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FROM NORTH AMERICAN FREE TRADE AGREEMENT TO UNITED STATES–MEXICO–CANADA AGREEMENT (USMCA)

US–MEXICO ECONOMIC RELATIONS IN THE CONTEXT OF U.S. NATIONAL SECURITY¹

ABSTRACT The article deals with the relationship between the United States and Mexico from the perspective of the US national security. The key areas of strategic interest in Mexico on the part of the United States include: limiting illegal immigration, fighting drug-related crime, economic cooperation, both bilateral and in the wider international dimension, for example the North American Free Trade Agreement. According to the United States, all three factors and their successful implementation are necessary and constituent elements of the national interest of the United States in its most important scope, that is, in increasing the security of the state. The analysis focuses on the U.S. economic relations with Mexico at the turn of the 20th and 21st centuries. The basis of economic relations between these countries is the North American Free Trade Agreement. The genesis of the NAFTA agreement and its effects on mutual relations in the context of the U.S. national interest and security was presented. Additionally, the reasons for President Donald Trump's change from NAFTA to USMCA are described, from the perspective of U.S. strategic interests.

Keywords: United States, Mexico, NAFTA, economy

¹ The article is based on a fragment focusing on regional national interest of the United States, published in the work R. Wordliczek, K. Krzywicka, *Regionalny wymiar interesu narodowego Stanów Zjednoczonych Ameryki. Studium polityki zagranicznej USA wobec wybranych państw Ameryki Łacińskiej na przełomie XX i XXI wieku*, Kraków 2019.

Nations are turning away from the statist economic policies that stifle growth and are now looking to the power of the free market to help this hemisphere realize its potential for progress. A new leadership has emerged, backed by the strength of the people's mandate, leadership that understands that the future of Latin America lies with free governments and free markets.²

From the perspective of U.S. strategic interests, relations with Mexico are a priority. One of the key elements of U.S. policy toward Mexico in the context of enhancing the country's security remains economic relations, both bilateral and cooperative in a regional scope. The NAFTA trade agreement concluded at the end of 1993 between Canada, Mexico and the United States, in force since 1 January 1994, has played a special role in this respect. The main motives that guided the administration of President George Bush in pursuing the signing of NAFTA were to link Mexico's economic development and consequent rise in living standards with U.S. strategic security interests. These include two of the most important: raising the standard of living in Mexico will reduce immigration pressures on the U.S., both from legal and from illegal immigrants, and reduce the problem of drug smuggling into the U.S. market across the southern border. In addition, U.S. support for Mexico's reform and economic development had another purpose: to identify Mexico as a model of development for other indebted and politically unstable Latin American countries. Also important from the U.S. perspective were the expected economic effects of NAFTA, such as increased exports of U.S. goods, lower prices for imported goods from Mexico, and the growth in the number of factory jobs in the U.S. due to the increased export potential of U.S. firms.

It is important to mention the criticisms coming from various political and social circles and concerns in the United States over the negotiation and signing of NAFTA. The then head of the Federal Reserve Board Alan Greenspan accurately characterized the circumstances and atmosphere surrounding the NAFTA negotiation process of the early 1990s: *Clinton impressed me again that fall by fighting for ratification of NAFTA. The agreement, negotiated while Bush was still president, was designed primarily to phase out tariffs and other barriers to trade between Mexico and the United States, though it also included Canada. Labor unions hated it, as did most Democrats and some conservatives. Few observers in Congress gave NAFTA a chance. But Clinton argued that there was no stopping the Earth – whether you wanted it or not, America was increasingly part of the global economy, and NAFTA embodied the belief that trade and competition create prosperity, and you need a free market to achieve it. The White House finally made its stand, and after two months of fighting, the agreement was ratified.³*

In the last decade of the 20th century, there were significant economic changes in Mexico, which also contributed to spectacular changes on the Mexican political scene

² "1 January to 30 June 1990", part 1, in *Public Papers of the Presidents of the United States: George Bush*, Washington 1992, p. 874.

³ A. Greenspan, *Era zawirowań. Krok w nowy wiek*, transl. A. Krajewski et al., Warszawa 2008, pp. 171-172.

at the beginning of the 21st century and were desirable from the perspective of the national interest of the United States. The United States followed Mexico's domestic reforms with interest. The economic and political reality in Mexico at the turn of the 20th and 21st centuries was extremely important for the modern United States. Mexico's role in U.S. politics was significant from the beginning of the 19th century when Mexico, from the perspective of the U.S. national interest, became a strategic partner. An important turning point in relations between the two countries was the overthrow of the government of President Porfirio Díaz in 1910 and the beginning of the revolution in Mexico. Out of all Latin American countries, Mexico was the partner that occupied a priority position, not only in a declarative sense, but also in a real sense, in the politics of the United States. This thesis was confirmed by the persistent tendency present in bilateral relations since the 1980s. Mexico occupied a special place in the foreign policy of the United States adopted by President Reagan. Since the election of President Reagan, the United States has actively participated in the development of the economic and political situation in Mexico. In case of any crisis, they took decisive action. In the 1980s, the U.S. government provided financial aid to Mexico twice. In 1982, the United States gave financial support to Mexico to stabilize the peso. The intervention of the U.S. government was caused by the deep financial crisis that hit Mexico's economy. In 1989, an even more serious economic crisis occurred, in which the United States took the lead. Thanks to the Brady Plan (named after Nicholas Brady), Mexico's foreign debt was reduced, and the U.S. became the guarantor of the new loans. To the U.S., the economic benefits of the Brady Plan were tangible. The Mexican authorities agreed to open their market to investments by American investors and decided to reduce tariff barriers to trade with the United States.⁴

From the perspective of the current international political situation, the events from the beginning of the 21st century and the resulting international situation turned out to be crucial for Mexico's place in the foreign policy of the United States. The event that should be looked at not only in terms of a symbol was the first official foreign visit of President George W. Bush. On his first trip abroad in February 2001, the president went to Mexico, and the meeting place with President Fox was his family ranch in San Cristóbal, Guanajuato. Despite the friendly relations between the presidents of Mexico and the United States, it should be noted that there were serious discrepancies, for example regarding the strategy of combating international terrorism and the decision to start a war in Iraq under the leadership of the United States.⁵ The terrorist attacks of 11 September 2001 and the declaration of global war on terror by President George W. Bush, which became the axis of U.S. foreign policy until 2008, had a direct impact on the increased importance of Mexico in U.S. policy. President George W. Bush tried to reconcile with Mexico two levels of national interest: the economic well-being of U.S.

