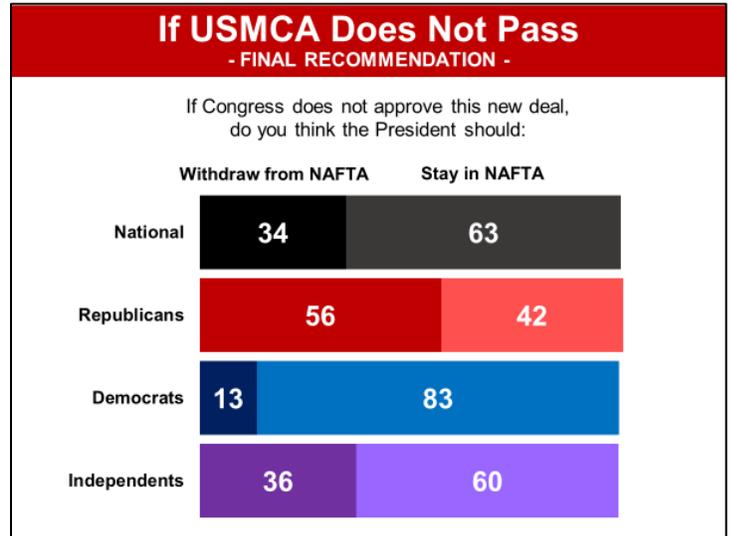
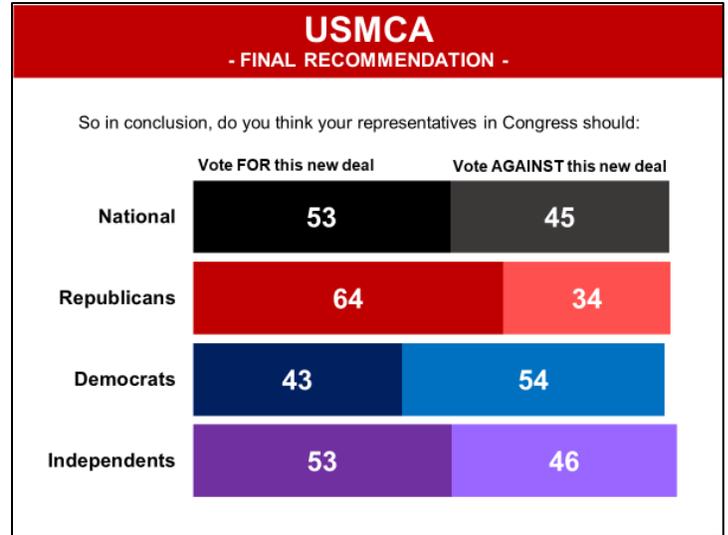


Finally, asked what their representatives in Congress should do in regard to USMCA, a bare majority of 53% said they should vote for it, including a robust 64% of Republicans and a bare majority of independents (53%). Democrats, however, came down against with a modest majority (54% opposed).

Respondents who favored the USMCA, and also approved of imposing tariffs on steel and aluminum (36% of the whole sample) were asked a follow-on question. They were informed that some members of the Canadian legislature are requiring that the US lift its steel and aluminum tariffs on Mexico and Canada before they sign.

They were then asked if they would favor or oppose lifting those tariffs in order to pass the USMCA. By a nearly 3-to-2 ratio, these respondents favored lifting the tariffs to pass USMCA, with 22% (of the whole sample) in favor and 14% opposed. Republicans were more evenly split (30% in favor- 25% opposed), while Democrats were more in favor (15% in favor - 5% opposed).

Finally, respondents were given another hypothetical: in the case of Congress not approving the USMCA, should the President stay in NAFTA or withdraw? A majority recommended staying in NAFTA (63%), with a significant partisan split: 83% of Democrats and 60% of independents favored staying in NAFTA, while 56% of Republicans favored withdrawing.





PROGRAM FOR PUBLIC CONSULTATION

SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

The Program for Public Consultation is part of the School of Public Policy at the University of Maryland. It seeks to improve democratic governance by consulting the citizenry on key public policy issues governments face. It has developed innovative survey methods that simulate the process that policymakers go through—getting a briefing, hearing arguments, dealing with tradeoffs—before coming to their conclusion. It also uses surveys to help find common ground between conflicting parties.

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