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>> HELLO, AND THANKS FOR JOINING US.

HERE'S WHAT'S HAPPENING RIGHT NOW.

BRACING FOR IMPACT WITH NO TRADE DEAL JUST HOURS BEFORE THE DEADLINE.

>> President Trump: NOT A DEAL BREAKER BUT WE HAVEN'T SPOKEN TO CANADA TODAY.

>> Marcia: THE TAXING ANXIETY AND REACTION FROM BOTH SIDES OF THE BORDER.

>> I'M FRANKLY VERY PROUD.

>> DEEPLY PROBLEMATIC.

>> Marcia: INSIDE THE DEEP DIVISIONS OVER CANADA'S POLICY SHIFT ON PALESTINIAN STATEHOOD.

>> ALL OF THIS IS LIKE SUPER WORRISOME FOR ME.

>> Marcia: PLUS, THE HIGH COST AS THE LOW VALUE TARIFF EXEMPTION COMES TO AN END.

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>> Announcer: "CTV NATIONAL NEWS" WITH SANDIE RINALDO.

>> Marcia: HELLO, I'M MARCIA McMILLAN IN FOR SANDIE TODAY. WE ARE HOURS AWAY FROM THE DEADLINE WITH A NEW TRADE DEAL WITH THE UNITED STATES.

WITH NO CLEAR SIGN IF WE ARE GETTING CLOSE TO ONE.

THE MONTHS' LONG ROLLER COASTER TRADE WAR IS DOWN TO THE WIRE AGAIN.

LET'S GET STRAIGHT TO THE LATEST DEVELOPMENTS FROM OUR REPORTERS IN BOTH NATION'S CAPITALS.

CTV'S CORRESPONDENT JOY MALBON IS IN WASHINGTON, RACHEL AIELLO IN OTTAWA COVERING BOTH ENDS OF THIS STORY LIVE THIS HOUR.

START WITH YOU, RACHEL.

THE CLOCK IS TICKING WHERE DO NEGOTIATIONS STAND?

>> HEY, MARCIA, WITH JUST HOURS TO GO UNTIL DONALD TRUMP'S DEADLINE COMES AND PASSES, ACCORDING TO THE U.S. PRESIDENT HE HASN'T EVEN SPOKEN TO PRIME MINISTER MARK CARNEY TODAY. WHILE WE DON'T HAVE A CLEAR EXECUTIVE ORDER CONFIRMING THAT CANADA IS GOING TO BE HIT WITH

THAT 35% TARIFF, ALL INDICATIONS ARE THAT IS WHERE WE ARE HEADING.

TRUMP OFFICIAL VERSUS MADE IT CLEAR TODAY THAT HE WANTS TO KEEP THAT AUGUST 1st DEADLINE FOR ANY COUNTRY WHO HASN'T REACHED AN AGREEMENT WITH THE U.S. YET AND THAT WOULD INCLUDE CANADA.

TRUMP SAYS DOESN'T THINK CANADA RECOGNIZING A PALESTINIAN STATE IS A DEAL BREAKER.

INDICATED THE PRIME MINISTER CALLED HIM TODAY AND HE DIDN'T PICK UP THE PHONE.

HE WAS THEN ASKED WHAT'S TAKING SO LONG, WHAT'S THE HOLD UP GETTING AN AGREEMENT WITH CANADA.

AND HERE'S A BIT OF WHAT HE HAD TO SAY.

>> President Trump: WELL THEY HAVE TO PAY A FAIR RATE, THAT'S ALL.

IT'S VERY SIMPLE.

THEY HAVE BEEN CHARGING VERY, VERY HIGH TARIFFS TO OUR FARMERS, SOME OVER 200%, AND THEY HAVE BEEN TREATING OUR FARMERS VERY BADLY.

THEY HAVE BEEN TREATING OUR COUNTRY VERY BADLY FOR YEARS.

AND LOOK, WE LIKE CANADA.

I LOVE CANADA.

I HAVE SO MANY FRIENDS IN CANADA.

BUT THEY HE HAVE BEEN VERY POORLY LED.

THEY HAVE BEEN VERY, VERY POORLY LED, AND ALL WE WANT IS FAIRNESS FOR OUR COUNTRY.