⁴ D.E. Neuchterlein, *America Recommitted: United States National Interests in a Restructured World*, Lexington 1991, p. 148.

⁵ W. Dobrzycki, „Polityka zagraniczna Meksyku – tradycja i współczesność”, in M.F. Gawrycki (ed.), *Polityka zagraniczna państw Ameryki Łacińskiej*, Warszawa 2006, p. 95.

citizens, and the benefits of working with Mexican immigrants to ensure security and strengthening the border with Mexico by increasing numbers and expanding the powers of border services. Some analysts question the myth of American society as open to new waves of immigration. An example is the study carried out in 1939, in which 83% of U.S. citizens questioned were in favor of closing borders to immigrants from Europe. In turn, in a 1980 study by the Gallup Institute, as many as 91% of Americans voted against the liberalization of immigration regulations for economic reasons.⁶ According to public opinion polls conducted by the Pew Research Center in 2006, 52% of the respondents stated that immigrants negatively influence the socio-economic situation of the United States. 41% of respondents presented a positive opinion. In turn, 37% of Americans were in favor of keeping immigration at the same level, 17% in favor of increasing it, and 40% in favor of introducing restrictions on immigrants.⁷ In the context of security and the fight against international terrorism, Mexico's rank in the national interest of the United States has been further strengthened due to cooperation in the fight against illegal immigration and the fight against organized crime. Some analysts talk about *geographic impact of U.S. securitization policy*.⁸

In addition to cooperation in the fight against terrorism, economic relations have become a priority issue in the 21st century. The impetus for the intensification of economic contacts between Mexico and the United States was the active, even expansionary, economic policy pursued by China towards Latin American countries, including Mexico. China's economic offensive threatened the interests of the United States and required the activation of American investors in Mexico on the economic level.⁹ It is estimated that the value of trade between China and Latin American countries increased from USD 10 billion in 2000 to USD 102.6 billion in 2008. In particular, China competes with the United States through multi-billion dollar investments by state-owned companies in Mexico's energy sector. It should be noted, however, that the Mexican authorities are not supporting China's investment in the industrial sector due to concerns about increasing internal competition.

The key, interpenetrating, areas of strategic interest in Mexico on the part of the United States, which interpenetrate each other, include: limiting illegal immigration, combating drug-related crime, economic cooperation, both bilateral and in the wider international dimension, for example the North American Free Trade Agreement (NAFTA) / Tratado de Libre Comercio de America del Norte (TLCAN). According to the United States, all three factors and their successful implementation are necessary

⁶ L.H. Fuchs, "U. S. Immigration Policy and the National Interest", *In Defence of the Alien*, vol. 4 (1981), p. 2.

⁷ "The State of American Public Opinion on Immigration in Spring 2006: A Review of Major Surveys", Pew Research Center, 17 May 2006, at <http://www.pewhispanic.org/2006/05/17/the-state-of-american-public-opinion-on-immigration-in-spring-2006-a-review-of-major-surveys/>, 8 February 2020.

⁸ W. Grabendorff, *La seguridad regional en las Americas*, Bogota 2003, passim.

⁹ E. Latoszek, "Północnoamerykańska Strefa Wolnego Handlu w procesie integracji gospodarczej na kontynencie amerykańskim", in E. Latoszek, M. Proczek (eds.), *Organizacje międzynarodowe we współczesnym świecie*, Warszawa 2001, p. 429.

and constituent elements of the national interest of the United States in its most important scope, that is, in increasing state security.

The institutional offensive on the economic integration of the United States must be linked to the end of the Cold War and the fall of the Iron Curtain. President George Bush has combined the implementation of economic tasks on the international stage with the aims of national interest of the United States. U.S. economic activity on the international stage was intended to benefit all NAFTA members (the United States, Canada, Mexico) and participants in the GATT Uruguay Round. However, the United States has made no secret of the fact that the main goal of its acting is to 'maintain and improve U.S. living standards in the face of stiff foreign competition and sluggish economic growth'.¹⁰ This reflects President Bush's views on how much attention the United States has attached to economic issues. U.S. economic initiatives aimed primarily at Western Hemisphere countries are one of the methods of strengthening the U.S. position in the unipolar system.¹¹ At this point, it should be mentioned that President George Bush has been consistent in his actions since, during the 1988 presidential campaign, as the Republican Party's nominee for the highest office in the state, he emphasized the importance of economic issues in his agenda. In president Bush's opinion, NAFTA negotiating process was the 'highest trade priority' for the national interest of the United States.¹² President Bush triumphantly summed up the successful conclusion of the NAFTA negotiations on 12 August 1992: *The Cold War is over. The principal challenge now facing the United States is compete in a rapidly changing and expanding global market place.*¹³

Mexico's economic importance to the United States is evidenced by the financial assistance provided by the United States to the Mexican government during the economic crisis of 1994-1995. Thanks to the aid and rescue efforts undertaken by the United States under the NAFTA Agreement, the Mexican economy recovered relatively quickly and recorded a stable economic growth in the second half of the 1990s.¹⁴ A little earlier, in 1993, Mexico, with strong support from the United States, became a member of the Organization for Economic Cooperation and Development (OECD). The liberal direction in Mexico's economic policy was initiated in the mid-1980s thanks to, among others, Mexico's accession to the General Agreement on Tariffs and Trade (GATT) in 1986. Since then, the progressive process of liberalizing

¹⁰ D.S. Cloud, "Will NAFTA Prove a Policy Prophecy?", *Congressional Quarterly*, 26 September 1992, p. 2893.

¹¹ H.J. Wiarda, *American Foreign Policy toward Latin America in the 80s and 90s. Issues and Controversies from Reagan to Bush*, New York-London 1992, p. 298.

¹² G. Bush, "Economic Report of the President Transmitted to the Congress", February 1990, in: C.C. Meyerson, "Domestic Politics and International Relations in Trade Policymaking: The United States and Japan and the GATT Uruguay Round Agriculture Negotiations", *Columbia International Affairs Online*, 1999, at <http://www.ciaonet.org>, 21 February 2020.

¹³ "North American Free Trade Agreement", 12 August 1992, in "1 August 1992 to 20 January 1993", part 2, in: *Public Papers of the Presidents of the United States: George Bush*, Washington 1993, p. 141.

