

The best trade deal available?

EDITORIAL

ALTHOUGH THE REACTION has been mixed, with some critics predicting hard times for Canada's dairy farmers, the early statements by opposition leaders concerning the United States-Mexico-Canada trade agreement (USMCA) amounted to little more than nit-picking.

Among the champions of the new deal was Perrin Beatty, once our local MP and a member of the Joe Clark, Brian Mulroney and Kim Campbell Conservative cabinets. Interviewed on the CBC News channel Tuesday, he congratulated the Trudeau government for achieving the deal.

Editorial writers have generally been almost as positive, and even the anti-Liberal Toronto Sun was complimentary. 'Let's give credit where credit is due,' the Sun editorial writer said. 'We haven't been fans of the way Prime Minister Justin Trudeau and Foreign Affairs Minister Chrystia Freeland negotiated a new NAFTA trade deal with the U.S. and Mexico. Trudeau needlessly introduced distractions into talks by insisting any new deal include contentious gender, labour, Indigenous and environmental protections. There was too much sniping by Trudeau and Freeland at the volatile U.S. president, and by U.S. President Donald Trump at Canada.

'However, at the end of the day, Trudeau and Freeland signed a deal that protects thousands of jobs and billions in trade on both sides of the border, which is what really matters and what trade deals should be about.'

The Toronto Star was less effusive in its praise, suggesting Mr. Trudeau and his government 'have done as well as anyone could reasonably expect in negotiating a new economic deal with the United States and Mexico. Canada (and Mexico as well) were always going to be playing defence in these talks, given the overwhelming size of the U.S. economy and the willingness of the Trump administration to use every kind of threat and bully tactic.'

If the major concession related to the dairy industry, it should have come as no surprise, in view of Mr. Trump having made it his favourite target and the U.S. negotiators wanting to see an end to Canada's supply management system that has protected chicken and egg growers as well as the dairy farmers.

We suspect it will be many years before we know the precise impact of allowing more imports of dairy products from Europe and Asia as well as the U.S. Much will depend on whether Canadians will keep buying Canadian dairy products that may be a little more expensive but better quality.

Perhaps the biggest win for Canada and Mexico was the deal's inclusion of a dispute resolution system that didn't leave the final decisions to U.S. courts rather than an expert panel with representatives from the two countries involved and the powers of a court. Just as important was the deal's provisions that apparently block Mr. Trump's threatened imposition of tariffs on Canadian-built cars and trucks and increase the percentage of North American content required in all vehicles for them to avoid tariffs.

Before the deal was reached, Mr. Trudeau declared more than once that a 'bad deal' for Canada would be worse than no deal at all. We beg to differ. If that had happened the opposition parties would denounce the government for bungling the country's most important trading relationship, with investors fleeing south and our economy wrecked by protectionist tariffs on more than just cars. Thus far, the deal hasn't been followed, as it should, by elimination of the Trump administration's tariffs on steel and aluminum and Canada's retaliatory tariffs on U.S. goods.

And the deal won't come into effect until it has been ratified by the U.S. Congress, our Parliament and the Mexican Senate. And observers suggest that a trade deal engineered by Mr. Trump won't necessarily win Congressional support if the Democrats win control of the House of Representatives and Senate in November's mid-term elections.