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Trump Budget Plan Pays for Border Wall Without Mexico’s Help

by Carlos Navarro
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President Donald Trump’s early budget plan for 2017-18, released in mid-March, proposes to finance a massive barrier along the US-Mexico border entirely with US funds. The president’s decision to have US taxpayers foot the bill for the project means that he has backtracked on his earlier demand that Mexico pay for the wall (SourceMex, Aug. 24, 2016, and Jan. 18, 2017). Among other things, Trump had suggested imposing a surcharge on remittances (SourceMex, Feb. 15, 2017) to obtain money for the project, which is estimated to cost anywhere from US$12 billion to US$21 billion.

The budget proposal that Trump put forth is merely a wish list of spending requests for Congress, along with some basic economic projections. A full budget blueprint will be sent to Congress later this spring.

Under Trump’s early budget plan, US$2.6 billion would be allocated for the planning, design, and initial construction of the wall. The border already has about 1,046 km (650 miles) in fencing in parts of Texas, New Mexico, Arizona, and California, but the current barrier covers only about one-third of the span of the border, which is approximately 3,200 km (2,000 miles).

In addition to the allocations for the wall, Trump’s budget would set aside another US$314 million to hire and train 500 border agents and 1,000 immigration officials.

Some Mexican officials viewed the Trump government’s decision not to force Mexico to pay for the wall as a victory of sorts. “Trump is asking the Americans to pay for the wall,” Morelos Gov. Graco Ramírez, who is president of the national governors association (Conferencia Nacional de Gobernadores, CONAGO). “The first victory is ours.”

Still, Ramírez emphasized that CONAGO would continue to oppose Trump’s project vigorously. CONAGO “cannot accept unilateral regressive measures with xenophobic overtones,” Ramírez said. “The members of this commission want the exact opposite, which is to ensure that human rights are at the center of any policy and regulatory measure on immigration.”

Ramírez warned that a border wall would separate many families. This was one of the issues mentioned during a meeting with Francisco Eguiguren Praeli, president of the Inter-American Court of Human Rights (IACHR) in Mexico City. The IACHR is affiliated with the Organization of American States (OAS). Ramírez handed a letter from CONAGO to the IACHR asking the tribunal to exhort the US, a member of the OAS, to comply with international and regional mechanisms that protect the rights of migrants.

Wall could face opposition in US Congress
Ramírez also expressed confidence that Trump’s anti-immigration measures would run into strong opposition in Congress, in part because expenditures for border security and defense are accompanied by deep cuts in social programs, the arts, and science. Trump’s budget plan would
increase defense spending by 10% and expenditures for the Homeland Security Department, which includes the border wall, by 7%. At the same time, the measure would cut 28% from the budget for the Department of State, 13% from the Department of Education, 20% from the Department of Agriculture, and 31% from the Environmental Protection Agency (EPA).

“There are Republicans and Democrats who are not going to approve this measure,” said the Morelos governor, adding he had “well-founded hopes” that Trump’s project would be dealt a setback.

Rep. Nita Lowey of New York, the ranking member in the Appropriations Committee of the US House of Representatives, agreed that Trump’s proposed wall could face extreme pushback in Congress. “It would be a multiyear, multibillion-dollar boondoggle,” Lowey said. “This unjustified request is based on nothing more than a campaign promise.”

Senate Minority Leader Charles Schumer of New York recently sent a letter to Senate Majority Leader Mitch McConnell of Kentucky warning that Democrats would block any bill that includes money for the wall. Some Republicans—including Senate Majority Whip John Cornyn of Texas—are also said to have reservations about the proposal.

“I have concerns about spending un-offset money, which adds to the debt, period,” Cornyn said when asked about the wall. “I don’t think we’re just going to be able to solve border security with a physical barrier, because people can come under, around it, and through it.”

Sens. John McCain of Arizona, Lisa Murkowski of Alaska, and Bob Corker of Tennessee are among a handful of Republicans who have expressed opposition to the wall project.

In the House, Republicans who represent districts along the border—including Martha McSally of Arizona, Steve Pearce of New Mexico, and William Hurd of Texas, have questioned the viability of the project. “Building a wall is the most expensive and least effective way to secure the border,” Hurd said.

**CEMEX makes controversial comments**

The border project created a new controversy in Mexico, when giant cement manufacturer CEMEX, a multinational company with operations in the US, suggested that the proposed wall would be good for the US cement industry, including CEMEX subsidiaries in the US. The company projected growth of 4% to 6% in demand for US cement between 2016 and 2019 because of infrastructure projects proposed by Trump, including the massive border barrier.

Furthermore, CEMEX board chairman Rogelio Zambrano acknowledged that its US subsidiaries were open to providing cement and other raw materials for the project. “We will gladly do it,” Zambrano said in a March 16 interview with the daily newspaper Reforma when asked if the company would provide a cement estimate for the controversial project, potentially worth billions of dollars.

A day after Zambrano’s statement, CEMEX officials were forced to engage in damage control. In an interview with the business news site Expansión, CEMEX spokesperson Jorge Pérez said the company did not express an intention to participate directly in construction of the border wall.
“We will not participate, this I can confirm to you,” Pérez said. He noted that the deadline to register to participate in the process had already passed, and that CEMEX had not submitted a bid.

Pérez explained that CEMEX has many construction companies as clients, and these companies often seek quotes from the Mexican company and its competitors for projects. Some of these CEMEX clients might be participating in the construction of the wall, he said.

Ignacio Madridejos, president of the US subsidiary of CEMEX, told industry analysts that the company is interested in participating in other infrastructure projects proposed by the Trump government, but not the wall.

In the aftermath of the CEMEX controversy, Foreign Relations Secretary Luis Videgaray urged any Mexican company contemplating a role in the border project to rethink its position. Videgaray said Mexico values and supports economic freedom, but urged companies to consider the border wall as a hostile act by the US government against Mexico.

Another company that considered participating in the project is Eco Velocity, a Puebla-based firm that supplies lighting systems. The company abandoned the plan when informed of the requirement that all materials used be of US origin, as many of the products sold in the Mexican market originate in China, said the online news site E-consulta.

According to Eco Velocity director Theodore Nicholas Atalla, the company had proposed to supply lighting for firms hired to do the construction to work at night.

Atalla acknowledged that multiple criticisms from Mexicans about his intention to participate in the project also factored into the decision to drop out of the process.

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