¹⁴ E. Latoszek, "Północnoamerykańska Strefa...", p. 424.

trade relations with other countries has continued. Joining the GATT, establishing NAFTA and concluding 12 free trade agreements with 46 countries of the world – all this turned Mexico's economy from protectionist to one of the most open in the global dimension.¹⁵ In the first decade of the 21st century, Mexico maintained its position as one of the most important economic partners of the United States. In 2008, Mexico was the second largest export market for U.S.-origin goods after Canada, and the third largest importer of U.S. products after China and Canada. In this way, Mexico has become a more important trading partner of the United States than Japan, Great Britain or Germany.¹⁶

Mexico is one of the United States' top trade and investment partners. Bilateral trade grew by 650% in 1993-2018, and Mexico is the United States' second largest export market and third largest trading partner. Historically, the United States has been one of the biggest Mexico's source of foreign direct investments with USD 12.3 billion in 2018, which has been 39% of all inflows to Mexico. Between 1993 and 2014, the total U.S. investment in Mexico increased from USD 15 billion to USD 101 billion. The automotive, aerospace, telecommunications, financial services, and electronics sectors typically receive large amounts of foreign direct investment. Most of the foreign investment flows to northern Mexican states near the U.S. border, where most maquiladoras are located, or to Mexico City and Guanajuato region. In the past, foreign investors overlooked Mexico's southern states.¹⁷

One of the main forms of economic activity of the United States in the international arena in recent decades has been the conclusion of bilateral free trade agreements. The first free trade agreement was concluded by the United States in 1985 with Israel. Between 1985 and 2011, the United States signed 14 agreements to liberalize trade relations with 20 countries.¹⁸ The NAFTA agreement remained the most important plane for cooperation between the United States and Mexico. This agreement was a key part of a larger economic project of mutual commitment and cooperation¹⁹ by President George H. Bush spanning all lands from Alaska to Tierra del Fuego – The Enterprise for the Americas Initiative. President Bush had three main goals for the future initiative to be achieved in the Western Hemisphere: developing trade relations (creating an all-American free trade area), supporting investment, and reducing debt. In truth, President Bush's ambitious plan has not been implemented, but the flexible stance of U.S. has brought tangible results in the future in the form of a series of bilateral free trade

¹⁵ "International Trade, Countries with Treaties and Agreements Signed with Mexico", *Mexican Government's Ministry of Economy*, 10 May 2015, at <http://www.gob.mx/se/acciones-y-programas/comercio-exterior-paises-con-tratados-y-acuerdos-firmados-con-mexico>, 19 August 2020.

¹⁶ "Office of Trade and Industry. Information", *U.S. Department of Commerce*, 2008, at <http://tse.export.gov>, 3 March 2020.

¹⁷ "2019 Investment Climate Statements: Mexico", *United States Department of State*, at <http://www.state.gov/reports/2019-investment-climate-statement-mexico>, 13 March 2020.

¹⁸ J.K. Jackson, "U. S. Trade with Free Trade Agreement (FTA) Partners", *US Congressional Research Service*, 9 November 2016, Washington 2017, p. 1.

¹⁹ H. Kissinger, *Dyplomacja*, Warszawa 2003, p. 916.

agreements.²⁰ Highlighting the importance of the regional form of economic cooperation through the creation of NAFTA confirmed the new tendency in economic policy and the adoption of a new strategy by the United States. Henry Kissinger described both ideas of integration, both The Enterprise for the Americas Initiative and the NAFTA agreement as the most innovative American political initiatives addressed to Latin America in history.²¹ The NAFTA agreement was concluded between two highly developed countries, Canada and the United States, and a developing country, Mexico. Thanks to this agreement, the economically underdeveloped Mexico has become, next to Canada, an equal party to the agreement and a full economic partner of the United States.²² The free trade agreement with Mexico and Canada was the response of the United States in the regional dimension to the multilateral and global form of cooperation in the form of the GATT. It is worth emphasizing that until the mid-1980s, each round of GATT negotiations was held at the initiative of the United States.²³

The text of the agreement was signed by President George H. W. Bush on December 17, 1992, and on November 20, 1993, the agreement was approved by the U.S. Congress. Alan Greenspan hailed the signing of NAFTA as one of the 'great things about the George Bush era.'²⁴ On December 8, 1993, President Bill Clinton ratified the NAFTA Implementation Act, which was to enter into force on January 1, 1994. The agreement assumed the elimination of customs tariffs between the USA, Canada and Mexico within a period of 15 years and the creation of the largest free trade zone in the world.²⁵ In order to strengthen cooperation, in 1994 the North American Development Bank (NADB) was established, whose priority tasks included the financing of infrastructure and environmental investments in the border area between the United States and Mexico. The work was to be coordinated by the Border Environment Cooperation Commission (BECC), established especially for this task. As an example of a series of cross-border investments in the field of environmental protection, the NADB has financed over USD 1 billion of programs for the development of renewable energy sources (solar, wind farms, biogas).²⁶

From the perspective of the interests of the United States, the main goals of cooperation with Mexico under the NAFTA agreement were not only economic (economic

²⁰ S. Weintraub, "The New Economic Initiative toward Latin America", *Journal of Interamerican Studies and World Affairs*, vol. 33, no. 1 (1991), p. 3.

²¹ H. Kissinger, *Dyplomacja*, p. 915.

²² J. Nakonieczna, „Północnoamerykańskie Porozumienie o Wolnego Handlu”, in M.F. Gawrycki (ed.), *Procesy integracyjne w Ameryce Łacińskiej*, Warszawa 2007, p. 188.

²³ S. Weintraub, "The New Economic Initiative...", p. 4.

²⁴ 'Great things happened under George Bush: the fall of the Berlin Wall, the end of the Cold War, a clear victory in the Persian Gulf, or the negotiation of NAFTA liberalizing trade in North America.' A. Greenspan, *Era zawirowań...*, p. 132.

²⁵ B. Liberska, *Nowe wyzwania integracyjne NAFTA i inne regionalne inicjatywy na kontynencie amerykańskim*, Warszawa 1995, passim.

