



White House: Trump Would Let Trucks Cross Mexican Border If It Closes

John Paul Hampstead

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A complete shutdown would halt auto production, spike food prices

Stopping workers from legally crossing would cause labor problems in Texas and California Reassignment of customs agents to immigration already causing long truck delays

Last Friday, March 29, President Trump, in a series of tweets, threatened to close the United States' border with Mexico over illegal immigration. On Tuesday, Larry Kudlow, Director of the National Economic Council, told CNBC that the Trump administration was looking at ways to allow truck traffic and commercial trade to proceed unaffected in the event of a border closure.

"If Mexico doesn't immediately stop ALL illegal immigration coming into the United States through our Southern Border, I will be CLOSING the Border, or large sections of the Border, next week," Trump wrote on March 29.

"We are watching it and looking for ways to allow the freight passage, some people call it truck roads, and there are ways you can do that which would ameliorate the breakdown in supply chains," Kudlow said on April 2 to CNBC's Sara Eisen.

An enormous amount of truck-borne freight crosses the southern border of the United States every day. Approximately 16,000 trucks pass through the border every day at Laredo, Texas alone, a crossing that accounts for 37 percent of all U.S.-Mexico trade. The United States' total trade with Mexico, its third-largest trading partner, amounts to \$612 billion annually and 57 percent of that total, or \$347 billion, is represented by the goods Mexico sends into the U.S.

The White House's walk-back of Trump's initial threats came after economists across industries warned that a complete border closure would be catastrophic to the American economy. Even though Kudlow said that trucks should be permitted to move goods across the border, the transfer of border agents away from customs duties to immigration – in order to process large numbers of migrants – has caused truck delays of up to eight hours at the border already.

David Bier, immigration policy analyst at the Cato Institute, a libertarian think tank in Washington, D.C., wrote that "closing the border is a terrible idea."

"Nearly five million American jobs depend on U.S.-Mexico trade," Bier wrote on Monday. "Even a temporary slowdown would have significant effects," Bier added, citing estimated

economic losses caused by the 2018 closure of the San Ysidro, California border crossing to tear gas migrants.

"I see the whole [auto] industry shutdown within a week of a border closing," said Kristin Dziczek, vice president of industry, labor and economics at the Center for Automotive Research, in a CNN interview. More than one-third of all parts used in automobile plants in the United States come from Mexico and, as Dziczek said, you can't sell incomplete cars.

"Most of us in the trade business thought terminating NAFTA would be quite a body blow, but what Trump is talking about now, shutting the southern border, would be catastrophic," Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics, told the New York Times.

"These [threats to close the border] create economic uncertainty, harm U.S. businesses and are unhelpful in solving the problems of border security," wrote the Fresh Produce Association of the Americas in a statement. "To even hint at a border closure creates a specter of such devastating economic harm to the U.S. that the idea should never be used as a threat, much less implemented."

"The question is: can we deal with that, and not have economic damage?" Kudlow said. "And I think the answer is: We can, and people are looking at different options."

Allowing goods to flow across the border and limiting the shutdown to people would still have serious economic consequences. As Neil Bradley, executive vice president and chief policy officer of the U.S. Chamber of Commerce, pointed out in a statement, "nearly a half million people legally cross the southern border every day as workers, students, shoppers and tourists."

According to U.S. Department of Transportation Border Crossing Entry Data, more than 1.8 million passengers in personal vehicles and more than 700,000 pedestrians legally entered the United States through El Paso in December 2018.