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California Must Lead, Not Follow, on Mexico

In recent years, in no small part thanks to the leadership of Governor Jerry Brown, California has emerged as a forceful and respected actor on the global stage. Especially in the Trump era, California has been a beacon of hope to the rest of the world, exerting global leadership on climate change, standing strong in defense of the human rights, especially for immigrants and the LGBT community, and above all for showing that in the sixth largest economy in the world, we can both achieve significant economic growth through innovation *while also* providing for the basic needs of the most vulnerable among us, especially health care. It is therefore very odd that the state remains an outlier in one critical area that directly affects the continued growth of its economy, the prosperity of its work force, and the cultural identity and heritage of a majority of its people: it's failure to maintain a trade and investment office in Mexico. That could easily change if we implement SB 357, a bill *unanimously passed* by the legislature that now awaits the governor's signature.

No big deal, right? How important could it possibly be to have what, in all fairness, sounds like just another government bureaucracy operating in a foreign country? Don't kid yourself. It's VERY important.

For starters, Mexico is not just any foreign country. It is by far our most important trading partner. In 2016, two-way trade between California and Mexico surpassed a staggering $71.6 billion. Mexico is the state's top export market, receiving $25.2 billion in California made goods, which support over 550,000 jobs in the Golden State. And California is not just any state. We are one of just four American states sharing a 2,000 mile border with Mexico, not to mention important historical, cultural and linguistic ties (we were, after all, once part of Mexico). The Cali-Baja Mega Region is perhaps the most innovative, dynamic and productive region of our shared border and home to some of the most important technology, biomedical and manufacturing companies in the world. Yet despite this reality, California is the *only* border state without a formal trade and investment office in Mexico. Worse yet, some 25 other states—from as far away as New York—have offices in Mexico while California sits on its hands.

It's not just about what we sell to Mexico but also how we benefit from our proximity to it. In an era of global competition for investment to drive economic development, where cities and states fight tooth and nail to distinguish themselves to attract scarce but often significant private sector investment (think: the battle raging to host Amazon's new technology campus or the latest Tesla Gigafactory), a trade and investment office can play a major role in attracting investment dollars to the state. California is already an important recipient of critical investment from leading Mexican companies, like Cemex, Bimbo (owner of leading baked good brands like Sara Lee), IT giant Softtek and many others, collectively employing thousands of Californians in their operations. But as Mexico, already the 14th largest economy in the world, continues to grow, so too should our economic partnership with it. And let's not forget that, according to Visit California, Mexico is California's undisputed top international market, responsible for more than 40 percent of all international trips to the Golden State annually. California's southern neighbor is its biggest tourism driver, with some 530 weekly flights to the state, with 7.9 million visitors spending a whopping $3.2 billion during their visit.

Our relationship with Mexico goes well beyond the numbers, however. In just under a year, since Donald Trump was nominated and then elected as President, the relationship between the United States and Mexico has nearly fallen into the abyss. From hurling campaign insults about rapists and murderers to the baseless and no less insulting call for the construction of a Berlin-style wall to divide us, Trump never misses an opportunity to attack, degrade and insult a nation that, in every respect, is one of our most important allies. He has called NAFTA the worst trade deal ever written and seems intent on finding a way to withdraw from the deal altogether, despite the important role the agreement has played in turning North America into what the Bush Institute has deemed the most competitive economic platform in the world. California has a BIG dog in this fight. Just as the state, in the face of the U.S. withdrawal from the Paris Accords, has doubled down in the fight against climate change, so too must California lead here. Foreign policy is not normally in the province of the states, but these are not normal times. As the Trump administration embarks on what could well be the worst self-inflicted foreign policy blunder ever—turning one of our closest allies into a nation that actively distances itself from the U.S., seeking out new economic and investment relations with China, Europe, Japan and Brazil—California must step into the breach. S.B. 357, which is forecast to cost the state less than $300,000 (in the context of a $171 billion budget) would send a powerful message and play a critical role in ensuring that whatever happens in Washington, the Golden State's relationship with Mexico thrives. Even in an era of super-majorities in Sacramento, Republicans and Democrats rarely unanimously agree on anything. But they got this one right. The governor should sign the bill.

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