²⁶ *Border Environment Cooperation Commission*, 2015, at http://www.becc.org/uploads/files/oct_2015_renewable_energy_rev_eng.pdf, 18 May 2020.

expansion through increased exports of goods), but also political and social: (democratization of Mexico's political life, improvement of the economic situation and inhibition of illegal immigration to the United States).²⁷ The first goal has been achieved, the implementation of the second task still faces many problems. For the United States, the success of NAFTA also meant reducing the influence of drug cartel bosses on both the political life and the lives of Mexican citizens. It should be emphasized that the free trade agreement with Mexico and Canada negotiated at the beginning of the 1990s was a comprehensive agreement. The provisions of NAFTA became the model by which the United States later entered into free trade agreements with other countries. The NAFTA agreement was preceded by the U.S. bilateral free trade agreement with Canada. Since the end of World War II, economic relations between the two countries have systematically intensified, and trade cooperation with Canada was formalized in 1987 and 1989. The scale of trade relations between the United States and Canada was evidenced by the export of goods from the United States to Canada, which in 1989 amounted to USD 79 billion, with USD 49 billion of exports to other countries of the Western Hemisphere. In 1993, before the entry into force of the NAFTA agreement, exports of goods from the United States to Canada exceeded USD 100 billion, and in 2014 they reached a record value of USD 312 billion.²⁸

Relatively quick economic integration was made possible by similar historical experiences, cultural conditions, a similar level of economic development and a geographical location favorable for the development of economic relations. In the case of Mexico's second partner, one should point to cultural differences and a different level of economic development compared to the USA. In 1990, the per capita national income gap between the United States and Mexico was 10:1. On the other hand, Mexico's situation from the U.S. perspective was similar to Canada's. The cooperation of the United States with Mexican companies in the industrial sector was very advanced. Even before the provisions of the NAFTA agreement entered into force, Mexico decided to reduce customs duties on some goods imported from the USA by 10%.²⁹ As with Canada, in the early 1990s the United States was Mexico's strategic trading partner. In 1990, Mexico's exports to the United States were worth USD 30.156 billion. 70% of Mexico's total exports came to the US market. In turn, imports from the United States to Mexico amounted to USD 28.279 billion and accounted for 50% of all United States imports to all Latin American countries.³⁰ The presented statistical data show the importance of economic issues for Mexico's relations with the United States and their role in making the decision to include Mexico in the free trade agreement.

²⁷ I.F. Ferguson, M.A. Villarreal, "Ferguson I.F., Villarreal M.A., "The North American Free Trade Agreement (NAFTA)", *US Congressional Research Service*, 24 May 2017, p. 4.

²⁸ *U.S. International Trade Commission's Interactive Tariff and Trade Data Web*, 2016, at <http://dataweb.usitc.gov>, 30 April 2020.

²⁹ G. Esquivel, J.A. Rodriguez-Lopez, "Technology, Trade, and Wage Inequality in Mexico before and after NAFTA", *Journal of Development*, vol. 72 (2003), p. 546.

³⁰ "Foreign Trade – Trade in Goods with Mexico", *U.S. Census Bureau Foreign Trade Statistics*, 2010, at <https://www.census.gov/foreign-trade/balance/c2010.html>, 2 March 2020.

Giving an unambiguous answer to the question whether NAFTA was beneficial to the national interest of the United States in the context of state security is not easy. Since 1994, the United States' attitude to NAFTA has evolved. Both President George H. Bush and Bill Clinton were strong supporters of the tripartite initiative. The first serious objections and questions as to whether the existence of NAFTA is in the national interest of the United States emerged during the presidency of George W. Bush.³¹ President Barack Obama, despite doubts and numerous critical voices, decided to tighten cooperation between the United States and Mexico within NAFTA.³² Back in the 2008 election campaign, in his speech A New Partnership for the Americas, Barack Obama announced that his policy towards Latin America would be based on five fundamental pillars. The fourth concerned the NAFTA agreement. President Obama announced a reform of trade relations within NAFTA by increasing attention to environmental issues and improving working conditions and pay for workers.³³ Bearing in mind that 75% of trade between the United States and Mexico was carried out by land, and further restrictions on crossing the border were introduced systematically after the attacks of September 11, the Obama administration decided to introduce changes aimed at liberalizing the regulations. Mainly for economic reasons, on 19 May 2010, the United States and Mexico signed a new agreement that modified the original, restrictive provisions of the 2007 Merida Initiative. The body of Twenty-First Century Border Bilateral Executive Steering Committee (TFCBBESC) was established, whose tasks included coordination of activities related to the implementation of the provisions of the agreement. The most important goals boiled down to: development of border infrastructure, introduction of pilot programs of initial cargo clearance, facilitation of border crossing by people working in the border zone and strengthening information exchange between the uniformed services of the USA and Mexico. In February 2012, at the initiative of the United States, the High-Level Regulatory Cooperation Council was established,³⁴ and on 20 September 2013, U.S.-Mexican High-Level Economic Dialogue (USMHLED).³⁵ During the annual meetings attended by representatives of

³¹ J. Faux, C. Salas, R. Scott, "Revisiting NAFTA: Still Not Working for North America's Workers", *Economic Policy Institute*, no. 173 (28 September 2006), at <http://www.epi.org/publications/entry/bp173>, 1 April 2020.

³² The economic and demographic potential of the states – signatories to the NAFTA agreement is unquestionable. In 1994, the economic potential of the US, Mexico, and Canada was estimated at USD 6 trillion. These countries were inhabited by 360 million people. In 2004, NAFTA increased the value of the economy to USD 12 trillion 500 billion and increased the population to 430 million. The daily trade was USD 2,500 billion. G.C. Hufbauer, J.J. Schott, *NAFTA Revisited. Achievements and Challenges*, Washington 2005, p. 2.

³³ B. Obama, "A New Partnership for the Americas", *Casade*, 2008, at http://obama.3cdn.net/ef480f743f9286aea9_k0tmvvt7h.pdf, 11 February 2020.

³⁴ US Congress also decided to introduce further facilitations in trade relations with Canada, creating the U.S.–Canada Regulatory Cooperation Group.