>> Marcia: RACHEL, ARE WE EXPECTING THE GOVERNMENT TO COME OUT TO RESPOND OR RETALIATE IN ANY WAY TODAY?

>> Reporter: YEAH, SO I HAVE REACHED BACK OUT TO PRIME MINISTER'S HE OFFICE TO SEE WHAT THEIR RESPONSE WOULD BE TO THE FACT THAT THE U.S. PRESIDENT IS SAYING THAT CARNEY CALLED HIM TODAY AND HE DIDN'T PICK UP. THIS IS AFTER I FOLLOWED UP EARLIER TODAY TO SEE IF THE PRIME MINISTER WAS ONE OF THE

WORLD LEADERS WHO TRUMP'S PRESS SECRETARY SAID WAS BLOWING UP HIS PHONE TRYING TO FIND AN ELEVENTH HOUR DEAL.

I HAVE NOT HEARD BACK.

NO INDICATION HE OR U.S. TRADE MINISTER DOMINIC LEBLANC PLANNED TO SPEAK PUBLICLY TODAY LET ALONE ANY INDICATION THAT CANADA IS READY TO RETALIATE.

THAT COMES AS THERE IS PRESSURE RAISING UP FOR THE FEDERAL GOVERNMENT TO DO SO.

TAKE A LISTEN.

>> I WOULDN'T ROLL OVER.

AND I TOLD THE PRIME MINISTER DO NOT ROLL OVER.

HIT THAT GUY BACK AS HARD AS WE POSSIBLY CAN.

>> Reporter: PREMIER VERSUS BEEN HOPING FOR AT LEAST AN AGREEMENT WHAT WE ARE KNOWING AS SECTORAL STEEL AND ALUMINUM TARIFF ISSUES.

SO FAR WE DON'T KNOW IF ANYTHING ON THAT FRONT WILL MATERIALIZE BETWEEN NOW AND MIDNIGHT.

MARCIA.

>> RACHEL AIELLO IN OTTAWA.

RACHEL, THANK YOU FOR ALL OF THAT REPORTING.

LET'S TURN NOW TO WASHINGTON WHILE WE WAIT FOR NEWS OF CANADA'S DEAL THE WHITE HOUSE IS MOVING AHEAD WITH A FLURRY OF DEAL MAKING WITH OTHER COUNTRIES, INCLUDING SOME DELAYS AND LEGAL CHALLENGES.

JOY MALBON, WHERE DO WE BEGIN?

>> Reporter: WELL, THE PRESIDENT IS FEELING PRETTY GOOD, EMBOLDENED IN FACT, MARCIA.

DIDN'T GET 90 TRADE DEALS IN 90 DAYS BUT CALLS THE EUROPEAN UNION DEAL OVER THE WEEKEND THE BIGGEST TRADE DEAL IN AMERICAN HISTORY.

HE IS FEELING GENEROUS ENOUGH TO GIVE MEXICO A REPRIEVE, ANOTHER 90 DAYS WERE HIS TARIFFS KICK IN.

HE WAS SURROUNDED BY ATHLETES TODAY FLEXING HIS TRADE MUSCLES AND SIGNING AN EXECUTIVE ORDER TO BRING PRESIDENTIAL FITNESS

TESTS BACK TO SCHOOL, HIS  
TARIFFS ARE BEING CALLED  
ILLEGAL.

IN FEDERAL COURT TODAY LAWYERS  
ARGUED THAT TRUMP TARIFFS ARE AN  
UNPRECEDENTED POWER GRAB AND  
THAT THE PRESIDENT OVERSTEPPED  
HIS AUTHORITY BY USING THE  
EMERGENCY POWERS ACT TO SLAP  
IMPORT DUTIES ON JUST ABOUT  
EVERY COUNTRY.

HE BRUSHED OFF THAT QUESTION  
INSTEAD BRAGGING ABOUT HIS  
DEALS.

HAVE A LISTEN.

>> President Trump: WE MADE A  
FEW DEALS TODAY THAT ARE  
EXCELLENT DEALS FOR THE COUNTRY.  
WE'RE TAKING IN LITERALLY  
TRILLIONS OF DOLLARS FOR THE  
COUNTRY.

