

US trade court blocks tariffs in major setback for Trump

AFP:: A US federal court on Wednesday blocked most of Donald Trump's sweeping import tariffs from going into effect, ruling that the president had overstepped his authority with the across-the-board global levies.

The opinion marks a significant setback to the Republican leader as he bids to redraw the US trading relationship with the world by forcing governments to the negotiating table through tough new tariffs.

Trump's global trade war has roiled financial markets with a stop-start rollout of levies that are aimed at punishing economies that sell more to the United States than they buy.

Trump argued that the resulting trade deficits and the threat posed by the influx of drugs constituted a "national emergency" that justified widespread tariffs.

But the three-judge Court of International Trade effectively called a ceasefire, barring most of the restrictions that the president has announced since taking office in January.

The White House slammed the ruling, arguing that "unelected judges" have no right to weigh in on Trump's handling of the issue.

"President Trump pledged to put America first, and the administration is committed to using every lever of executive power to address this crisis and restore American greatness," said Trump's spokesman Kush Desai.

Attorneys for the Trump administration promptly filed to appeal the ruling Wednesday.

One of Trump's closest White House aides, Stephen Miller, was

less diplomatic as he took to social media to decry a “judicial coup” that he said was “out of control.”

Trump unveiled sweeping import duties on most trading partners on April 2, at a baseline 10 percent, plus steeper levies on dozens of economies, including China and the European Union.

The ruling also quashes duties that Trump imposed on Canada, Mexico and China separately using emergency powers.

Some of the turmoil was calmed after he paused the larger tariffs for 90 days and suspended other duties, pending negotiations with individual countries and blocs.

Citing “uncertainties” related to Trump’s tariff threats, South Korea’s central bank on Thursday cut its benchmark interest rate and lowered its growth forecast.

– ‘Extraordinary threat’ –

The federal trade court was ruling in two separate cases – brought by businesses and a coalition of state governments – arguing that the president had violated Congress’s power of the purse.

“The question in the two cases before the court is whether the International Emergency Economic Powers Act of 1977 (“IEEPA”) delegates these powers to the president in the form of authority to impose unlimited tariffs on goods from nearly every country in the world,” the three-judge panel wrote in an unsigned opinion.

“The court does not read IEEPA to confer such unbounded authority and sets aside the challenged tariffs imposed thereunder.”

The court, which adjudicates civil cases arising from trade disputes, said that any interpretation of the IEEPA that “delegates unlimited tariff authority is unconstitutional,” according to court documents.

The IEEPA authorizes the president to impose necessary economic sanctions during an emergency “to combat an unusual and extraordinary threat,” the bench said.

The ruling gave the White House 10 days to complete the bureaucratic process of halting the tariffs.

Gregory W. Meeks, the top Democrat on the House Foreign Affairs Committee, said the ruling confirmed that “these tariffs are an illegal abuse of executive power.”

“Trump’s declaration of a bogus national emergency to justify his global trade war was an absurd and unlawful use of IEEPA,” he added.

The Justice Department has defended Trump’s trade strategy in court, insisting that the judiciary has very limited authority over his actions and sparking criticism that the White House was attempting to usurp the power of the other branches of government.

Trump has claimed that Americans will reap the benefits of his trade posture, pointing to early successes in deals struck with Britain and with China, the world’s second-largest economy.

But analysts warn that the cost of the tariffs will likely be passed on to US consumers, raising inflation and potentially leading the US central bank to hold interest rates higher for longer, further impacting financial markets.

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