

US Foreign Trade Policy: “Of course I’ll still love you in the morning...”

Totem Report June 13, 2018

By Bret Anderson

Our invocation was given by Nancy Cahill, who brought us wisdom from Piglet. Do you ever have days when you don’t feel so good? Those pigs and those bears all feel that way sometimes. It is quite normal. Remember that it happens but that you’ll get over it. God has not promised us always blue skies. When those sad feelings happen, friends can give unfailing sympathy and undying love to help you through.

Skip Rowland lead us in a spirited rendition of The Star Spangled Banner in the key of A flat (which I can almost manage except for the high note...)



We are sad to mourn the passing of friend and Rotarian John O’Neil. He and his family were strong supporters of the Boys and Girls Club. Instead of flowers, please send a contribution to the Boys and Girls Club.

Navi Bains, first year of medical school completed, came back for a visit to say hello. Welcome back!

Welcome, also, to new member, Eric Roecks who grew up on a wheat farm in Eastern Washington and then graduated from the UW. He is a recipient of the Best Bad Dad Humor Award and honored his dog by using her as a flower girl at his wedding. He collects interesting and unusual signs. Be sure to tell him if you see any.

Don’t forget President Mark’s dinner! Lots of fun and good food will be had. Follow this link to learn more and sign up! <http://seattlerotarymariners.org/events.html>



Change in program: Unfortunately, Microsoft’s James Whittaker, was unable to give his presentation, *Rise of Machines*. It is not true that he has gone missing and police are questioning his laptop.

Fortunately, the committee was able to come up with a super substitution: *Trade Wars - Headlines, History, and Reality*.

Natalie Brand, Political Reporter for KING 5, opened the panel discussion about the present state of US foreign trade policy. The panel was made up of Consul General Roberto Dondisch, Consul Michael Wooff, and Dr. Ed Rice.

Note from the reporter: As you can imagine, it would be very difficult for me to present a complete transcript of the discussion. What I have done below is to give you the main points (as recorded by me) made by each panel member.

Roberto Dondisch, Consul General, Consulate General of Mexico in Seattle.

- NAFTA is not only about trade. Culture and learning also travel.
- The new US tariffs might be only bargaining positions.
- NAFTA is an idea to promote prosperity across North America.
- What message is the US sending?
- What does the US want in the future from its neighbors?
- Tariffs cause complications.
- If you are breaking agreements while negotiating, you lose credibility.
- Can you trust the people that you are negotiating with?
- You have already signed an agreement; why are negotiations being re-opened?
- It is very important for governments to be careful what they say. Trade agreements are complex and subtle, and governments move ponderously. A go-kart may change direction quickly, but not a train.
- All candidates for president in Mexico's current election are in favor of NAFTA. The incumbent president will be in office for five months after the election, then the new president may have different ideas.
- Maybe we (Mexico) took the North American connection for granted at the cost of trade relations with other countries.
- Mexico is working for a North American trade agreement. We believe in North America.
- US goods and services trade with Mexico totaled an estimated \$616.6 billion in 2017. Trade between Mexico and the US has increased 400% since NAFTA was signed in 1993.
- People are making decisions about industry and they need to know what to plan for. Ambiguity about future trade makes planning difficult.



Michale Wooff, Consul and Senior Trade Commissioner,
Consulate General of Canada in Seattle.

- The Canadians are at the table and are looking for a win-win-win.
- The relationship between the US and Canada has always been close and will always be so.
- You don't get mad, you don't call names; you just look for solutions.
- Whatever you are doing, do no harm. Now we are in a situation where harm is being done.
- The tariffs are illegal. Mexico has responded, the EU has responded, Canada has not yet.
- Every once in a while, Canada needs to be reminded that too much of its trade is with the US. Now, it is becoming more connected with the EU and Mexico.
- A group of farmers is negotiating with the Trump Administration. Canada and Mexico buy more US agricultural products than anyone.
- Canada buys more aluminum from the US than the US buys from Canada.
- If you make materials and products more expensive then China will win.
- What is going to happen in the future when the US wants to come back to a trade agreement?
- On the dairy issue - the US has a glut of dairy products that it is trying to dump in Canadian markets. The US sells five times as much dairy in Canada as Canada sells in the US. Dairy cows eat corn and soybeans, both of which are heavily subsidized by the US government. As many as 300,000 jobs could be at stake in the dairy industry.



Dr. Ed Rice, Associate Professor of Finance and Business
Economics, University of Washington.

- We are not in a trade war.
- Trade is very important. There are gains from trade that are good for everyone.
- Economically isolated countries do not prosper.
- The danger is that free trade might be destroyed by this round of tariffs.
- Is there any hope for the future? There are some people in the administration who do favor free trade. There are problems in the trade system and some people know this.
- "My hope is that this is just a negotiation tactic."
- The value of the reputation of the US is in the balance. The world depends on free trade.



- One of the reasons that the US is so important in international trade arrangements is that it is involved in so many agreements.
- Now other countries wonder if we can be trusted. Our reputation is shattered.
- Everybody wins in trade.
- It is ridiculous to think that if you have a trade surplus you win and if you have a deficit you have lost. I have a deficit with my dry cleaners and QFC because I give them money. They do not give me any money. This makes no sense. If I cut off my dry cleaner and QFC, then my clothes will be dirty and I will go hungry.
- Our system of regulations of trade is truly Byzantine.

From the floor:

- Trade negotiations make nuclear arms control look like playing tic-tac-toe.
- Popular candidates in GOP are not free trade advocates even though free trade is a traditional a GOP position.
- The airport in San Diego is a start building bridges instead of building walls.