

Bill Kaplan: Rural Wisconsin is still feeling pain

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“The failure of the United States and China to reach agreement (May 10) on a comprehensive trade deal raises the possibility that ... Trump’s favorite negotiating tool – high tariffs on imported goods – may be hardening into a permanent feature of the U.S. economy” (Washington Post). And, Politico reported that Iowa GOP Senator Joni Ernst “doesn’t see a (U.S.–China) trade deal happening this summer”. The escalating trade war means more pain for Wisconsin farmers and rural towns.

Even a break like Trump’s lifting tariffs on aluminum and steel from Canada and Mexico may not bring much relief for Wisconsin. Yes, retaliatory Canadian-Mexican tariffs on U.S. dairy and other agricultural products will be eliminated. But here’s the rub – the new U.S.-Mexico-Canada trade agreement “only opens up about 3.6 percent of Canada’s market for dairy, poultry and eggs to the U.S. and that’s not much for American farmers” (Milwaukee Journal Sentinel). And, Wisconsin dairy farmers may have lost much of the Mexican market permanently to foreign competitors. Moreover, will a gridlocked Congress ratify the new (still flawed) trade agreement?

Trump says don’t worry. He falsely claims that China is paying “massive” tariffs to the U.S. Treasury. However, Trump economic adviser Larry Kudlow contradicted Trump, admitting that Americans are paying with higher prices and reduced U.S. exports to China. Still Trump claims “we’re winning it big” as he announced a \$16 billion bailout for U.S. farmers hurt by the trade wars. Let’s hope it does more good than the previous Trump bailout. Wisconsin farmers got too little too late. Beset with low falling prices for milk, declining income, debt-bankruptcies and widespread flooding Wisconsin dairy farmers mostly got a pittance. And, there’s more.

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Last week, Wisconsin Democratic Senator Tammy Baldwin issued a justifiably tough press release. “U.S. Senator Baldwin: Demands answers from Trump about \$62 million going to Brazilian crooks instead of American farmers”. Baldwin said: “Allowing taxpayer funds to support foreign agricultural companies, particularly corrupt foreign companies, at a time when farmers in Wisconsin and across the country are suffering from pain caused by your trade wars is outrageous, and I’m calling on you to explain how you allowed this to happen”. (Baldwin’s hot rhetoric was supported by solid reporting from the New York Daily News).

Rural Wisconsin and its farmers are on the edge. And, Trump’s razzle-dazzle can’t mask the misery and pain. “Over the past two years, nearly 1,200 of (Wisconsin’s) dairy farms have stopped milking cows and so far this year, another 212 have disappeared ...” (New York Times). Moreover, a new Federal Reserve survey showed only 52 percent of rural Americans thought their local economy was in good shape. Many rural Wisconsinites don’t have enough cash or credit to cover unexpected emergencies or needs. What to do?

Montana Democratic Senator Jon Tester (lost 3 fingers on the family farm) said: “In rural America, you should start by listening. ... It’s a huge mistake to pull rural America off the map.” Tester, like Baldwin, gets the pain in rural America.

- Kaplan wrote a guest column from Washington, D.C. for the Wisconsin State Journal from 1995 - 2009.