The Detroit News

Trump targets NAFTA and promises: 'I am your voice'

Chad Livengood and Jonathan Oosting

July 22, 2016

Cleveland — Republican presidential nominee Donald Trump on Thursday portrayed America as besieged by high-profile violent crimes, chained to a sluggish economy and said he would "walk away" from a signature trade agreement if he can't get a better deal for U.S. workers.

In a 75-minute address rife with populism, Trump took aim at the North American Free Trade Agreement, vowing to use his business acumen to renegotiate the 22-year-old continental trade pact with Canada and Mexico.

"Our horrible trade agreements with China, and many others, will be totally renegotiated," the New York real estate tycoon vowed. "That includes renegotiating NAFTA to get a much better deal for America – and we'll walk away if we don't get the deal that we want."

Trump vowed to institute a new governing philosophy that puts America's interests above those of other countries and "end the era of stupid wars and rebuild our country" - a shot at the American globalism doctrine practiced by the last Republican president, George W. Bush.

"Americanism, not globalism, will be our credo," Trump declared to rousing applause here inside Quicken Loans Arena.

The celebrity presidential candidate, who defeated more than a dozen GOP opponents in the primaries, offered himself as an insider who can fix what he called a "rigged" economic and political system. He said he would represent the "forgotten men and women of our country" and promised: "I am your voice."

"As long as we are led by politicians who will not put America first, then we can be assured that other nations will not treat America with respect," Trump said. "This will all change when I take office."

After an improbable ascent to the top of the GOP, Trump used his presidential nomination address to lay out his case against presumptive Democratic nominee Hillary Clinton, portraying her as beholden to "big business," media elites and campaign contributors.

"She is their puppet, and they pull the strings," he said of Clinton.

Trump devoted a large portion of his speech toward speaking about the recent rash of law enforcement officers who have been shot and killed in six states, including Michigan.

In mid-July, a 44-year-old inmate wrested a gun from a sheriff's deputy and shot and killed two Berrien County Courthouse bailiffs in southwest Michigan. He was subsequently killed by courthouse bailiffs.

"I have a message for all of you: The crime and violence that today afflicts our nation will soon – and I mean very soon – come to an end," Trump said, calling himself the "law and order candidate."

The billionaire's economic message centered around renegotiating trade deals, which has become a pillar of his campaign in Rust Belt states like Michigan, Ohio and Pennsylvania – all of which are seen as crucial for Trump to capture the White House in November. Trump specifically vowed to "bring jobs back" to Michigan.

"I am not going to let companies move to other countries, firing their employees along the way, without consequence," he said.

On the eve of his much anticipated speech, the billionaire businessman told The New York Times he "would pull out of NAFTA in a split second" if he could not change it, calling the 1994 continental trade accord signed by former President Bill Clinton "a disaster" for America's manufacturing base.

In the past two years, Trump has criticized Ford Motor Co. for taking advantage of NAFTA to invest more than \$4 billion in Mexican auto assembly and parts facilities to build mostly cars that would be sold in the United States.

Automakers including Toyota and General Motors Co. have invested heavily in Mexico to build less-profitable small cars because of Mexico's low labor costs and favorable trade terms for exporting vehicles made there. Producing lower-cost cars in Mexico also helps automakers meet escalating federal fuel economy requirements at a time when small car sales have slowed and truck and sport utility vehicle sales have soared.

Trump's campaign for the GOP nomination relied on a populist message of decrying trade policies once favored by Clinton, who will be crowned the Democratic presidential nominee next week in Philadelphia. Clinton distanced herself from her husband's and President Barack

Obama's trade policies in her Democratic primary battle against Vermont U.S. Sen. Bernie Sanders.

"America has lost nearly one-third of its manufacturing jobs since 1997, following the enactment of disastrous trade deals supported by Bill and Hillary Clinton," Trump said.

The Clinton campaign shot back late Thursday night, attempting to portray Trump as an executive who contracts or outsources business to other countries. Trump's companies have clothing made in Mexico, ties made in China, T-shirts made in Bangladesh and picture frames built in India, according to published reports.

"Donald Trump, almost comically, has aggressively pushed for companies to start making their products in America again," the Clinton campaign said in statement. "Unfortunately, he's not exactly a good poster child. Trump-branded products have been made in at least 11 countries."

'Blue-collar billionaire'

In the multitude of speakers leading up to Trump's acceptance speech, Republicans have sought to portray Clinton as cozy with Wall Street and powerful interests and paint Trump as more in touch with average Americans.

