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**Wyden Statement at Finance Committee Hearing on the President's 2019 Trade Policy
Agenda**

As Prepared for Delivery

The Finance Committee meets this morning to discuss the administration's trade agenda.

First, on China. The president likes to say that, "trade wars are good and easy to win." The situation on the battlefield says otherwise.

China's market is more closed off to American-made goods than before the trade war began. The president's next escalation will directly raise the cost of everyday goods in America, and he's signaling that he'll betray our national security and let Huawei off the hook if China helps him save face.

There's no question that confronting China's trade ripoffs was long overdue. The Chinese government and state-owned enterprises have gotten away with strong-arming American businesses, stealing I.P. and undercutting American jobs for too long. But this needs to be handled differently. Rather than chaos, what's needed is a well-coordinated, international effort led by the U.S. to crack down on China's abuses. Instead, the president's actions have driven away our allies, and there is no discernable strategy guiding the way forward.

Some have attempted to focus our efforts directly where China is coming after our economic strengths - highly technical manufacturing and innovation. Ambassador Lighthizer has laid out that type of approach to this committee in the past. But those plans get knocked off course by hail storms of tweets sent while the president is watching his morning television.

As a result of this mismanagement on trade, the American people are faced with the prospect that everyday life in this country will become more expensive and less secure.

The next round of tariffs the president is considering would drive up the price of consumer goods sitting on shelves across the country by as much as 25 percent. Millions and millions of families will begin back-to-school shopping in a matter of weeks. School uniforms, gym clothes, sneakers, bookbags, pencils, notebooks, you name it. With new tariffs in place, Mom and Dad might discover the amount they budgeted only goes 80 percent as far as they expected.

And then there's the issue of Huawei. Huawei poses a genuine spying risk to the United States and our allies. Allowing its equipment to be used in our telecom infrastructure would compromise our security. That's the opinion of national security experts outside the government and in key federal agencies.

Even the president seemed to get it. At a recent White House event, he said of Huawei, "You look at what they've done from a security standpoint, from a military standpoint, it's very dangerous." But in his very next sentence the president said, "It's possible that Huawei even would be included in some kind of a trade deal."

So right out in the open, the president is telling China's spymasters that he's willing to give away America's national security for a face-saving trade deal. This is not some academic concern. This is a real threat. But rather than holding our national security interests above all else, the president seems most interested in getting splashy trade headlines.

Now I'll turn briefly to the Western Hemisphere. I've long said that NAFTA was a product of a different economic era, and it's past time for an overhaul. The president campaigned on ripping up existing trade deals, but the new NAFTA sure resembles the old one.

That said, there are areas of meaningful progress. It goes further than before on digital trade and state owned enterprises. It takes a modernized approach to customs and duty-evasion. I commend Ambassador Lighthizer for obtaining some strong outcomes in the labor and environment chapters.

But particularly when it comes to enforcement, there's some hard work left to be done. Commitments from other countries aren't any good if there's no way of holding those countries to them. The new NAFTA retains a weak enforcement system from the old NAFTA, which was too easy on trade cheats. That's a bad deal for American workers, particularly the enforcement of labor obligations.

Senator Brown and I have offered some solutions. I'm hopeful and optimistic that with some bipartisan work, those are issues that can be resolved.

In the meantime, there is no way to justify pulling out of the current NAFTA, since doing so would accomplish nothing except economic pain here at home.

I'm looking forward to discussing these issues and more with Ambassador Lighthizer this morning, and I thank him for joining the committee.

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