



THE WHITE HOUSE

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The trade deal, USMCA, has received fantastic reviews. It will go down as one of the best ever made, and it will also benefit Mexico and Canada!

Sincerely,

A large, bold, handwritten signature in black ink, which appears to be "Donald Trump".

THERE'LL BE NO MOURNING NAFTA

Don: Can.-Mex. pact 'greatest ever'

By BOB FREDERICKS

President Trump on Monday lavished praise on the new trade deal his administration negotiated with Canada and Mexico — calling it “the single greatest agreement ever signed.”

“It is my great honor to announce that we have successfully completed negotiations on a brand-new deal to terminate and replace NAFTA with an incredible new US-Mexico-Canada agreement called USMCA,” he said during a Rose Garden ceremony, savoring the new deal’s name.

“Sort of just works. USMCA. That will be the name, I guess, that 99 percent of the time we’ll be hearing, USMCA. Has a good ring to it,” he said.

Under the deal, 75 percent of car components over the next five years have to be made in the United States, Canada or Mexico, up from the current 62.5 percent, in order to avoid tariffs.

Thirty percent must be made by workers earning at least \$16 an hour by 2020 — about triple the average wage of Mexican auto-worker. That rises to 40 percent by 2023.

Canada agreed to lift barriers to

US farmers for some dairy products, including infant formula, skim-milk powder and milk-protein concentrate — giving US farmers access to about 3.6 percent of Canada’s \$16 billion dairy market.

American drug companies have 10 years to sell their name-brand products in Canada before generic versions can enter the market — up from the current eight years.

The deal also preserves a way to settle trade disputes that Canada fought hard to keep in order to protect its lumber industry and other sectors from US anti-dumping tariffs.

US tariffs on imported steel and aluminum will remain in effect.

Most portions of the deal won’t go into effect until 2020 because Congress, as well as leaders and legislatures in Canada and Mexico, have to approve it, a process that could take months.

Trump predicted the agreement would get enough support to

WHERE IT RANKS IN THE HISTORY OF AGREEMENTS (ACCORDING TO TRUMP)

- 1 The US-Mexico-Canada Agreement**
Brings trade peace to North America
- 2 God gives Moses the Ten Commandments**
Gave the world its guiding principles, sometime between the 16th and 13th centuries BC
- 3 Purchase of Manhattan**
Peter Minuit, director of the Dutch North American colony of New Netherland from 1626 until 1631, bought Manhattan Island from the Lenape Native Americans for 60 guilders — about \$24 back then.
- 4 Louisiana Purchase**
In 1803, the US purchased 827,000 square miles of land west of the Mississippi River from France for \$15 million.
- 5 End of WWII in Europe**
During the Potsdam Conference in the summer of 1945, Soviet dictator Joseph Stalin, British Prime Minister Winston Churchill and President Harry Truman met in Germany.

pass, before later hedging his bet by saying he was “not at all confident” Congress would play ball.

“If you look at the reviews, people that would normally not under any circumstances say good things, because automatically, they have to say bad. Even some Democrats say that’s

amazing,” he continued.

But, he added, many Democrats will still likely oppose it.

“They haven’t been given the [negative] sound bites. But by tomorrow, I would suspect they will change their tune,” Trump said.

“The single greatest agreement ever signed, they’ll say, ‘Well, you know, Trump likes it — therefore, we’re not going to approve it, because that would be good for the Republicans so, therefore, we can’t approve it,’” he said.

Later, asked directly about his confidence in Congress, Trump admitted the bill’s fate is uncertain. “Not at all confident. Not at all,” he said. “They can take the greatest thing ever done and make it sound bad.”

But Senate Minority Leader Chuck Schumer (D-NY) offered tentative praise for the deal.

“As someone who voted against NAFTA and opposed it for many

years, I knew it needed fixing. The president deserves praise for taking large steps to improve it,” Schumer said.

“However, any final agreement must be judged on how it benefits and protects middle-class families and the working people in our country.”