³⁵ O'Neil S.K. (prepared statement by), "Opportunities for U.S. Engagement in Latin America" (before Committee on Foreign Relations, United States Senate, 114th Congress, 2nd Session), *Council on Foreign Relations*, 21 January 2016, Washington 2016, p. 15.

the U.S. and Mexican governments, supported by representatives of state and private companies, a schedule was established to implement priorities regarding the intensification of economic cooperation, while taking into account the tasks related to cross-border security. In the third edition of USMHLED, the United States was represented by Vice President Joe Biden. The most important consequence of the USMHLED meeting in January 2015 was the decision to transfer USD 3 billion to NADB over five years. Already in 2015, NADB's capital amounted to USD 1.3 billion.³⁶ Also in 2015, the first international railway bridge between Brownsville and Matamoros was opened in 100 years. There was also a pre-inspection test procedure for passenger traffic at Laredo airport and the city of Mesa de Otay, and for goods traffic in San Jerónimo. President Obama's policy to facilitate the crossing of the Mexican border with the United States changed the law in Mexico. Under the new regulations, armed personnel of US customs services could cross the border in special cases and take action on Mexican territory.³⁷

Barack Obama pledged to renegotiate the agreement, blaming NAFTA for the relocation of U.S. production to Mexico, job losses in the U.S. and stagnation in wage growth for American workers. Additionally, President Obama emphasized the need to update NAFTA on environmental protection and the tide of data and digital services, among other issues.³⁸ For these reasons, the United States entered into negotiations in 2008 to expand NAFTA. These talks resulted in President Barack Obama signing what is considered the successor to NAFTA, the Trans Pacific Partnership agreement, in 2015.³⁹ The Obama administration, when deciding to change NAFTA to TPP, was guided by the principle that economic relations between countries are more important than common political goals and reality is largely shaped by trade ties. Countries are forging closer ties of cooperation, the international market is growing unfettered, and thanks to technological advances, transporting all kinds of goods is easier than ever. Consumerism drives production, and the gradual removal of trade restrictions should cause the economic growth of the treaty members, and consequently the demand for foreign goods increases. In line with such reasoning, according to President Barack Obama, the transformation of NAFTA into TPP, an initiative with a broader thematic and territorial scope reflected the national and strategic interest of the United States. The TPP agreement was intended to be one of the most multifaceted free trade agreements, covering 40 percent of the global economy.⁴⁰ It was to concern not only

³⁶ S. C. Ribando, "Mexico: Background and U.S. Relations", US Congressional Research Service, 30 March 2016, Washington 2016, p. 19.

³⁷ *Ibid.*, p. 5.

³⁸ "The Trans Pacific Partnership. Upgrading the North American Free Trade Agreement (NAFTA)", *U.S. Department of Commerce, Office of the United States Trade Representative (USTR)*, at <https://ustr.gov/sites/default/files/TPP-Upgrading-the-North-American-Free-Trade-Agreement-NAFTA-Fact-Sheet.pdf>, 23 March 2021.

³⁹ See more about TPP: "The Trans Pacific Partnership", *The White House president Barack Obama*, at <https://obamawhitehouse.archives.gov/issues/economy/trade>, 23 March 2021.

⁴⁰ J. McBride, A. Chatztyi, A. Siripuraru, "What's Next for Trans-Pacific Partnership (TPP)?", in *Council on*

the abolition of customs barriers, but also the updating of legal regulations in the area of intellectual property, ecology and international supply chains. The position of small and large enterprises and transnational corporations was also important. Opponents of the new TPP agreement, which included President Barack Obama's successor, Donald Trump, pointed to many risks associated with the United States joining the initiative. Among the major critical arguments is the undemocratic and secretive nature of the negotiating process. In addition, opponents pointed out that trade deals are a source of foreign competition that directly reduces jobs in the industry sector in the U.S. Another concern to the critics of the TPP was a clause stating 'investor-state dispute settlement' (ISDS) that would allow influential multinational corporations to sue national governments that violate trade agreements.⁴¹

In the election campaign before the presidential elections in 2016, the issue of the free trade agreement with Canada and Mexico appeared. While Donald Trump has unequivocally criticized the provisions of the agreement,⁴² interesting demands for re-negotiating the agreement from the perspective of U.S. interests were also put forward by Hillary Clinton, the Democratic Party candidate. In the era of globalized economic relations, many factors have an impact on the assessment of the NAFTA agreement implementation: inflation, economic growth of countries, exchange rates, and the changing economic hierarchy of countries (e.g. the growing importance of China or India). Although the NAFTA agreement was aimed primarily at the implementation of economic tasks, its impact on the economic development of the United States was relatively small, as trade with Canada and Mexico accounts for only 5% of the U.S. GDP. A positive trend in economic relations between the United States and Mexico was the increase in investments by American companies in Mexico, mainly in the mining and machine industries. During the NAFTA agreement, the value of American foreign direct investment increased from USD 17 billion in 1994 to USD 92.8 billion in 2015. Only in 2016, there was an increase in investments, mainly in the mining and machinery industries, by 3.5%.⁴³

The assessment of the legitimacy of NAFTA in its present form is ambivalent. On the one hand, the agreement opened up a new market of over 100 million for agricultural and industrial products and services exported from the United States. The dynamics of growth in exported goods by the United States to Mexico is very high. For example, the value of U.S. exports of goods to Mexico increased from USD 111.7 billion in 2000 to USD 151.2 in 2008.⁴⁴ During the NAFTA period, U.S. exports of goods to

Foreign Relations, at <https://www.cfr.org/backgrounder/what-trans-pacific-partnership-tpp>, 25 March 2021.

⁴¹ "Issues and the 2016 Campaign", *Pew Research Center*, 18 August 2016, at <http://www.pewhispanic.org/politics/2016/08/18/5-issues-and-the-2016-campaign/>, 25 March 2021.

⁴² In his 2017 National Security Strategy document, President D. Trump indicated the economic priorities of his presidency, stating 'economic security is national security'. D. Trump, "National Security Strategy of the United States of America", Washington 2017, p. 17.

⁴³ *U.S. International Trade Commission's Interactive Tariff and Trade Data Web...*

⁴⁴ "Office of Trade..."

