

The Wall Street Journal

Editorial: The Teamsters War

3/17/2009

President Obama often campaigned as a trade warrior, and now he's getting his wish. Mexico announced yesterday that it will raise tariffs on 90 U.S. products, affecting some \$2.4 billion in goods across 40 states. The move was retaliation for the recent decision by Congress, signed into law by Mr. Obama, to close the Southern U.S. border to Mexican trucks.

Proponents cloaked the decision in safety language, insisting that the Mexican trucks are a road hazard. However, a federal pilot program has shown that Mexican trucks actually have fewer violations than do American. The real hazard here is the new Administration's obeisance to the Teamsters, who endorsed Mr. Obama early in the 2008 Democratic primaries and demanded the trucking shutdown.

Before Mexico's retaliation, Teamsters spokesman Bret Caldwell told the Los Angeles Times, "we've already lost the trade war with Mexico . . . there is nothing more that Mexico could do to us that is worse than what they've already done." We're not sure the U.S. makers of (so far unspecified) farm and industrial products now facing Mexican tariffs will look at this protectionist outbreak so cheerfully.

By rejecting Mexican trucks, the Administration violated the North American Free Trade Agreement and picked a needless fight with a good neighbor. The White House scrambled yesterday in the wake of the Mexican announcement, saying it wants to work with Mexico to come up with a new trucking plan. But unilateral treaty violations aren't the way to get other nations to negotiate concessions.

President Obama may think 90 products is no big deal, but from such little tariff fights do larger trade wars sometimes develop. Especially in a time of economic hardship, populist and nationalist passions are dangerous and can be hard to control. Mark this episode as another early example in which Mr. Obama has refused to stand up to a powerful Democratic interest group, with damaging consequences.