Canadian Prime Minister Justin Trudeau’s office issued a relatively subdued statement on the agreement, saying it would “create jobs and grow the middle class, enhance North American competitiveness, and provide stability, predictability and prosperity to the region.”

Trump also predicted that his trade war with China would result in a good deal, and promised to continue renegotiating deals with other trading partners, such as India and Japan.

While many economists believe the new rules will help workers, they also worry that car prices could spike and that some smaller cars may no longer be made in North America because they would be too expensive under the new requirements.

bfedericks@nypost.com

TRADER DON: President Trump announces a new trade pact with Canada and Mexico at the White House Monday. The next step is approval by legislators in all three countries.



Highlights of the USMCA

Here's what the new US-Mexico-Canada Agreement means:

■ To avoid tariffs, **75%** of car components have to be made in the US, Canada or Mexico, up from **62.5%**.

■ **30%** of vehicles must be made by workers earning at least **\$16** an hour by 2020, **40%** by 2023.

■ Canada agreed to lift barriers to US farmers for infant formula, skim-milk powder and milk-protein concentrate. That would give US farmers access to about **3.6%** of Canada's **\$16 billion** dairy market, according to the Dairy Farmers of Canada.

■ US farmers also get more access to Canada's egg and poultry markets.

■ US drug companies have **10 years** to sell their name-brand products in Canada before they go generic. The current standard is eight years.

■ There are increased protections on intellectual property.

■ There are no changes in US steel and aluminum tariffs.

■ The deal preserves a trade-dispute settlement mechanism that Canada fought hard to maintain in order to protect its lumber industry and other sectors from US anti-dumping tariffs.

Let art of *this* deal be warning to China

NAFTA 1.0 wasn't the terrible deal President Trump said it was, but NAFTA 2.0 is an improvement and, more importantly, it tells us good things about Trump's skill at deal making.

An agreement with Canada needed to be reached. Nine million US jobs depend on goods and services we ship to our northern neighbor. With what they buy from us, Canada is the biggest export market for 36 states. There's a very modest trade deficit on goods, but when you add in services, we have a trade surplus.

The economies of the two nations are closely in-

tertwined, and Canadians are painfully nice. If you can't cut a trade deal with them, with whom can you do so?

So across the world, people took notice when Trump began quarreling with Canadian Prime Minister Justin Trudeau. Mind you, the Canadians seemed to be playing above their weight. They implied that Trump was a threat to democracy, not a good thing to do when you're trying to cut a deal.

What happened next was right out of "The Art of the Deal." Trump showed that he took the criticism personally and raised the stakes. The cru-

cial non-negotiable for Canada was the protection it gives to Canadian content on radio and TV. That was something the Canadians had insisted on in NAFTA 1.0, so Trump put that on the table. Then he said that the dispute-resolution mechanism, which sends disputes about the deal to arbitrators, would have to go. That's a big deal because, guess what, we cheat. So do the Canadians. Everyone cheats, over things like anti-dumping allegations and

crazy tort awards in places like Mississippi.

That got the attention of the Canadians, but Trump's next move sent them for a loop. From what Trump had said about Mexico, the Canadians assumed that they'd be looking after their little Mexican brothers. But Canadian arrogance

didn't play well with the Mexicans, who preempted Canada with a US-Mexican trade deal, which gave away the dispute-resolution mechanism. Thank you very much, but we can

look after ourselves, the Mexicans told Justin Trudeau.

Trump acted as if NAFTA was a deal he didn't need, and that got the attention of Mexico and Canada. The new deal opens up Canada's dairy market for American farmers, gives our intellectual property better protection and leaves the steel tariffs for further discussion.

What emerged from the final tripartite deal announced Monday morning is a triumph for the US, and for Trump personally. It tells the world that, if he can get tough with Canada over trade deals, he can get tough with every coun-

try. It also tells the world that it's all about protecting Americans and especially American workers.

So what happened Monday morning was mostly symbolism. We didn't do something absolutely stupid, like beginning a trade war with Canada. And we sent a message to everyone else that we play tough. NAFTA 2.0 is a shot across the bow to China, and that's the elephant in the room.