THIS IS MAKING OUR COUNTRY VERY  
RICH, AND RESPECTED AGAIN.

>> Reporter: DOZENS OF  
COUNTRIES ARE STILL IN LIMBO  
OVER TRUMP'S TARIFFS AND THIS  
COURT CASE, WELL, IT WILL LIKELY  
END UP IN THE SUPREME COURT.

MARCIA.

>> Marcia: JOY MALBON FOR US  
IN WASHINGTON.

JOY, THANK YOU FOR THAT.

>>> TRUMP ALSO SAID TODAY THAT  
HE DIDN'T LIKE CANADA'S PLEDGE  
TO RECOGNIZE PALESTINIAN  
STATEHOOD BUT IT WOULDN'T BE A  
DEAL BREAKER ON TRADE TALKS.  
BEYOND JUST THE U.S. PRESIDENT'S  
NEGATIVE RESPONSE, CANADA'S  
ANNOUNCEMENT YESTERDAY HAS  
RECEIVED A RANGE OF REACTIONS.  
CTV'S ABIGAIL BIMMAN NOW ON  
CANADA'S DIPLOMATIC MOVE AND THE  
TIMING OF THAT DECISION.

ABIGAIL.

>> MARCIA, A SENIOR GOVERNMENT  
OFFICIAL TELLS "CTV NEWS" THE  
DECISION WAS PART OF A BIGGER  
PLAN WHERE CANADA INTENDS TO  
PLAY A BIGGER ROLE IN THE MID  
EAST PEACE PROCESS.

THE GOVERNMENT BELIEVES THERE IS  
MORE OUR COUNTRY CAN DO TO BE  
MORE USEFUL.

BUT REACTION TO WEDNESDAY'S  
DECISION WAS SWIFT AND DIVIDED.

>> NEWS CANADA INTENDS TO  
RECOGNIZE PALESTINIAN STATEHOOD  
LANDS WITH HOPE ON THE STREETS  
OF GAZA.

THIS TEACHER THANKS CANADA AND  
FEELS THE WORLD IS BEGINNING TO  
WAKE UP.

>> Rt. Hon. Mark Carney: LEVEL  
OF HUMAN SUFFERING IN GAZA IS  
INTOLERABLE AND RAPIDLY  
DETERIORATING.

>> Reporter: CANADA'S FOREIGN  
AFFAIRS MINISTER POSTED THIS  
PHOTO SAYING CANADIAN AID IS  
BEGINNING TO ENTER GAZA AND  
THANKING JORDAN FOR FACILITATING  
AN AIRDROP.

FIGHTING OVER WHAT FALLS, GAZANS  
SAY AIRDROPPED FOOD IS LIKE A  
DOG CHASING A BONE.

THE U.S.'S SPECIAL ENVOY LANDED  
IN JERUSALEM, WHILE THE  
PRESIDENT MIXED FOREIGN POLICY  
AND TRADE MOST POSTING IN THE  
MIDDLE OF THE NIGHT CANADA'S  
DECISION WILL MAKE IT VERY HARD  
FOR US TO MAKE A TRADE DEAL WITH  
THEM, OH' CANADA.

>> THIS IS JUST TRUMP TRYING TO  
USE YET ANOTHER TACTIC TO PUT  
PRESSURE ON CANADA, AND I'M  
FRANKLY VERY PROUD THAT THE  
PRIME MINISTER AND HIS  
GOVERNMENT MADE THAT DECISION,  
EVEN THOUGH NO DOUBT SOMEBODY  
WAS TELLING THEM THAT THIS COULD  
IMPACT THE TRADE NEGOTIATION.

>> I THINK THE GOVERNMENT IS  
PUTTING THE CART BEFORE THE  
HORSE HERE.

>> Reporter: THE CENTRE FOR  
ISRAEL AND JEWISH AFFAIRS IS  
CONCERNED THE GOVERNMENT DIDN'T  
TIE ITS CONDITIONS TO THE  
RELEASE OF HOSTAGES OR THE  
IMMEDIATE REMOVAL OF HAMAS.  
WORRIED IT WILL EMBOLDEN THE  
TERRORIST GROUP.

