



Donald Trump ‘really does’ believe in free trade, Maine Gov. Paul LePage says

Kevin Bissett

August 28, 2017

A key ally of Donald Trump says Canadians should understand the U.S. president believes in free trade, and they shouldn't read too much into what they hear.

Maine Governor Paul LePage, in Charlottetown for a meeting of Eastern Canadian premiers and New England governors on Monday, said he's spoken to Trump on the subject and he is confident any issues with the North American Free Trade Agreement “can be fixed.”

“Don't read in too much in what you sometimes hear. He really truly believes in having free trade and good, honest trade between the two countries. He really does believe that.”

On Monday, Donald Trump said he may need to put the U.S. on the brink of withdrawing from NAFTA to get his renegotiation objectives met. Any NAFTA party can pull out of the agreement with six-months' written notice. “I believe that you will probably have to at least start the termination process before a fair deal can be arrived at,” Trump told reporters.

While the threat of withdrawal sounds like a ploy to gain leverage in the ongoing talks with Canada and Mexico, he may not be bound to follow through on terminating the pact at the end of the six months. It's not even clear that Congress would allow it.

“There's this question of who in the United States gets to decide whether the United States government withdraws from NAFTA: Is it the president himself, or is it the president acting with Congress?” said Simon Lester, a trade policy analyst at the Cato Institute in Washington. “At least in theory, they can step in and say, ‘You can't do that, we have a say in all of this.’”

Trump suggested Sunday that NAFTA should be terminated, tweeting that both Canada and Mexico are being “very difficult.” It was the first time that Trump has complained about Canada's role in the talks, which began earlier this month between Canada, the U.S. and Mexico.

Trump repeated his NAFTA criticisms Monday during a news conference with Finland's president, calling it one of the worst trade deals in history.

“It's been a one-sided deal — and this includes Canada by the way. Great respect for Canada, great love for Canada, but it's been a one-sided deal for Canada and for Mexico . . . it's been unfair for too long,” he said.

LePage, who campaigned several times with Trump, said earlier in the day Canada likely has little to worry about.

“I don't really believe he's concerned as much over Canada as much as maybe Mexico.”

The Eastern Canadian premiers and New England governors ended their meeting Monday with a resolution to tout the importance of cross-border trade and commerce to their respective economies.

Connecticut Gov. Dannel Malloy said it's his hope that any rhetoric coming from Washington won't affect an opportunity to refresh and modernize NAFTA.

The best result, he said, would see as little harm done as possible during the negotiations.

"In 1864, when the Fathers of Confederation came to P.E.I., most of them were not greeted upon their arrival because most of the population was at the circus. Right now the circus is in Washington," the Democratic governor said in Charlottetown.

"I'm hopeful that the rhetoric that has been applied most frequently to our southern neighbours, but at times to our northern neighbours is just that, rhetoric, and that this will be looked at as an opportunity to refresh these agreements and to modernize them."

Vermont Gov. Philip Scott said the governors realize the importance of the trade relationship with Canada and he believes common sense will result in a mutually beneficial deal.

Frank McKenna — a former Canadian ambassador to the United States and former premier of New Brunswick — said people should not get caught up in Trump's tweets.

"He's a negotiator. It's in his blood," McKenna said in Charlottetown. "I think he's always going to use soaring rhetoric as part of negotiations, but at the end of the day there are a lot of sober-minded people involved at the negotiating table guiding the negotiations and supporting the negotiations."

McKenna, now deputy chair of TD Bank Group, was the luncheon speaker at the conference of premiers and governors. He said he remains confident that the Canada-U.S. relationship will be strong during and after negotiations on both NAFTA and softwood lumber.

"The relationship is massive, it's integrated, and it is highly supported on both sides of the border. At the end of the day the government of Canada is handling the file beautifully in my view and I think we're going to come out eventually with a softwood lumber agreement and, as well, a new NAFTA."

LePage had proposed that the leaders gathered in Charlottetown join together on softwood lumber. He wants them to write a letter supporting exemptions on duties for softwood lumber from Atlantic Canada and Quebec.

LePage said the pressure for the duties is coming from the U.S. lumber coalition.

He said the U.S. industry is being irresponsible and if new, hefty duties remain in place there will be collateral damage to economies on both sides of the border.

In June, the U.S. Department of Commerce hit Canada with an additional 6.87 per cent in preliminary average anti-dumping tariffs, leaving the industry facing average duties of about 27 per cent.

The decision exempts the other three Atlantic provinces, but New Brunswick — exempt from such tariffs in the past — is not.

LePage said the issue needs to be resolved quickly — noting that Texas is going to need a lot of softwood lumber to rebuild in the aftermath of Hurricane Harvey.

“When you get eight feet of water in Texas, there’s going to be a lot of lumber needed in the next couple of months to rebuild that state. And it’s going to be coming from Canada and the U.S.”

Nova Scotia Premier Stephen McNeil said many of the states and provinces at the meeting are each others’ largest trading partners and they will continue work to grow ties that run historically deep.