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Trump's new Mexico proposal is much crazier and more nightmarish than you thought

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Donald Trump's new proposal — if you can call it that — to force Mexico to fund a border wall by threatening to cut off money transfers into that country could prove even crazier and more nightmarish than it first appears.

In particular, it could require literally every person anywhere in the country who wants to transfer money abroad to present proof of lawful presence — or, if not, it could force private businesses to potentially discriminate against Mexican immigrants, several immigration policy analysts with varying specializations on the issue tell me. And it could also fuel an explosion of black-market money-transferring activities.

Under the proposal, which was outlined to the Washington Post in a two-page memo, President Trump would threaten to change a rule under the U.S.A. Patriot Act, to require that “no alien may wire money outside of the United States unless the alien first provides a document establishing his lawful presence in the United States.”

Once apprised of this threat, which would cause tens of billions of dollars in remittances to Mexico to dry up, Mexico would instantly cave and cough up \$5-10 billion to build a Great Trumpian Wall on the border, his memo boasts.

The Post story about this proposal points out that there are major legal obstacles to actually achieving such a rules change, and also notes that the prospect of a major confrontation with Mexico over the idea could prove prohibitive.

But just as bad or worse than any of that, the practical on-the-ground consequences of actually implementing this proposal could be quite dramatic and nightmarish. It raises possibilities that (you'd think) Trump's opponents could use to persuade GOP voters that he is less-than-prepared for the presidency, to put it charitably.

Republican presidential candidate Donald Trump, when asked to comment on Mexico refusing to pay for a wall between the two countries, says, "The wall just got ten feet higher." (Reuters)

For Trump's proposal to work, one of two things would have to happen, these analysts tell me: Either every transfer of money abroad would require the agent carrying out the transaction to demand documentation of lawful presence from the person looking to send money. Or the agent would only have to run such a check on those who are sending money *to Mexico in particular*. Trump's proposal seems to require this of *every* "alien" looking to transfer funds abroad, which would seem to mean anywhere outside the U.S. But the memo's broader aim — forcing Mexico in particular to its knees — suggests he may mean the latter.

"Under Trump's proposal, every individual sending money outside of the United States would first have to establish his legal authority to be in the U.S.," Fernand Amandi, a principle of Bendixen and Amandi International, which has studied remittances for decades, tells me.

"The dog whistle that one can interpret or decipher from the memo is that it's targeting Mexican undocumented immigrants only," Amandi adds. "The implication of this is that it would require lawful proof of residence in the U.S. only from people who are transferring money to Mexico. Until Trump is explicit about this policy, we can't know for certain which of these he means."

Alex Nowrasteh, an immigration policy analyst for the libertarian Cato Institute, agrees. "The only way to do this is to force every Western Union or bank employee to ask for proof of lawful presence," Nowrasteh tells me. "Unless you want to patrol every transaction, it would have to stereotype specifically against Mexican Americans and Mexicans in the United States."

In other words, this would impact "\$125 billion in annual remittances from the U.S. to the entire world," or it would require those carrying out transfers to "profile all their customers, determine which are sending money to Mexico, and block that," Nowrasteh says. Either way, this would be an "expensive government regulation that would impact global capital flows," he adds.

"The agents would provide this service upon presentation of proof of lawful presence in the United States," says Manuel Orozco, an expert on remittances at the Inter-American Dialogue, a think tank in Washington that focuses on western hemispheric policy. "None of this is feasible in any way."

Nowrasteh of the Cato Institute also sees the possibility that Trump's proposal could cause a rise in criminal money-transferring activity — *and* an increase in illegal immigration.

"Black market channels would be quickly utilized for funneling money abroad," Nowrasteh says. "Immediately it would all go underground." He predicts that this business might flow into already existing underground money-transfer channels, such as to people who literally "haul cash across the border on their backs." Or people might buy stocks and transfer those, to be sold in Mexico. Or, if the restriction were only on money being transferred to Mexico, as opposed to all money transferred abroad, some might send money to a third party in another country who would then send the money on to Mexico.

And there's still more! "Blocking remittances could create more incentives for Mexicans to come here and stay here longer, because income flows are cut off," Nowrasteh says. "That's clearly not Trump's goal."

Trump has shown a talent for offering up proposals that seem ever more batty than the ones that came before, no matter how crazy the previous ones seemed. Trump launched his campaign amid

a vow to carry out mass deportations and build a border wall. He then followed that with a promise to temporarily ban Muslims from entering the country. Now he's somehow managed to make the initial border wall proposal — which has been the lodestar of his whole candidacy — seem even more outlandish still.

As nutty as some of these previous proposals have seemed, his GOP rivals have at times responded with surprisingly mute criticism combined with movement in his direction. Trumpism has compelled Marco Rubio to call for stepped up surveillance of mosques and it has driven Ted Cruz to rule out legalization of the 11 million and to call for increased patrols of Muslim neighborhoods. At this point, it's impossible to even venture a suggestion as to where it will all end.