

The Resurgent

A Republican Revolt May Be Brewing On Mexico Tariffs

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President Trump's announcement of the implementation of graduated tariffs on Mexico came as a surprise to pretty much everyone last week. The announcement upended the successful completion of the US-Mexico-Canada agreement, which was nearing ratification and may be sparking a Republican revolt against the president.

On Twitter yesterday, the Cato Institute's resident trade lawyer, Scott Lincicome pointed out that five days after the president's announcement of the new tariffs and less than a week before the new taxes are slated to take effect, there has been no documentation from the White House about the new policies.

Anyone else find it odd that it's been 5 days since the Mexico tariff announcement and we still don't have a single piece of official White House documentation on the decision?

"And no tweets do not count jeez," Lincicome added. (I'll plug Lincicome as a very entertaining and informative account to follow if you are interested in trade issues.)

As it turns out, the new policies may not have been written yet. CNN reported that Republican senators met with White House and Justice Department officials on Tuesday who could not explain the tariff plan.

"They were asked repeatedly how this will work and they couldn't answer," said an unnamed Republican Senate aide. "They must've seen it coming."

"What we are seeing now is a giant game of chicken," said Texas Senator Ted Cruz. "It's like two trucks headed straight at each other on a country road. If the outcome of this is that Mexico blinks and they turn, and they actually become active, productive partners in helping stop illegal immigration, that would be a good outcome, but if the outcome is massive new tariffs that destroy jobs in Texas and the rest of the country, that would be a terrible outcome."

The report begs the question of whether the new offensive in the trade war was planned in advance or whether the move was an example of spontaneous "Twitter diplomacy" by the president. If so, this would be a similar move to Trump's original steel and aluminum tariffs that began the trade war last year.

CBS News reported in March 2018 that then-economic advisor Gary Cohn and Secretary of State Rex Tillerson had advised the president to wait, but that Mr. Trump "ran out of patience" and announced the tariffs to the press before US trade officials could brief a Chinese delegation or

Republican congressmen. As with the current Mexican tariffs, the steel and aluminum tariffs had to be quickly written after the presidential announcement. From the looks of things, Republicans weren't notified this time either.

Few Republicans are speaking out publicly against the president's new strategy, but Politico reported that officials in both parties believe that the president may have to declare another national emergency under the International Emergency Economic Powers Act, which allows the president to regulate trade with "any unusual or extraordinary threat" to national security. The national emergency declared earlier this year cited a different law.

Declaring another national emergency would risk another legislative rebuke from Congress. After the first national emergency declaration earlier this year, Congress passed a resolution of disapproval with the help of 12 Republican senators. President Trump vetoed this resolution and override attempt failed in the House. Eighteen House Republicans joined Democrats in the override attempt.

The next national emergency might yield a different result. Majority Whip John Thune (R-S.D.) said that he expected more Republicans to oppose the Mexico tariffs than those applied to China, but he did not speculate on whether there would be enough opposition to override a veto.

"There is not much support in my conference for tariffs, that's for sure," said Majority Leader Mitch McConnell. When asked if Senate Republicans would vote against the tariffs, McConnell said, "We're hoping that doesn't happen."

Other Republicans at the meeting included John Cornyn (R-Texas), Pat Toomey (R-Pa.), and Rob Portman (R-Ohio). All three states would be hit hard by tariffs on Mexican imports. Texas shares a long border with Mexico and the many manufacturers in the industrial Midwest have supply chains that run south of that border. The president's net approval rating is already underwater in Ohio and Pennsylvania and in single digits in Texas. After Ted Cruz's close electoral call in 2018, many other Republicans in affected states will be looking over their shoulders.

President Trump does not seem worried that Republicans will desert him, however. Speaking at a press conference in London, the president said, "I don't think they will do that. If they do it's foolish."