Written by <u>Steve Byas</u> on August 24, 2017



Why Trump Should Terminate NAFTA

Speaking at a campaign-style rally in Arizona, President Donald Trump expressed doubt that the United States will be able to successfully renegotiate a deal with Mexico and Canada over the North American Free Trade Agreement (NAFTA). Instead, Trump said, "Personally I don't think we can make a deal," adding, "I think we end up probably terminating NAFTA at some point."

During Trump's campaign last year, he often brought crowds to their feet with his fiery criticisms of "free trade" deals in general, and NAFTA in particular, which he termed the "worst trade deal in history."



But after the election, Trump disappointed many of his supporters for whom the trade deals were an important part of the reason for their support of the New York developer, when he announced that he had decided not to end NAFTA, but instead was going to renegotiate. Trump said then that he had changed his mind after speaking with the political leaders of Canada and Mexico.

U.S. Trade Representative Robert Lighthizer opened renegotiation talks condemning the 1994 deal, warning that the Trump administration contends, "NAFTA has fundamentally failed many, many Americans and needs major improvement." Echoing those sentiments, officials in Mexico and Canada appear anxious to keep a trade deal with the United States, arguing that the agreement should not be shelved, while admitting that it needs updating to better fit changing economies.

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When the Clinton administration pushed NAFTA through Congress, Ross Perot famously predicted that it would lead to a "giant, sucking sound" of jobs going south to Mexico.

Most opponents of the 23-year-old trade deal, including Trump, have focused on the alleged negative impact the agreement has had on the American economy, echoing Perot's prediction. Many supporters on the other hand, argue that the deal is "good" for the U.S. economy, especially American consumers, who allegedly benefit from cheaper products. Several in this camp argue that this should be the "conservative" position, contending that "free trade" is the "free enterprise" position.

The reality is far different. NAFTA and similar trade deals may be called "free trade," but they are more accurately referred to as "managed trade" deals. Under NAFTA, trade among the three major nations of North America is not free, but actually heavily regulated by the terms of the agreement. Trade among the three nations is not left up to private business, but is governed by the terms of the multilateral trade deal.

Multilateral trade deals require a super-national body of regulators to enforce the terms of the agreement and, of necessity, restricts the national sovereignty of the member nations.

It also violates the Constitution of the United States. Article I, Section 8 of the Constitution clearly states that *Congress* "shall have power to ... regulate commerce with foreign nations." It does not say

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that Congress can delegate that power either to the executive branch or a body of bureaucrats created by a multilateral managed trade deal such as NAFTA.

NAFTA does not just regulate "trade" among the three nations, but dictates economic activity *within* those three countries. The purpose of granting Congress the power to regulate trade with foreign countries was clearly not to allow a bureaucratic super-state to dictate the domestic economy, but rather to leave to Congress, rather than each individual state, the power to set tariff rates on imported goods.

The Constitution also does not allow Congress to turn its legitimate legislative powers over to the executive branch, as is the case with the dubious Trade Promotion Authority (TPA), passed in 2015. Under TPA, the executive branch is empowered to negotiate trade deals, and Congress is then not allowed to make any changes to the agreement, but can only vote the deal up or down.

While the loss of good-paying jobs in America is a legitimate concern of opponents of NAFTA and other such managed trade agreements, the larger concern should be the loss of American national sovereignty. Such multilateral trade deals move us closer to regional government (like the European Union from which Great Britain wisely voted to leave last year), and ultimately to a world government run by global elites for their own selfish interests.

In summary, Trump should not even attempt to renegotiate NAFTA, but instead should put a knife in the heart of a deal that is unconstitutional and harmful to the average American. Americans had trade with Canada and Mexico prior to 1994, and without NAFTA, they will have trade again.

Image of NAFTA logo: wikipedia

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