Mexico increased by over 455%, from USD 41.58 billion in 1993 to USD 223.701 billion in 2017.⁴⁵ A spectacular example was the increase in U.S. corn exports to Mexico. Until 1993, this popular grain and the staple food in the diet of an average Mexican citizen came almost entirely from Mexican farmland. Only 2% of the maize was imported from the United States. Thanks to the implementation of the NAFTA regulations in 2003, the imports of this plant from the USA increased to 20%. The United States achieved economic success by significantly increasing the export of maize to Mexico. This fact, however, had negative socio-economic effects for Mexico, such as a fall in the price of grain grown by Mexican peasants.⁴⁶ The United States exports the following commodities to Mexico: machinery, electronics, cars, mineral fuels, synthetics, and foodstuffs (corn, soybeans, pork, beef, and dairy products). In turn, the imports of goods from Mexico to the United States increased by 637% from USD 39.917 billion in 1993 to USD 288.953 billion in 2017. The United States mainly imports: cars, electronic devices, medical equipment, and furniture.⁴⁷ Critics point out the liquidation of around 200,000 jobs in the United States. According to data collected by the Economic Policy Institute, by 2010 the number of jobs in the United States was reduced by 600,000 due to the provisions of the NAFTA agreement.⁴⁸ The data of the Department of Commerce and the Office of the United States Trade Representative (USTR), however, clearly prove that trade relations with Mexico generate approximately 1,200,000 jobs in the U.S. economy.⁴⁹ Additionally, it was emphasized that NAFTA did not cause any radical change in the labor market in Mexico and did not stop illegal immigration to the United States. Due to the lack of a decrease in the number of illegal immigrants, the United States decided not to open borders for trucks, despite the fact that such an obligation was imposed by the NAFTA regulations. In September 2007, the first truck crossed the U.S. border with Mexico in Laredo. The liberalization of border crossing laws was completed in 2009, when President Obama signed a law introducing new restrictions. President Obama's decision caused a crisis in relations with Mexico. Mexico retaliated by delaying the approval of U.S. courier companies operating on Mexican territory.⁵⁰

A particularly unfavorable tendency in trade relations between Mexico and the United States was the systematically growing high deficit.⁵¹ In 1993, the United States

⁴⁵ "Foreign Trade – Trade in Goods with Mexico..."

⁴⁶ J. I. Domínguez, R. Fernández de Castro, "U.S.-Mexican Relations in the Twenty-First Century", in J.I. Domínguez, R. Fernández de Castro (eds.), *Contemporary U.S.-Latin American Relations: Cooperation and Conflict in the 21st Century*, New York 2010, p. 27.

⁴⁷ "Foreign Trade – Trade in Goods with Mexico..."

⁴⁸ B.W. Jentleson, *American Foreign Policy: The Dynamics of Choice in the 21st Century*, New York-London, 2014, p. 552.

⁴⁹ The statistics are for 2015. 968 000 jobs are related to trade in goods, and another 201 000 with the service market. "Mexico", *U.S. Department of Commerce, Office of the United States Trade Representative (USTR)*, [2017], at <http://www.ustr.gov/countries-regions/americas/mexico>, 12 January 2021.

⁵⁰ F. Abbott, "NAFTA and Legalization of World Politics: A Case Study", *International Organization*, vol. 54, no. 3 (2000), p. 529.

⁵¹ As a supplement, it should be added that in 2016, the United States recorded a surplus of USD 7,600

recorded a trade surplus with Mexico of USD 1.7 billion. In the mid-1990s, a deficit appeared in trade relations, to reach a record value of USD 74.795 billion in 2007. In 2016, the deficit in trade relations was slightly lower and amounted to USD 64.354 billion,⁵² and in 2017 it increased to the level of USD 65.683 billion.⁵³

Supporters of renegotiating the free trade agreement with Mexico and Canada gained another argument in 2001, when China joined the World Trade Organization (WTO). China's membership in the WTO resulted in the reduction of tariff barriers and the elimination of investment restrictions by China. China's new economic policy has contributed to the rapid development of relations with the United States, at the expense of countries such as Mexico. The opening of the Chinese market to investors from the United States and the systematic increase in trade turnover pointed to China as a potential key economic partner of the USA. In 1989, imports of goods to the United States amounted to USD 473 billion, of which USD 88 billion was imported from Canada (18.6%), USD 27 billion from Mexico (5.7%) and USD 12 billion from China (2.5%). By 2000, the total value of U.S. imports had increased to USD 1,2 trillion, including imports from Canada – to USD 231 billion (19% share), Mexico – to USD 136 billion (11.5%) and China – to USD 100 billion USD (8.2%). It is worth emphasizing that a sharp, almost fourfold increase in the share of all goods imported by the United States was recorded by China. At the same time, Canada's share remained basically the same, and Mexico's share only doubled. This trend was even more evident in the years 2000-2016, when the share of Canadian products imported by the United States fell to 14.4%, in the case of Mexico it amounted to 12.2%. China turned out to be the biggest beneficiary, whose share in imports to the USA increased to 19.4% during this period.⁵⁴

A similar trend can be observed in the case of U.S. exports; increased Chinese market share and marginalization of Canada and Mexico as traditional trading partners. The above statistics show that despite the NAFTA agreement, trade relations with Canada and Mexico have developed in a static manner, and in the case of Canada after 2000, there was even a regression. On the other hand, China, especially after 2001, has become the main trading partner of the United States.

Changes under the NAFTA agreement seemed necessary, if only because of the evolution of the international system, including the economic one, which took place since the beginning of the 1990s. One example was the emergence and systematic increase in the importance of new powers, such as China, in international economic relations. In the national interest of the United States, competition between China and Mexico

billion in the services sector. Despite the surplus, the US is concerned about the decline in profits in the service sector compared to 2015 by 20.7%. "Mexico", *Office of the United States Trade Representative (USTR)*, 2015, at <http://www.ustr.gov/countries-regions/americas/mexico>, 17 February 2020.

⁵² According to data collected by U.S. International Trade Commission's Interactive Tariff and Trade Data deficit in trade relations with Mexico in 2016 was USD 63,200 billion. *U.S. International Trade Commission's...*

⁵³ "Foreign Trade – Trade in Goods with Mexico..."

⁵⁴ J.K. Jackson, "U.S. Trade with Free Trade Agreement...", p. 11.

as U.S. economic partners was a favorable trend. Mexico's position has been threatened in recent years by China's expansionist policy, but this tendency may change in the future. For several years, labor costs in China have been increasing and in some sectors are already higher than in Mexico. Mexico as a strategic economic partner of the United States is also supported by the criterion of geographical coverage and low transport costs, investment advancement of American companies on the Mexican market, a multi-million Mexican minority living and working in the United States, historical experience and common non-economic goals.⁵⁵

As mentioned earlier, in his campaign for the office of President of the United States, Republican Party candidate Donald Trump announced that if he won the nomination, one of his first decisions would be to renegotiate NAFTA. A statistical analysis of NAFTA's more than 20-year history does not provide a clear answer about the effectiveness of this initiative. However, President Donald Trump has evaluated the agreement and its effects negatively and has subjected it to a thorough critique. President Trump's push to revise NAFTA was supported by the Democratic Party. Politicians were thanked for their cross-party compromise on the issue by then Undersecretary of Commerce Robert Lighthizer. Among the main reasons for the failure of NAFTA, President Trump included: the massive U.S. deficit in trade relations with Mexico,⁵⁶ the elimination of about 200,000 jobs in the U.S. and the relocation of production by American investors to Mexico.

