

San Jose Mercury News

Editorial: Obama must head off trade war over Mexican trucks

3/18/2009

Economic recessions tend to feed dangerous protectionist instincts, so it's no surprise they're surfacing now in Congress. President Obama must quickly intervene to thwart the latest measure and prevent a trade war with Mexico, America's third-largest trading partner.

The dispute is over Mexican trucks on U.S. highways. The federal budget that Obama signed this month ends a pilot program that allows up to 500 Mexican trucks to operate across the border with no restrictions. In retaliation, Mexico's economy minister announced that Mexico would slap import tariffs on 90 American products produced in 40 states and valued at \$2.4 billion.

The Obama administration is promising to resolve Congress' objections and get another pilot project up and running. But the president should have headed off this confrontation. Keeping Mexican semitrailers out of the U.S. is a clear violation of NAFTA. Obama shares responsibility for this mistake because of his rhetoric during the presidential campaign, promising to open up and rewrite NAFTA. This tone no doubt encouraged Democrats in Congress to push regressive trade policies, such as the Buy America clauses in the stimulus package.

Under NAFTA, Mexican truckers were to have been permitted on U.S. roads, just as Canadian truckers are. But 15 years after the treaty was signed, Mexico remains shut out, prohibited from sending its trucks more than 20 miles from the border except in Arizona, where it's 75 miles. Mexican goods must be unloaded onto American trucks, which placates the Teamsters but is expensive and pointless. Unions warned of unsafe trucks, but during the 18 months of the pilot program lifting the limit for some trucks, inspection records have not shown safety violations.

The Senate voted to derail the pilot program once before, but President Bush found a way around it. Obama must move quickly, too — both to head off a border crisis and to tell the rest of the world this is no time to abrogate trade agreements and impose new restrictions. The United States has too much to lose.