



**Senator Peter Welch
Remarks as Delivered
On the Cost of Trump Tariffs for Vermont
February 4, 2025**

Mr. President, everything my colleague, the Senior Senator from New Hampshire, said about New Hampshire and how people are really struggling to pay their bills—the cost of rent, the cost of housing, home heating fuel in the winter has been brutal, groceries—that is totally the same situation for families in Vermont, and it is around the country. And I can't add, really, to the recitation of the practical consequences that this has on businesses and on Vermont families beyond what Senator Shaheen said.

But it really mystifies Vermonters. People come up to me and they say, 'Peter, seriously? This is going to increase our grocery prices, this is going to mean lumber is going to be more expensive.' This is going to mean home heating fuel, and we rely on Canadian gas probably more than you do, but also home heating fuel. This is going to raise our prices and that \$150 to \$200 you're talking about, you know, that's real money. And they just are mystified that we would, through the president, increase their monthly bills. And for what reason?

You know, I want to talk a little bit about that. New Hampshire and Vermont, we mostly get along, but we're rivals in hockey and other things, but we both have incredibly close relationships with Canada. They're our friends. You know, in Vermont we have a library in Derby, Vermont, that's half in Vermont and half in [Canada], and our kids are going back and forth to play hockey. And that's just on a very personal level, the affection that we have for Canada, and they have for us. They come down and ski on our mountains, they come down and visit, we go up there. And there's an element of, 'Peter, what's going on? National security is the reason you're doing this? Is there a threat from Canada to our national security?' We know there isn't.

So, this is an arbitrary decision that is made by the president, in my view, abusing authority that Congress gave him to use tariffs, if there is, in fact, a national security threat, which all of us in a commonsense way would think it might be something from a military threat, or it might be from the coercive economic policies that we face from China. There's a legitimate case there for national security.

But Canada has been in the trenches with us in every war that we've had, they have been by our side. They're our friends. And, you know, that's another thing people ask. 'Peter, you don't treat your friends this way. You just don't do that.' So, I had a concern about what the impact was on Vermont. And instead of me speculating about it, Mr. President, what we did was invited some Vermonters who have some businesses, some Vermont families, come and tell us what's going to happen if we have these tariffs. And let me tell you some of what they said. We met in St. Albans, which is a few miles from the Canadian border. And I asked these businesses, just tell us what happens.

First of all, there was nobody in these businesses who said that the cost of this tariff would not be passed on to the consumer. All right. Common sense. It's like somehow if there's a 25% increase in cost, the business can just eat it, when we know, especially our small businesses, they're operating on the margin. They're doing every single thing they can to make their product competitive and affordable for the people they're serving. These are really, really good people who are totally committed to the communities that they're in. Every one of them said whatever the cost of the tariff is, that is going to be passed on to the consumer. Not that they like to do that, but they have to pay their own bills. It's just reality.

The second thing they talked about was the uncertainty that gets—that occurs for businesses. One business was talking about how when these tariffs go in—and by the way, we have some history with this in the last Trump Administration. There was supposedly a tariff, but if you knew the back entrance into the White House and could make a connection with somebody who had influence, you could get an exemption.

So, you get this terrible situation, which is not going to be available, by the way, for our Vermont fuel dealers or our Vermont homebuilders. If you know somebody, you somehow got out of the tariff. And there's no guidance about how these tariffs would have been rolled out. So, there was an enormous opportunity for special treatment to be given.

But even then, the complexity of this...Like, for instance, one manufacturer was talking about if you got a certain kind of aluminum, it was subject to the tariff. But if you got an ever-so-slightly different definition of aluminum, that you wouldn't be subject to the tariff. So, you have a whole production process that has been using "aluminum A" that would be subject to a tariff, and if you go to "aluminum B"—if you can find it—it won't be subject to a tariff. If you got a square panel, it would be subject. If it was rectangular, you wouldn't.

I mean, this is truly bizarre, because there's no common sense in this at all. So, I keep asking the question: why, why are we doing this? Why are we inflicting this complexity on our businesses? Why are we inflicting this cost on our consumers and on our businesses? And there's no justification for it at all.

So, let me go through some of the stories, Mr. President. Garret Hirchak at Manufacturing Solutions, they do precision machining—you know, they're a manufacturer. That's what we want. And there's no margins on it. They work with sheet metal and cardboard. And he said these tariffs create a whole burden to determine what is tariffed: the type or shape of aluminum. And he is bracing to respond to whatever chaos comes next. This company has been in business for 29 years, and it employs 275 people. That is a big deal in our State of Vermont, big deal. Why mess with him? Why?