F.H. Buckley teaches at Scalia Law School and is author of "The Republican Workers Party: How the Trump Victory Drove Everyone Crazy, and Why It Was Just What We Needed."

F.H. BUCKLEY



Trudeau Now Looks to Sell Pact at Home

Prime minister touts new stability on trade, but his political rivals say he capitulated

BY PAUL VIEIRA
AND KIM MACKRAEL

OTTAWA—Canadian Prime Minister Justin Trudeau began selling the merits of the country's 11th-hour trade pact with the U.S. on a revised North American Free Trade Agreement, arguing Monday that the deal removes a layer of uncertainty that has stunted growth.

Completion of the deal comes at a pivotal moment for the Canadian leader, who faces a re-election test in just over a year and must persuade voters—already obsessed with Canada's relationship with the U.S.—that Ottawa didn't simply cave in to President Trump's demands. Indeed, Mr. Trudeau's main political rivals on Monday said the Liberal government capitulated to the U.S. in its quest to get a deal.

Mr. Trudeau defended the deal at a press conference and in the Canadian legislature, saying the trade-dependent economy—in which three-quarters of its exports are U.S.-bound—is on more solid footing. "Free and fair trade in North America...is in a much more stable place than it was yesterday," he said. "We now have a path forward."



Canadian Prime Minister Justin Trudeau and Foreign Affairs Minister Chrystia Freeland discussing the trade pact in Ottawa on Monday.

Before Sunday night's agreement, the Bank of Canada had warned that some companies were scaling back investment plans given Nafta's cloudy outlook. Among those companies was Sle-Co Manufacturing of London, Ontario, which employs 130 people in Canada and the U.S. and makes components for interior and exterior automobile trims.

Jeff Slegers, president of the family-owned entity, said it hasn't cut payroll but has

put U.S. expansion plans on hold and turned down business. "It's been a stressful year for the whole management team," said Mr. Slegers, prior to Sunday's Nafta deal. A resolution, he said, would likely revive investment plans.

In the deal, Canada got the U.S. to preserve an independent dispute-resolution system, which allows Ottawa and Washington to resolve disagreements over the use of tariffs through an independent panel. This was

a priority for the Canadian team. Further, the U.S. has removed the imminent threat of tariffs on Canadian-made motor vehicles and auto parts.

And rules requiring auto makers to build a greater portion of a car in North America and with higher-wage workers to avoid duties is also seen a triumph for Canada, as it too has lost manufacturing jobs over two decades to Mexico.

However, Ottawa was unsuccessful in getting Washington

to immediately lift national security tariffs on Canadian-made steel and aluminum. The U.S. and Canada will now negotiate their removal, with the U.S. pushing for quotas on future steel and aluminum exports, according to a person familiar with the process.

Easily the most contentious element of the revised Nafta in Canada involves concessions on dairy. The Dairy Farmers of Canada, a lobby group representing 10,500 producers, said

the deal grants access to an additional 3.6% of the country's dairy market to the Americans, or beyond what the U.S. was initially granted in the Trans-Pacific Partnership before Mr. Trump withdrew the U.S. from it after he became president.

Also, Canada agreed to drop its complex "Class 7" pricing system, which made it hard for some U.S. dairy products to compete in Canada and was a major demand of U.S. farmers in Nafta talks.

The trade deal was reached on the eve of a provincial election in Quebec, where the Liberal Party is fighting a close race for re-election. Quebec Premier Philippe Couillard said on Twitter on Monday that he told Mr. Trudeau the new trade deal is bad for Quebec and will hurt the province's dairy producers. "The federal government has opened a big door to the United States," Mr. Couillard wrote.

Mr. Trudeau pledged Monday to fully compensate Canada's dairy farmers for any loss of market share related to the revised Nafta. He added at his press conference that the dairy concessions "were not ideal."

David Wiens, a Manitoba-based farmer and vice president of the Dairy Farmers of Canada, called the concessions "devastating" and said Canada has already given up significant market access in previous trade deals. "We're looking at death by a thousand cuts here," he said.

DAVID KAWA/REUTERS