"I truly believe Mr. Trump is America's blue-collar billionaire," said Jerry Falwell Jr., president of Liberty University.

Trump's appeal to working-class voters has centered on a blistering attack on corporate America, including Ford, for shipping jobs to Mexico and other countries where labor is cheaper and regulations are fewer.

If elected, Trump could give six months' notice to Canada and Mexico that he wants out of NAFTA, said Dan Ikenson, director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies.

While the law is murky, Trump appears to need congressional legislative approval if he wanted to change trade taxes or tariffs involving Canadian or Mexican products for the withdrawal from NAFTA to "have any practical meaning," said Ikenson of Cato, which is a free-market-oriented research center.

U.S. Rep. Mike Bishop, R-Rochester, called himself a "free trader" but said Congress has shirked its responsibility to take a second look at NAFTA to determine if there are any "glitches or internal issues" and address concerns raised by Trump and other critics.

"NAFTA hits us directly in both directions," Bishop said of Michigan. "It's great for the autos, because it increases opportunities for the auto industry – that's our bread and butter – but it also has put us in a position where we're incentivizing companies to move to the south."

Bishop, who is backing Trump, voted to give the president fast-track authority to negotiate the Trans Pacific Partnership but said he does not support the 12-country trade deal in its current form, which would require congressional approval for ratification.

"We have to have open discussions with those countries, but the way it turned out is not in the best interest of the country," Bishop said earlier Wednesday. "I really believe what Trump has said on that."

The NAFTA debate

In 1994, the United States created a free trade zone with Mexico and Canada that eliminated tariffs on most goods produced in North America. By 2008, the remaining tariffs or taxes were eliminated between the three countries.

Special rules were created for the trade of autos, agricultural, textile and apparel products – politically sensitive industries.

Canada is Michigan's largest trading partner, as the state exported \$23.4 billion in goods to Canada in 2015, according to the U.S. Department of Commerce. Shipments of goods to Canada accounted for 44 percent of Michigan's exports.

Mexico was the state's second largest trading partner with \$11.1 billion in exports. More than 70 percent of Michigan's exports go to countries that have free trade agreements with the United States, according to Commerce Department.

NAFTA was fiercely debated prior to ratification but "did not cause the huge job losses feared by the critics or the large economic gains predicted by supporters," according to an April 2015 report from the non-partisan Congressional Research Service.

But the trade deal remains a hot topic, especially in states such as Michigan with large manufacturing an agricultural industries.

"Go ask the asparagus growers over in Oceana County and see what they say. It's not working," said former state House Speaker Rick Johnson, a Trump supporter. "They grow about 70 percent of the asparagus in the country, and it's all coming in out of Mexico now."

Johnson said he thinks Trump's message of "fair trade" will play well with Michigan farmers and blue-collar workers.

"If it's not working, then you're going to have to change it," he said. "If it's scrap NAFTA or change it -- whatever is best – that's what needs to be done."

GOP delegate Andrew Richner, a University of Michigan Regent who originally supported Ohio Gov. John Kasich for president, said he is willing to support Trump despite disagreement on some issues, including his comments about potentially scrapping NAFTA.

"To me, there's a risk we could be looking at something like the Brexit fallout," Richner said, referencing financial market turmoil following Britain's vote to withdraw from the European Union. "I'd be concerned, personally, about how the machinations of our economy would be affected."

But state Rep. Brandt Iden, who was dancing on the floor of the convention center after Trump's speech, predicted it would help catapult the Republican nominee to victory in November.

"Mr. Trump's background in business I think is really going to lead us to success," said Iden, R-Osthemo. "I think a lot of people are looking for that, and I think we're going to win."

Lt. Gov. Brian Calley said the speech helped Trump move beyond "a lot of noise in the primaries," a combative set of contests that saw Trump clear a crowded field.

"I thought he did everything that he needed to do," Calley said. "He was able to lay out the type of platform that Republicans can rally around, and then really connect with people across the country."

Matt Hall of Grand Rapids, a Trump delegate, called the nominee's speech "the best I've seen" at a convention.

"Donald Trump doubled down on immigration and being the law-and-order candidate to protect our borders and defend the law," he said.

Trump's address concluded a roller-coaster week that saw a rules fight, a speech-writing snafu and a former presidential candidate booed off the stage.

"We knew this was going to be different than other conventions," said Michigan Republican Party Chairwoman Ronna Romney McDaniel. "It did not disappoint."