Rock Gaulin, at Water Innovations, they make—we have better maple syrup than New Hampshire, sorry to say, and definitely better than Canada—they make the equipment that's used in maple syrup production. And this is going to increase their costs and threaten jobs, and it really does threaten jobs, okay? And then, if you lose a market, by the way, then it's hard to get it back. So, this company, where it might face this huge increase in cost of aluminum to manufacturer its products could lose market share and not be able to claw their way back.

Mike Tatro from Poulin Grain— Poulin Grain is a great Franklin County, family-run—actually, Northeast Kingdom, too—family-run, grain dealer. They've been around for generations. And they've kept—they've paid a huge contribution to keeping our dairy farms going. They import organic grain—huge market in Vermont—their products are heavy to transport: think of corn, and canola, and oats, so they need to buy nearby, and they buy from Canada. And, important: it's 30% to 40% of what they buy, and these tariffs could cost them about \$10 million. And it's just like the fuel dealers. You know, they've got a contract, but they honor their customers. They can't eat \$10 million. It just can't be done. So, the Poulin family is really worried about the cost rising for farmers who are on the thinnest of thin margins.

And nobody works harder than our dairy farmers. That is hard work, but it's so important to us in the State of Vermont that we give them every chance to succeed when they're facing tough odds every day. And why in the world would an act of the President of the United States add to the burden these dairy farmers already face, when they're trying to hang on? It just doesn't make any sense to me. He also said something that—Mike said something that's really important. You know, the unknown and uncertainty, it's very difficult. There seems to be a point of view in the Trump Administration, the president, I'll be candid, that he thinks chaos is a good negotiating tool.

I'll leave it to others to decide their view on that. But if the chaos creates this uncertainty for the Poulin Grain company, for the dairy farmers in Franklin County, for a family that is hoping they can build a house and they thought they had a price, for a family that's struggling to pay their groceries at the end of the month—that uncertainty is really an infliction of distress that's unfair and unreasonable. And to create uncertainty in everyday people, who are trying to live in their community, do a good job for the people that they serve, families that are trying to do their contribution in the community and

keep the well-being of their family together, and they're on a tight margin, it's cruel to inflict—unnecessarily—uncertainty.

You know, the people from Vermont, the people from New Hampshire, and I think this is true around the country, they're okay with facing hard and grim circumstances. And they'll grit their way through it, and they'll take care of their kids, and they'll take care of their community, and they'll be generous. But you know what? When the hardship that is something they have to deal with is a hardship that has been arbitrarily inflicted upon them by authorities or powers in Washington, in this case the president—and, in my view, totally improper invocation of so-called national security with our biggest ally, Canada—then they start to wonder. That makes the burden even more and more difficult.

So, another person that was there, Sarah Mearhoff, was a representative of the General Contractors of Vermont, and they do all the building. They've been incredible with the infrastructure challenges we've had after Tropical Storm Irene—that was awhile ago. And then the floods we had in July of 2023, then again in July of 2024. The cost of raw materials is already very expensive, and she quoted one of her members, Kevin Moyer from Vermont Frame, who said “tariffs have always been bad for everyone. As a business owner who buys a lot of timber from Canada, I'm very worried about the impact of tariffs on my company. I cannot absorb these costs, and we'll have to push them through to my clients in the form of price increases, which will make my company less competitive, versus other construction techniques like conventional framing.”

So, I keep asking myself: why are we doing this to folks who are so essential to the well-being of the communities that we represent? And, by the way, you've got two border state Senators here. We have a lot in common. But everything we've said applies to similar businesses in every single state in the country. So, this is not a Republican-Democratic deal. This is—these tariffs are going to cost our families, our families that you represent, Mr. President, that the Senior Senator from New Hampshire represents, that I represent, it's going to cost them more money and for what? What are we getting in return?

Mr. President, I too am very relieved, actually, on behalf of the people of Vermont and the people of New Hampshire and the people of this country, that there's been a temporary pause in these tariffs. But the uncertainty goes on. There will be no more justification in 30 days from now to impose these tariff taxes on Vermonters and on New Hampshireans than there is today. And today there's no justification, and in 30 days there'll be no justification.

And I would call upon the president to get real in accepting the consequences to everyday families, to small businesses. These aren't billionaires. These are really hardworking people in Vermont and New Hampshire, and they just rightly don't understand this.

So, yes, it's good the tariffs have been suspended. It's really bad that they were ever threatened to be imposed. They will never do any good when there's a bogus reason, so-called "national security," and a real abuse of that authority by the president, to invoke that with respect to our closest ally and neighbor, and in the trenches with our soldiers in every war we've been in.

Mr. President, I just urge President Trump to do the right thing here. He can be tough. He can pursue his policies. But the first principle that every one of us in public office should respect is that we do no harm to the people we represent by the policies we advocate.

Mr. President, I yield back.

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