President Donald Trump has been determined in his efforts to renegotiate the NAFTA agreement along the lines of the key U.S. policy direction document, the National Security Strategy. The president emphasized the need to prioritize the economic interests of the United States and its people and to change the existing economic model, in which, according to Donald Trump, the United States is focused more on the international economic system than on the working conditions and wages of American workers. An excerpt from the document reads: *We must rebuild our economic strength and restore confidence in the American economic model. Over decades, American factories, companies, and jobs moved overseas. After the 2008 global financial crisis, doubt replaced confidence, risk-aversion and regulations replaced investment and entrepreneurship. The recovery produced anemic growth in real earnings for American workers. The U.S. trade deficit grew as a result of several factors, including unfair trading practices. For 70 years, the United States has embraced a strategy premised on the belief that leadership of a stable international economic system rooted in American principles of reciprocity, free market, and free trade served our economic and security interests. Working with our allies and partners, the United States led the creation of a group of financial institutions and other*

⁵⁵ A.M. Villarreal, "Mexico's Free Trade Agreements", *US Congressional Research Service*, 25 April 2017, p. 16.

⁵⁶ The United States ran a trade surplus with Mexico of USD 1,5 billion in 1993, only to run a deficit of USD 60 billion in 2015. In 2019, the U.S. trade deficit with Canada and Mexico widened to \$139 billion. M. Wąsiński, "USMCA – mniej wolnego handlu, więcej regulacji", *Biuletyn PISM*, no. 164 (2019), 6 August 2020, at <https://www.pism.pl/file/1d1e21a9-75df-4fd4-8f2a-3d3da694cce7>, 13 March 2020.

*economic forums that established equitable rules and built instruments to stabilize the international economy and remove the points of friction that had contributed to two world wars. That economic system continues to serve our interests, but it must be reformed to help American workers prosper, protect our innovation, and reflect the principles upon which that system was founded. (...) Rebuilding economic strength at home and preserving a fair and reciprocal international economic system will enhance our security and advance prosperity and peace in the world.*⁵⁷

President Donald Trump was very quick to follow through on his 2016 campaign announcements, and as early as on 30 August 2018, he sent a message to Congress to begin the NAFTA amendment process and his desire to sign a new economic agreement with Mexico. On 30 November 2018, during the G-20 summit in Buenos Aires, the leaders of the United States, Canada and Mexico signed the new USMCA economic agreement, replacing NAFTA. On 10 December 2019, the United States, Mexico, and Canada agreed a protocol of amendment to the original USMCA text. In particular, the following issues needed to be clarified: labor and environmental provisions, intellectual property rights protection, and steel and aluminum requirements in the motor vehicle industry rules of origin. New issues, such as digital trade, state-owned enterprises, and currency misalignment are also addressed.⁵⁸

Finally, President Trump signed the agreement on 29 January 2020. The new economic agreement has entered into force on July 1, 2020. President Donald Trump's administration wanted to reduce the trade deficit with both partners. First, the adopted changes affected the automotive sector by tightening rules of origin allowing duty-free imports of products. USMCA raised tariffs on cars and trucks. Under NAFTA, passenger cars with at least 62.5% of their components made in one of the three signatory countries to the agreement, or 60% in the case of trucks, could be sold tariff-free. According to the USMCA, at least 75% of the value of the vehicle and 70% of the steel and aluminum used to make the cars must come from the contracting states. It also strengthened the labor market by stipulating that at least 40-45% of the value of the car must be produced by workers earning at least USD 16 per hour. To provide manufactures time to adjust, the date of entry into force of motor vehicle rules of origin was delayed until January 2012.⁵⁹ The second issue of the USMCA agreement affected the dairy industry. Due to USMCA, U.S. dairy access to Canada's dairy market increases. While this provision applies only to Canada, it is not certain that Mexico will not be covered in the future. U.S. farmers' access to the Canadian dairy market is to be increased by raising the amount of U.S. goods that can be exported to Canada duty-free. This will allow the U.S. duty-free access to 3.6% of the Canadian dairy market. And finally, USMCA introduces new provisions on two key issues from the perspective of

⁵⁷ D. Trump, "National Security Strategy...", pp. 17-18.

⁵⁸ A.M. Villarreal, I.F. Ferguson, "US-Mexico-Canada (USMCA) Trade Agreement", *US Congressional Research Service*, 14 January 2021, s. 1.

⁵⁹ "United States-Mexico-Canada Agreement", *U.S. Department of Commerce, Office of the United States Trade Representative (USTR)*, at <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement>, 13 March 2020.

U.S. interests: protection of intellectual property and copyright law, and labor compliance in Mexican factories. The agreement increases intellectual property protection by extending the copyright term from 50 to 70 years. USMCA applies to new products that did not exist in the early 1990s when NAFTA was signed. The agreement prohibits tariffs on digital music, e-books, other similar digital products. It also establishes a 'safe harbor' for Internet companies, meaning they cannot be held liable for copyright infringement of their users if they make good faith efforts to stop infringement. USMCA also includes criminal and civil penalties protections for trade secret theft, including by state-owned enterprises and cyber-theft. In considering the last provision of the agreement concerning the improvement of working conditions and respect for labor rights in Mexican factories, it is important to emphasize its importance to the interests of the U.S. USMCA allows investigators to search factories suspected of violating labor rights and to confiscate goods that come from factories suspected of violating labor laws. In addition, Mexican authorities have pledged to reform labor laws on a broad scale to make it easier for unions to operate and to stop the use of violence and other forms of coercion by employers. President Donald Trump has supported and encouraged these actions by Mexican authorities. The two stated goals of the reform, improving working conditions and creating a more level playing field between Mexican and U.S. factories, are important from the perspective of U.S. interests. Better working conditions, increased production, and increased wages for Mexican workers are inextricably linked to U.S. security. The success of this USMCA-based reform should have the effect of reducing migration pressures from Mexico to the U.S. and encouraging Mexicans to work legally and abandon drug production and smuggling, primarily to the U.S. market.⁶⁰

These were important and beneficial issues, specifically from the perspective of U.S. interests as evidenced by the relatively late ratification of the revised agreement by the Canadian Parliament on 13 March 2020. Moreover, President Trump has used a kind of blackmail against the distancing partners from the USMCA. He threatened the neighbors with imposing tariffs on steel and aluminum and imported cars. This prospect caused Mexico and Canada to fight not for additional trade preferences, but for a return to the status quo, that is, the abolition of tariffs and protection against further tariff barriers.⁶¹ In addition, President Trump has forced Mexico to lower the number of central American asylum seekers entering the U.S. from Mexico by imposing a 5% tariff on goods imported from Mexico. In this clever way, President Donald Trump linked goals directly related to national security of the country with economic leverage.

