

Lighthizer reports progress on Nafta, says China to be long-term problem

Steve Goldstein

Marketwatch, July 26, 2018



Reuters

U.S. Trade Representative Robert Lighthizer gestures as he testifies before Senate Appropriations Commerce, Justice, Science, and Related Agencies Subcommittee hearing

The Trump administration's pointman on trade was quizzed Thursday on the White House stance on China and Canada as he reported progress on efforts to renegotiate the North American Free Trade Agreement.

U.S. Trade Representative Robert Lighthizer on Thursday testified at a Senate Appropriations Committee hearing that a new Nafta deal could come soon.

He pointed out that for outgoing Mexican President Enrique Peña Nieto to sign an agreement, there needs to be 90 days notice. "That takes you to around the end of August. So, if we're going to have him sign it with the consent, of course, of the newly elected president and the president of the United States signing it and hopefully the Canadians, you're looking at having a conclusion some time during the course of August," Lighthizer said. "My sense is that's not an unreasonable timeframe if everybody wants to get it done."

He wasn't as bullish on China. Lighthizer was asked if the trade fight with China is a stupid one, given that the U.S. answers to voters and China does not. "So, how do we have leverage in a situation where they have unending patience and we have almost none," asked Sen. Brian Schatz, a Hawaii Democrat.

Lighthizer didn't agree. "Look, if your conclusion is China is taking over all our technology and the future of our children is a stupid fight, then you are right, we should capitulate. My view is that's how we are got where we are. I don't think it's a stupid fight."

Opinion: [Even if short of specifics, the Trump-Juncker agreement is significant](#)

He was asked by Sen. Jack Reed, a Rhode Island Democrat, on what basis Canada was a national security risk to the United States, since that is the basis for imposing steel and aluminum product sanctions on them.

Lighthizer replied that, if you're of the opinion that Section 232 is justified because of the need to preserve an industry, you need a program that actually works.

"You can't let all the steel come in from another country, otherwise it doesn't make any sense. Nobody is declaring war on Canada or saying they're an unfriendly neighbor. They're not. They're a great ally. But if you decide that you need to protect an industry, you can't be in a position where the protection is of no value."

Reed replied that, on national security grounds, you could declare just about anything a threat, and he asked, without getting a reply, whether Section 232 could be invoked for defending Hollywood.

Also see: [Text of joint U.S.-E.U. statement on trade](#)

During the hearing, Lighthizer was asked about Trump's infamous tweet that trade wars are easy to win.

"To me, winning is opening up their market," he replied.

Want news about Asia delivered to your inbox? Subscribe to MarketWatch's free Asia Daily newsletter. [Sign up here.](#)

More from MarketWatch

- [How to predict the next market downturn](#)
- [She posted a photo on Facebook moments before taking her own life — it took her family days to remove it](#)
- [One millennial options trader was killing it, then Facebook cost him \\$180,000](#)

