

## Mexican tariffs will cost Oregon 'millions'

by Richard Read, The Oregonian

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Mexico's sudden decision to slap tariffs on 90 U.S. products -- effective tomorrow -- will likely cost Oregon exporters millions of dollars a year, a state agriculture official says.

The duties, levied in retaliation for a U.S. move to ban Mexican trucks from the United States, include 20 percent tariffs on Christmas trees, pears and potatoes, all of which Oregon sells to Mexico.

"It's extensive," says Amanda Welker, trade manager at the Oregon Agriculture Department, which is just beginning to assess the costs.

It's too soon to say whether the spat could escalate into a trade war, says Edgar Navas, trade director at Nafta Group, a Portland consultancy. But protectionism is growing worldwide amid the global economic crisis, he says.

"You take the economic panic, and it's very prone to nationalistic reactions and pseudo-patriotism," says Navas, who faults the International Brotherhood of Teamsters union for provoking Mexico over the trucking issue. "It's just going to accentuate the economic crisis."

Oregon sold \$748 million worth of goods last year to Mexico, the state's eighth largest foreign customer. Among those were onions, which Mexico has targeted for a 10 percent tariff.

The tariffs will also especially hit Christmas-tree growers, who have counted on Mexico as a \$20 million-a-year customer. Producers of pears and frozen potatoes will be hurt.

"A lot of products that are in transit will be affected," Navas says. "It's going to hit the entire West Coast -- California, Oregon, Washington ... and Idaho."