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Don't Make Perfect the Enemy of the Good

By Matt A. Mayer

It is safe to say that no country can establish a trade agreement that is perfect for that country's economy, workers, and businesses. With two or three sovereign nations involved, negotiations will result in some wins and some losses. The best a country can hope for is that the new agreement is better than the existing agreement.

When it comes to the United States-Mexico-Canada Agreement, no one seriously argues that it is a step back from the nearly three-decades-old North American Free Trade Agreement. As one would expect Donald Trump to say in 2015: "Past agreements have often replaced well-paid manufacturing jobs with low-paying service sector jobs, depressing wages and widening income equality."

Before running for the presidency, Trump likely conceded in 2011 that "(t)here were jobs created by NAFTA and CAFTA, but when balanced against the jobs lost, the result has been massive job and trade deficits ... and (America) should change course on trade policy and put American workers and American manufacturers first." As recently as January 2019, it was noted "The truth is that trade agreements like NAFTA can help increase our exports, but they have also increased our trade deficits and accelerated the devastation of our nation's industrial base."

President Trump and his trade negotiation team worked aggressively to fix what time had shown didn't work with NAFTA and to support American workers, farmers and businesses. After extensive negotiations with Canada and Mexico, the three great countries agreed to USMCA. Major improvements include:

- Better rules for where cars and trucks are made and the percent of parts to be made in America.
- Greater access for farmers to Canada on milk and other key agricultural products.
- Stronger protections on intellectual property and the use of America's superior services sector.
- New provision covering digital trade, anti-corruption, currency manipulation and regulations.
- New requirements to give smaller businesses opportunities to increase trade under the agreement.

Critically, Mexico will have to recognize the right to collective bargaining and to adopt and enforce international labor laws. USMCA also requires a minimum wage of \$16 per hour for 40-45% of all auto content. Finally, USMCA contains vital improvements in environmental standards.

Think of the enormous technological and economic changes that have occurred in the 25 years since NAFTA was adopted. In 1994, the internet was in its infancy and Asian countries like China and Malaysia were just beginning to get involved in global trade.

Today's highly competitive trade environment means Americans no longer can allow other countries to undermine our workers and companies for the sake of foreign policy goals.

The U.S. International Trade Commission found that USMCA would "increase U.S. exports to Canada and Mexico by \$19.1 billion and \$14.2 billion, respectively" and add roughly 176,000 new good-paying jobs in America. Passing USMCA should be a no-brainer in Congress except for partisan politics that seek to deny President Trump a win. That, however, also denies the American workers and farmers, including those in Ohio, an important win.

For those Democrats opposing USMCA like Sen. Sherrod Brown, USMCA has a six-year sunset provision requiring a review. Passage today would mean a sunset review in 2025 when the next administration can seek further improvements. Because USMCA improves upon NAFTA, it truly makes no sense to leave NAFTA in place.

Brown should get behind USMCA, as those quotes above weren't from President Trump; they are Brown's words. He should heed them and not make the impossible-to-attain perfect the enemy of the good USMCA.

Mexico has ratified the agreement. Canada will take it up after upcoming elections. It is time for Congress to pass the USMCA to pressure Canada to follow suit and to jump-start our slowing economy. Ohio's workers and farmers deserve no less.

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