



## **United States and Canada claim victory as NAFTA saved at the last**

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The loonie soared higher in the wake of news that Canada has reached a deal to join the United States and Mexico in a new North American trade agreement. Ford says he's also concerned about steel and aluminum tariffs that appear to remain in place.

"The rationale agreed to under USMCA aligns with this approach, and in no way infringes on Canada's sovereign right to develop commercial relations with any country of its choosing".

The U.S. and Mexico came to a deal at the end of August that will be part of the overarching agreement that includes Canada. If the U.S. were to insert a similar clause into trade deals it is negotiating with the EU and Japan, it would mean Beijing's best hope of trading with the EU, Japan and Canada to offset an extended trade war with the USA would be quashed, Post reported, quoting trade experts.

He said he hopes the aluminum and steel tariffs can be resolved shortly, but that the manufacturing industry didn't lose anything in the new deal. Some of the areas that are changed actually incorporate elements on North American trade from the TPP, which was negotiated under President Barack Obama. Similarly, the parts cap is nearly double what Mexico now exports to the U.S.

The deal reportedly grants USA farmers access to the heavily protected dairy market.

As talks came down to the wire, Lighthizer encountered resistance on Capitol Hill to approving a deal that didn't include Canada.

"I know people are still going through the details but it's not a foregone conclusion that it will get confirmation by the Senate", Cornyn said. "We never believed that it would be easy, and it wasn't, but today is a good day for Canada". However, under USMCA, new quotas will be set which are expected to increase market access for United States farmers.

A spokesman for Jim Carr, Canada's new minister for worldwide trade diversification, said nothing that Canada agreed to in the USMCA would hamper the ability to pursue trade a trade agreement with China.

Polls show that Trudeau is still personally popular in Quebec and that the Liberals easily would win a federal election if one were held now.

Negotiators from both sides spent two days talking by phone as they tried to settle a range of hard issues such as access to Canada's dairy market and USA tariffs.

"While the NAFTA talks were ongoing, that was the elephant in the room".

Sen. John Cornyn, the second-ranking Senate Republican, told reporters Tuesday that the revised version North American Free Trade Agreement (NAFTA) reached Sunday night may not now have the votes to make it through Congress. Among these are the promise of improved labor laws for Mexican workers, more access to Canadian markets for American farmers, and a clause that limits future free trade agreements with nations like China.

The Washington Council on International Trade, which has advocated for modernizing NAFTA to enhance competitiveness of Washington in global markets, said in a statement it is looking forward to learning more about the new trade agreement and its potential.

"We're seeing this as an added bonus because it does give our dairy farmers, and dairy farmers across the country added access to that Canadian market that's so important to them, and it looks like poultry and eggs will also have some added access to the Canadian market" said Kenney.

"What I'm seeing is a modest pullback on free trade and economic integration", Simon Lester, a trade policy analyst of the Cato Institute, a libertarian think tank in Washington, writes in an email.

The veto clause, presenting a near-insurmountable obstacle to possible free-trade deals between China and major U.S. trading partners, appears to be a necessary part of any new trade deals, the Post quoted him as saying.