

**Business**

# In tentative deal with E.U., Trump touts parts of global trade deals he once rejected

by **Jeanne Whalen** and **Damian Paletta** July 26

President Trump this week embraced components of global trade deals he has rejected in the past, in a [preliminary agreement with the European Union](#), American and European trade experts and diplomats said Thursday.

Speaking to a crowd of steelworkers Thursday in Granite City, Ill., Trump touted a “historic agreement” with the European Union and said his administration’s tough trade strategy is working and making up for unfair trade deals in the past. “This is the time to straighten out the worst trade deals ever made by any country on Earth ever in history,” he said.

But the deals the administration has reached fall short of Trump’s broad aim of rebalancing U.S. trade relations with the rest of the world — and in some instances adopt elements of past agreements the president is intent on breaking.

Trump’s agreement this week with the European Union and a [renegotiation earlier this year of a trade deal with South Korea](#) bear similarities to deals that were in place or being negotiated before Trump took office, the analysts and diplomats said.

A key piece of the agreement Trump reached with European Commission President Jean-Claude Juncker to ease escalating trade tensions and forestall further tariffs called for both sides to “work together toward zero tariffs” on non-auto industrial goods, such as aircraft engines and turbines.

That was also a goal of the Transatlantic Trade and Investment Partnership, or TTIP, a proposed deal that the United States and the European Union were negotiating under the Obama administration and that subsequently withered.

“There does seem to be a lot of similarity in what Trump wants to achieve and what the TTIP tried to accomplish,” said Eswar Prasad, professor of trade policy at Cornell University.

Wednesday’s joint statement from Juncker and Trump also called for easing trade barriers in sectors such as pharmaceuticals and chemicals, aims that were part of the TTIP, said Anthony Gardner, who was U.S. ambassador to the European Union during the Obama administration.

The Trump administration's reworking of a trade deal with South Korea included some improvements for Washington, including a Korean agreement to restrict its steel exports to the United States, trade experts said.

But Jeff Moon, who was assistant U.S. trade representative to China during the Obama administration, said the new deal was largely similar to the previous one "because it wasn't that bad a deal."

Asked about the parallels, White House spokeswoman Lindsay Walters said Trump was pushing for more trade changes.

"This was the start, not the end," she said. "The President made clear to President Juncker that he expects agriculture to be on the table, and believes that we should continue to discuss agriculture with the EU moving forward."

During his hour-long speech at a U.S. Steel facility in Granite City, Trump gave a provocative, forceful defense of his approach to economic and foreign policy, arguing that his hardball tactics had worked with China, the European Union and North Korea.

It is a message the White House is trying to reinforce after many business leaders and Republicans in recent days expressed concern that Trump's trade agenda was starting to backfire.

Midway through the corporate earnings season, some of the country's largest companies have reported that [they are feeling the pinch of the Trump administration's trade war](#).

The executives, who lead companies across a broad array of industries, identified the tariffs — especially on aluminum and steel — as a potential drag on profits.

They said the import taxes could lead to higher prices for consumers and force companies to make major changes in production lines, including moving some operations out of China.

General Motors, Coca-Cola, Harley-Davidson and Brown-Forman have all warned that the tariffs could push them to increase prices.

Republicans also have raised concerns about Trump's trade strategy.

Rep. Garland "Andy" Barr (R-Ky.) said that although he is pleased with the E.U. agreement, he is concerned about the effects of the trade tensions on the bourbon industry and on car plants in his state.

"We appreciate the administration lowering the temperature with the E.U., but to my question about retaliatory tariffs on Kentucky bourbon exports, I don't have a solution yet for my bourbon industry," Barr said.

“I also stressed that there are a lot more jobs at Toyota Motor Manufacturing in Kentucky that are negatively impacted by these steel tariffs than there are at the aluminum smelters and the steel production facilities in Kentucky,” he added.

Trump said that U.S. policy before he became president was “stupid” and that the economy during the Obama administration was “going to hell.” At one point, he said countries used to look at the country as the “big, fat, sloppy United States.”

The rosy picture Trump painted of his agenda was only a partial reflection of where things stand. He characterized the E.U. negotiations, which began in earnest Wednesday, as nearly completed, but many differences remain. And relations with China are still chilly and uncertain amid an escalation of tariffs.

In a room full of steelworkers in a revived steel town, those nuances weren’t as important as the momentum Trump said he was fueling. U.S. Steel executives and employees are strong supporters of the tariffs Trump imposed on steel and aluminum imports this year.

Bob Edwards, 60, was rehired by the Granite City steel plant in January 2017 after having lost his job 11 months earlier.

“A regular paycheck and a booming economy — when you are doing something, you are not worried about everything else,” said Edwards, whose ponytail was tucked under his orange hard hat. He said he’s a strong union supporter and also a strong Trump supporter.

U.S. Steel’s chief executive addressed the crowd of about 500 in the sweltering warehouse before Trump arrived, encouraging them to keep working together to help the company continue its growth. U.S. Steel’s stock price has roughly doubled since Trump’s election.

“We have a president who believes in you,” David B. Burritt said. “He’s fighting for us.”

Speaking before the Senate Appropriations Committee on Thursday, U.S. Trade Representative Robert E. Lighthizer said negotiations to overhaul the North American Free Trade Agreement were proceeding at “an unprecedented speed.”

Lighthizer, who also met Thursday with Ildefonso Guajardo Villarreal, Mexico’s economic secretary, to discuss NAFTA negotiations, said he hoped to have an agreement in principle with Mexico soon.

“My hope is that we will before very long have a conclusion with respect to Mexico, and as a result of that, Canada will come in and begin to compromise. I don’t believe they’ve compromised in the same way the United States has or the way Mexico has,” he said. Canadian officials didn’t immediately respond to a request for comment.

Luis de la Calle, a former undersecretary in Mexico's economic ministry, said the United States and Mexico have incentives to conclude the NAFTA talks soon.

"On the Mexican side, there is the incentive of the outgoing government to conclude that issue, and for the incoming government, to not have to deal with it," he said, referring to the presidential administration set to take office in December.

Quentin Ariès in Brussels, James McAuley in Paris, Gabriela Martinez in Mexico City, and Erica Werner and Jeff Stein in Washington contributed to this report.



### Jeanne Whalen

Jeanne Whalen is a reporter covering business around the world. She previously reported for the Wall Street Journal from New York, London and Moscow. [Follow](#)



### Damian Paletta

Damian Paletta is White House economic policy reporter for The Washington Post. Before joining The Post, he covered the White House for the Wall Street Journal. [Follow](#)

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Last Updated:08/10/2018