

Trump pushes separate trade deal with Canada: White House

Scott Gibson

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President Trump told American farmers on Monday, "By the time I finish trade talks", China, Canada and Mexico, the three largest customers for USA farm exports, will remove trade barriers to American products.

"He is very seriously contemplating kind of a shift in NAFTA negotiations", Kudlow said on "Fox & Friends".

"He prefers bilateral negotiations and he is looking at two much different countries", Trump economic adviser Larry Kudlow said on Fox News.

Talks to update NAFTA, which has been in place since 1994, have stalled recently as a result of demands from Canada and Mexico that the USA drop a number of provisions, including one that would see the trade deal expire after five years and provisions related to wages of Mexican autoworkers.

Together, China, Canada, Mexico and the European Union buy half of US farm exports. "These are two different countries".

Prime Minister Justin Trudeau and Mexican President Enrique Pena Nieto renewed their commitment to NAFTA last week after the tariffs were imposed.

Trudeau said last week that any sunset clause for NAFTA would be a non-starter, acknowledging that he scrapped a proposed trip to Washington after Pence made the demand. The president has in past floated the idea of bilateral deals if NAFTA talks fail. He has repeatedly decried NAFTA as unfair to the US and has threatened to withdraw from the pact. Mexico, Canada and China purchased half of US pork exports in 2017. Simon Lester, a trade analyst at the Cato Institute, said that on Twitter that "separating NAFTA talks into US-Canada and US-Mexico trade talks would add complexity and extra time, and reduce the economic benefits".

Sen. Orrin Hatch
Orrin Grant Hatch
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Kudlow noted that talks to revamp NAFTA had "dragged on" so separate deals "might be able to happen more rapidly". The second-largest group, the National Farmers Union, said the White House and Congress ought to "immediately put a plan in place to protect farmers, ranchers and rural communities from retaliatory actions".

The NAFTA talks are just one facet of Trump's confrontational, multi-front trade policy, which includes imposing steep tariffs on steel and aluminum coming from chief United States allies - Canada, Mexico and the European Union - which has prompted sharp retaliation.

Negotiations are now suspended due to the coming elections in Mexico and the United States.