

**Larsen and LaHood Discuss  
Recent Trade Agreements and  
What's on the Horizon**

WASHINGTON, DC – With this week's signing of USMCA, and amidst the ongoing trade negotiations with China, The Ripon Society and Franklin Center for Global Policy Exchange hosted a breakfast discussion yesterday with two Members of Congress at the forefront of trade policy on Capitol Hill.

Those Members were U.S. Reps. Rick Larsen (WA-02) and Darin LaHood (IL-18). A Democrat and Republican respectively, the pair serve as Co-Chairs of the U.S.-China Working Group, a bipartisan group dedicated to educating fellow Members of Congress about the bilateral relationship through meeting with leaders in academics, business, and government. Larsen kicked off his remarks by discussing his experience helping lead the group.

"About 40% of the jobs in Washington State depend upon trade," he stated. "About 60% of the jobs in Snohomish County, which is my home county, depend on trade. So U.S.-China trade and trade with Mexico and Canada – and trade overall – is important for the district. The U.S.-China Working Group obviously has been around for a while. We really try to be bipartisan, we do understand the need for engagement on trade and on many other issues. We recognize that education and dialogue is the key to achieving long-term U.S. goals and U.S. interests in this relationship."

On the President's recent signing of a phase one trade deal with China, Larsen explained it is a step in the right direction, but there is still much more work to be done.

"It does resolve some of the issues at stake in the ongoing trade war," the Washington State lawmaker observed. "I think it's perhaps a respite but not an end. It includes limited relief for farmers and manufacturers, but chief issues in this relationship – including China's support for state owned enterprises, forced joint ventures, tech transfers, and market access — are barely addressed. There's still a lot of work to be done."

"Independent of these negotiations, the U.S. does need to embark on a broader strategy to get its own economic house in order. I don't believe that we're doing enough at home to really deal with some of the longer-term issues that we need to address in order to be competitive overall as a country relative to China."

Larsen then moved the conversation to the brand new trade agreement reached between the United States, Canada, and Mexico, which passed in overwhelming bipartisan fashion in the House and Senate.

"I'm really pleased the President signed that," he said of the landmark plan. "The final agreement reflected priorities that House Democrats fought for, like labor, environmental standards, strict enforcement, and the agreement included provisions that really were born in the negotiations for TPP to modernize rules on digital trade as well."

"But, USMCA is not a 'set-it-and-forget-it' agreement. We're going to need to really live up to the enforcement mechanisms that were put in place in order to build the foundation for any future discussions on future trade agreements."

"The bottom line," Larsen concluded, "is there's a lot of work left for people who are involved in trade. We can maybe pat ourselves a little bit on the back for getting past phase one to phase two, whatever the heck that is, and getting past USMCA, but there's a lot of work to be done."

LaHood agreed.

"If you would've asked me six or seven months ago how we looked in terms of USMCA, Phase One, and Japan," he said, "I was pretty pessimistic. I wasn't sure the direction we were going to go. In my district, the four largest trading partners that we have are Canada, Mexico, China, and Japan. We now have trade



Reps. Rick Larsen (left) and Darin LaHood (right).

agreements with each one.

"Trade in my district is vitally important, and the Mississippi river is my Western boundary and the Illinois River runs through my district. We load up lots of products on that inland waterway system, whether it's corn or soybean or fertilizer or ethanol or Caterpillar products, and they go down that river to New Orleans. They are offloaded on ships and go all around the world. In a rural district like mine, trade is important. It equals jobs and economic opportunities."

Being from an agriculture-heavy district, LaHood talked about phase one of the President's negotiation with China and the implications it will have back home.

"From an agriculture perspective, the purchase agreements in there are solid.

They're really good. About \$50 to \$60 billion over the next two years. Overall, about \$200 billion in other purchases that will come out of phase one and that's beneficial, I think, for our country. In terms of the enforcement mechanisms that we ultimately want there on intellectual property and technology, we didn't get those in phase one. Obviously, that's part of phase two. I think Lighthizer and others will admit to you those are going to be the toughest issues to negotiate on.

Looking ahead, LaHood argues that these trade accomplishments create enough momentum to reach further agreements in the next year or so.

"I think what USMCA, phase one, and the Japan deal shows our allies that we can negotiate trade agreements – that we can get things done. If you look at the 24 chapters in USMCA, they're really precedent-setting when it comes to intellectual property and technology."

He added that the trade deal also brings to mind an expression – 'If you're strong at home, you can be strong abroad.'

"I think people around the world recognize that our economy is pretty good," the Illinois Republican stated. "It's a pretty good bet right now. And I think the Trump administration used that leverage as we engaged in these negotiations."

"And as we look at 2020 and England, I think that's on the horizon for a free trade agreement. We're looking at India, which looks much more like a condensed trade agreement, particularly on Ag. Of course, Brazil is a ways down the road. But again, I think we've set the precedent. We've shown our allies, and we've shown the world, we can engage in good substantive trade agreements. And I think that will bode well for us."

The Franklin Center for Global Policy Exchange, a non-profit, non-partisan public policy organization which has promoted enlightened, balanced, and unbiased international policy discussion on major international issues for over 30 years. The Franklin Center also hosts bipartisan events with Members of Congress on a variety of topics here in Washington, D.C. and across the country.

For more information on the organization, please visit its website at [www.franklincenter.us](http://www.franklincenter.us).

**"We've shown our  
allies, and we've shown  
the world, we can engage  
in good substantive trade  
agreements."**