>> CONCEIVABLY WE'RE GOING TO  
HAVE CANADA RECOGNIZE A  
PALESTINIAN STATE WHERE GAZA IS  
STILL UNDER THE CONTROL OF  
HAMAS, AND INNOCENT ISRAELIS ARE  
STILL BEING HELD HOSTAGES IN THE  
TERROR DUNGEONS OF GAZA.

>> SAYS THERE IS INCREASED

CONCERN AND FEAR AMONG THE  
CANADIAN JEWISH COMMUNITY IN THE  
WAKE OF THE GOVERNMENT'S  
DECISION, FEAR OF EVEN MORE  
ANTI-JEWISH HATE AND ATTACKS.  
MARCIA.

>> ABIGAIL, THANK YOU.

AMONG THE FLURRY OF TRADE  
ANNOUNCEMENT THIS IS WEEK DONALD  
TRUMP ALSO SIGNED AN EXECUTIVE  
ORDER THAT INTENDS A TARIFF  
LOOPHOLE ALLOWING LOW COST GOODS  
TO BE IMPORTED INTO THE U.S.  
DUTY-FREE.

CTV'S GENEVIEVE BEAUCHEMIN NOW  
ON WHAT DE MINIMIS MEANS AND  
WHAT IT MEANS FOR CANADIAN SMALL  
BUSINESS.

>> TAMARA DESIGNS UNIQUE JEWELRY  
JEWELRY.

>> I WORK WITH VINTAGE LEASE.

MAKE STATEMENT PETESS.

>> WORKS OF ART THAT HER  
BUSINESS SHIPS AROUND THE GLOBE.  
A ADDRESS SOUTH OF THE BORDER.  
SCRAPPING AN ORDER PREVENT GOODS  
SHIPPED INTO THE U.S. VALUED AT  
LESS THAN 800 AMERICAN DOLLARS  
FROM DUTIES OR TAXES.

CALLED THE DE MINIMIS EXEMPTION  
LACKING IMPORTANCE SO MINOR TO  
MERIT DISREGARD.

>> IS THIS PART OF THE  
VOCABULARY SIX MONTHS AGO?

>> THE WORD WASN'T UNTIL TRUMP  
STARTED ANNOUNCING TARIFFS.

>> DUTIES CALCULATED ON THE  
IEEPA TARIFF RATE OF THE COUNTRY  
OF ORIGIN.

>> Reporter: THE IMPACT OF  
THIS MOVE ISN'T CLEAR TO ALL  
BUSINESS OWNERS.

>> REALLY APPRECIATE.

THIS IS TAMARA.

WE CALLED IN AN EXPERT FROM THE  
UNIVERSITY OF BRITISH COLUMBIA.

>> \$100 SHIPMENT WOULD BE TAXED  
AND DUTIED AT THE SAME RATE AS  
\$2,000 SHIPMENT, RIGHT.

SO YOU ARE BASICALLY GOING TO BE  
PAYING WHATEVER RATE THAT IS  
AGREED ON BETWEEN CANADA AND THE  
UNITED STATES.

I WISH I COULD GIVE YOU SOME  
MORE GOOD NEWS, TAMARA,  
UNFORTUNATELY I THINK TRUMP

SEEMS TO BE MAKING IT AS  
DIFFICULT AS POSSIBLE TO DO  
BUSINESS WITH U.S. CUSTOMERS AT  
THE MOMENT.

>> I THINK THAT WHAT I'M REALLY  
WORRIED ABOUT LOGISTICS, BECAUSE  
I'M SENDING ONE PACKAGE AT A  
TIME TO CUSTOMERS.

IF I'M FILLING OUT A FORM EVERY  
TIME I DON'T KNOW WHERE I SHOULD  
FIND THESE FORM.

>> PRETTY MUCH GUARANTEE GOING  
TO BE DELAYS FOR SHIPMENTS INTO  
OF THIS.

I HOPE THE MESSAGE GETS ACROSS  
WE NEED TO SUPPORT OUR LOCAL  
CANADIAN SMALL AND MEDIUM-SIZED  
BUSINESSES BECAUSE OTHERWISE,  
YOU GUYS ARE GOING TO REALLY  
STRUGGLE.

>> THANK YOU SO MUCH FOR YOUR  
TIME.

I REALLY APPRECIATE IT.

>> Reporter: A FEW ANSWERS BUT