The impact of the USMCA is difficult to predict. On the one hand, the reintroduction of trade barriers has already caused companies such as Ford and General Motors to abandon investment in Mexico and announce the expansion of their U.S. factories, which could increase employment. On the other hand, a deterioration in Mexico's

⁶⁰ Ibid.

⁶¹ M. Wąsiński, "USMCA – mniej wolnego handlu..."

trade relations with the United States could have a negative impact on Mexico's economy, which is dependent on exporting goods to the U.S. market. In turn, such a situation will result in a lower standard of living in Mexico and increased migration pressure on the United States. Under this scenario, one of the priority objectives of U.S. national security outlined in 1993, that is limiting immigration to the United States as a result of liberalizing trade relations and increasing the standard of living in Mexico, will not be achieved.

CONCLUSIONS

An analysis of the United States' relations with Mexico showed that Mexico occupied one of the most important positions in the hierarchy of tasks related to the national interest of the United States in the regional dimension in the context of state security. Key issues in bilateral relations were: the influx of legal and illegal immigrants from Mexico to the territory of the United States, economic cooperation under the NAFTA agreement, for example, counteracting drug smuggling into the U.S., and U.S. energy security. For many decades, the relations between the United States and Mexico have been dominated by the aforementioned problems, the planned implementation of which was a necessary element to achieve the priority goal of the national interest of the United States, that is to ensure state security. The importance of Mexico for the United States was emphasized by the high degree of identification of the goals of the interests of the United States and Mexico presented by the pro-American Mexican authorities. In the case of the Mexican authorities, the assumptions of the policies of the United States and Mexico in many cases were convergent, for example, solving the problem of illegal immigration, economic cooperation or joint fight against organized drug crime groups in Mexico, while differences appeared in the selection and use of instruments necessary for their effective implementation. The special role of Mexico in the perspective of the security of the United States was strengthened by the geographic impact of U.S. securitization policy. Mexico's geographic location in the immediate vicinity of the United States implied close cooperation between the two countries in terms of security. Due to its geographic location, Mexico's importance for U.S. interests has grown significantly. The common, long land border of 3,200 km is one of the most important elements of the U.S. security policy. The geographic factor meant that Mexico, along with Canada, played a strategic role in the realization of the national interest of the United States among all Western Hemisphere countries. Mexico has been and is treated as a priority by the United States, because due to its geographical location, the issues present in bilateral relations have gained a new dimension.

President George W. Bush in his relations with Mexico tried to reconcile two main goals of the national interest: the economic welfare of the citizens of the United States and ensuring security. Apart from cooperation in the fight against international terrorism, economic relations have become an important issue in the 21st century. The impetus for the intensification of economic contacts between Mexico and the United States

was the increasingly active economic policy of China in the area that had so far been the traditional sphere of influence of the United States and Latin America. China's economic offensive required the U.S. to be mobilized in Mexico economically. An example is the development of trade relations under the NAFTA agreement. The implementation of the NAFTA agreement should be considered on many levels. It was not only the intention of the United States to benefit economically, although Mexico is an important regional economic partner of the United States. Political and social goals, the achievement of which was to be helped by economic changes, turned out to be equally important. Thanks to the NAFTA initiative, in the last decade of the 20th century, significant changes in the area of economy took place in Mexico, which at the beginning of the 21st century contributed to spectacular changes on the Mexican political scene. Changes in this scene were welcome and positive from the perspective of the national interest of the United States. The non-economic benefits of NAFTA for the United States should be highlighted. One of the reasons for the cross-party determination of Presidents George Bush and Bill Clinton to implement the NAFTA agreement was the achievement of goals related to increasing the security of the USA. According to the U.S. authorities, one of the assumptions of the NAFTA agreement was to reduce poverty zones in Mexico and increase the living standards of its inhabitants. As a consequence, the main cause of illegal immigration to the United States from Mexico was to be eliminated.

The events that took place on the international arena played a very important role in the evolution of relations between the United States and Mexico. The terrorist attacks of 11 September 2001 on New York and Washington had a direct impact on consolidating Mexico's position in the hierarchy of tasks in the context of the national interest of the United States in the regional dimension. As a consequence of these events, President George W. Bush announced the concept of global war on terror, which became the staple of U.S. foreign policy over the next few years. Due to the inclusion of the fight against narcoterrorism in the war against international terrorism, the position of Mexico in the U.S. policy on a global scale increased. Drug terrorism has been defined as one of the varieties of terrorism that, according to the administration of President George W. Bush, was a major threat to the security of the United States. The American-Mexican land border was perceived by President George W. Bush as the easiest route for potential international terrorists to enter the territory of the United States. Mexico was expected to play a significant role in the war against international terrorism by strengthening and sealing its borders. Due to the interests of the United States, an important decision of President Vicente Fox was the readiness to secure not only the northern but also the southern border of Mexico.

It should be noted, however, that already in 2008 Barack Obama pledged to renegotiate the agreement, blaming NAFTA for the relocation of U.S. production to Mexico, job losses in the U.S. and stagnation in wage growth for American workers. For these reasons, the United States entered into negotiations in 2008 to expand NAFTA. These talks resulted in President Barack Obama signing what is considered the successor to NAFTA, the Trans Pacific Partnership agreement, in 2015.

Analyzing the gains and losses of more than 20 years of NAFTA, President Donald Trump decided to renegotiate the provisions of NAFTA and replace it with a new USMCA in 2020. Although the USMCA is based on the free-market NAFTA agreement, President Trump decided to improve the trade balance by selectively increasing trade regulations with Mexico and Canada, including such measures as introducing trade barriers in the form of tariffs on steel and aluminum. The main reason was the systematically growing massive deficit in trade with Mexico.

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