



Peter Friedmann's View from Washington DC. June 2022

Even as we deal with the supply chain crisis to keep US ag and forest products moving to foreign markets, and pressing Congress and the Executive Branch to act, to pass Ocean Shipping Reform Act, etc., we keep an eye on what else is going on in DC. Some personal observations:

Common wisdom is that the midterms, now five months away, will distract Congress from getting its business done, this fall. But in fact, the 'midterms' are already here, roiling Congress already in May and June. Many have announced retirement rather than fight to win reelection, often in newly gerrymandered Districts, several either lost their primaries or are still fighting for every vote in run-offs and recounts. They will still be in office till the end of the year; their continued presence creates a very unsettled environment on the Hill.

Thus, the distraction of the midterms, which will determine which party controls the agenda for the next two years, has already landed on Capitol Hill. It is in this atmosphere that two immediate domestic issues have been elevated by recent events – abortion and gun control. The horrific Uvalde school shooting and the Supreme Court leak of the draft Roe v. Wade decision. How will Congress deal with these? Will Democrats and Republicans each go to their corners, refuse to engage, and just use these issues for campaign messaging? Likely.

As each party maneuvers to win the midterms, the initiative has moved from Congress, down Pennsylvania Avenue, to the White House.

The challenges facing the President are increasing in number and complexity – inflation, UkraineRussia, massive immigration inflows – almost impossible to fix quickly. Steps are being taken: releasing oil from the Strategic Petroleum Reserve to try to keep a lid on gas prices at the pump (a driver of inflation), while shipping oil to European countries which have agreed to reduce purchases of Russian oil. Increasing shipments of ever-more potent weapons to Ukraine. Even asking European countries to take in immigrants which are flooding into the US.

Our economic dependance on China, combined with China's expanding dominance in foreign policy has been a growing concern for several Administrations. It is now seemingly coming to a head. Even while putting so much effort into keeping the European Union engaged with us on Ukraine, the President has launched an Asia Pacific initiative.

Central to this outreach, he is seeking to build trade relationships with all countries other than China – sounds like the TransPacific Partnership that Clinton, Obama and Trump all sabotaged. Huge opportunity lost, would have been great for US ag exports. Does President Biden have the will to actually pursue the concept, even though his labor union allies continue to oppose?

The world is closely watching the President's statements of support for Taiwan, openly defying China. The right thing to do, but previous Administrations have been hesitant, acutely aware that this could be the military flashpoint for China's challenge US leadership.

Unsettled times, economically and politically, domestically, and abroad.

Peter

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