

Trump just said he was serious about withdrawing from NAFTA, but then Trudeau called

Trump said he was “two or three days” from pulling the U.S. out of the trade deal, but changed his mind after speaking to the leaders of Canada and Mexico, whom he “likes.”

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Donald Trump’s administration had hinted Wednesday afternoon that he was about to sign an order that would begin the process of withdrawing the U.S. from the North American Free Trade Agreement.

Trump announced Wednesday night, though, that he would not be doing so.

What happened?

Trump offered a remarkable explanation on Thursday. Prime Minister Justin Trudeau and Mexican President Enrique Pena Nieto called him, he said, and asked him not to proceed.

And he likes them, he said, so he agreed.

“I was going to terminate NAFTA as of two or three days from now. The president of Mexico, who I have a very, very good relationship, called me. And also the prime minister of Canada, who I have a very good relationship, and I like both of these gentlemen very much, they called me,” he said at the White House. “And they said, ‘Rather than terminating NAFTA could you please negotiate.’ I like them very much, I respect their countries very much, the relationship is very special. And I said I will hold on the termination, let’s see if we can make it a fair deal.”

The extraordinary story offers a measure of vindication for Trudeau’s studiously nonconfrontational approach to Trump. It demonstrates, again, the primacy of personal relationships in the impulsive decision-making of a president who has little policy knowledge or fixed political principles.

“I really hope this is just spin,” Scott Lincicome, a trade lawyer and Cato Institute adjunct scholar, wrote on Twitter.

It may be; it allows Trump to look magnanimous and in control. But Trump has regularly changed his mind because someone explained something to him. After claiming for more than a year that China had the power to solve the conundrum of North Korea, he abandoned that view after Chinese President Xi Jinping spent “10 minutes” explaining the situation.

Trump’s account was essentially confirmed by Trudeau.

“We had a good conversation last night. He expressed that, yes, he was very much thinking about cancelling. I highlighted quite frankly that whether or not there was a better deal to come, there was an awful lot of jobs, an awful lot of industries right now that have been developed under the NAFTA context,” Trudeau said Thursday during a visit to Gray, Sask.

“A disruption like cancelling NAFTA, even if it theoretically, eventually might lead to better outcomes, would cause a lot of short and medium term pain for an awful lot of families,” he said.

The conversation was their second about trade this week alone. Trump, long silent about trade with Canada, has ratcheted up tensions over the last 10 days, lambasting Canadian dairy and lumber policies and claiming Canada has generally taken advantage of the U.S. on trade. On Monday, his administration announced a new 20 per cent tariff on Canadian softwood lumber, a decision that was widely expected for months.

Trudeau refused to rule out retaliatory measures in response to the U.S. moves, but he said both he and Trump prefer to keep relations “positive and co-operative.”

“There’s broad range of options and paths available to us that we’re looking at but it is certainly my preference that we be able to sit down and discuss in a firm but responsible and polite way the different ways we can move forward,” Trudeau said.

Trump’s order would not have immediately terminated NAFTA. Instead, it would have initiated a six-month notice period after which the U.S. could have withdrawn or not withdrawn.

The move may have increased the pressure on Canada and Mexico. But it may have been even harder on the U.S., and Trump would have faced intense opposition from business groups and high-profile Republicans in Congress. One senator, Nebraska’s Ben Sasse, had called the idea “disastrously bad.”

Trump’s late-Wednesday statement said he would not withdraw “at this time.” He went further on Thursday, saying that withdrawal would be a “pretty big shock to the system” and that “we’re going to give renegotiation a good, strong shot.”

“If I’m unable to make a fair deal, if I’m unable to make a fair deal for the United States, meaning a fair deal for our workers and our companies, I will terminate NAFTA,” he said.