Negative Brief: Taiwan FTA

By “Coach Vance” Trefethen

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Negative: Taiwan FTA

SOURCE INDICTMENT

Business leaders: They know how to do business but don't know how the entire economy works

Prof. Paul Stiglitz 2017 (*professor of economics at Columbia Univ., chief economist at the Roosevelt Institute. Formerly chief economist at the World Bank and was chairman of the Council of Economic Advisers under President Clinton. He won the Nobel Prize in Economics in 2001*) Lecture, delivered at the meetings of the National Association of Business Economists, Washington D.C., March 6, 2017 "The Overselling of Globalization" https://policydialogue.org/files/publications/Volcker\_Award\_Speech\_Paper\_1.pdf

Businessmen know how to do business—how to make deals, and in some cases, take advantage of other people; in others, as Akerlof and Shiller point out, by ”phishing for phools” (Akerlof and Shiller 2015). Knowing how to make money or how to take advantage of others doesn’t necessarily mean that one has even a clue about how a how complex system like the economy works.

INHERENCY

1. The US/Taiwan Trade Initiative

US/Taiwan 21st Century Trade Initiative is doing everything

Office of the US Trade Representative 2022. "United States and Taiwan Announce the Launch of the U.S.-Taiwan Initiative on 21st-Century Trade" 1 June 2022 (accessed 15 Sept 2022) https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/june/united-states-and-taiwan-announce-launch-us-taiwan-initiative-21st-century-trade

 Deputy United States Trade Representative Sarah Bianchi and Taiwan Minister-Without-Portfolio John Deng met today virtually under the auspices of the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO).  In coordination with AIT and TECRO, the two sides launched the U.S.-Taiwan Initiative on 21st-Century Trade, which is intended to develop concrete ways to deepen the economic and trade relationship, advance mutual trade priorities based on shared values, and promote innovation and inclusive economic growth for our workers and businesses.

2. The WTO. Status Quo already has few barriers to trade

Taiwan joined the World Trade Organization in 2002

Wayne M. Morrison 2005 (Specialist in International Trade and Finance Foreign Affairs, Defense, and Trade Division, Congressional Research Service) Taiwan’s Accession to the WTO and Its Economic Relations with the United States and China, last updated 14 Apr 2005 (accessed 17 Sept 2022) https://www.everycrsreport.com/files/20050414\_RS20683\_dfa60afcea5acb4decfdf7c88992ee0dbba4fa52.pdf

After several years of negotiations, Taiwan joined the World Trade Organization (WTO), the international organization that sets rules for most international trade, on January 1, 2002. China fought to allow Taiwan to join the WTO only as a “separate customs territory” and only after China obtained membership (which it did in December 2001).

WTO means very low tariffs / low trade barriers anyway

Dr. Jagdish Bhagwati, Dr. Pravin Krishna and Dr. Arvind Panagariya 2014 (Bhagwati – PhD; prof. of economics at Columbia Univ. Krishna – PhD; Professor of International Economics and Business, Johns Hopkins Univ. Panagariya – PhD; prof. of economics at Columbia Univ.) 3 May 2014 “The World Trade System: Trends and Challenges” <https://www.sais-jhu.edu/sites/default/files/JB-PK-AP-SIPA-SAIS%20Draft.pdf> (accessed 26 June 2022)



3. Trade increasing just fine without FTA

US agricultural exports to Taiwan are increasing substantially in Status Quo

US Dept of Agriculture, Foreign Agricultural Service 2019 (agency of the US federal govt.) 8 Apr 2019 "Opportunities for U.S. Agricultural Exports in Taiwan" (accessed 17 Sept 2022) https://www.fas.usda.gov/data/opportunities-us-agricultural-exports-taiwan

Taiwan has one of the world’s wealthiest economies on a per-capita basis. Its economy is driven primarily by manufacturing of electronic and computer components, with agriculture accounting for only about two percent of Taiwan’s 2017 gross domestic product. Because of its dependence on imported agricultural products, Taiwan is expected to remain a large and growing destination for U.S. exporters. While Taiwan’s agricultural imports from the world only increased by two percent in 2018, imports from the United States increased by 18 percent.

No barriers to increased US agricultural exports to Taiwan in Status Quo

US Dept of Agriculture, Foreign Agricultural Service 2019 (agency of the US federal govt.) 8 Apr 2019 "Opportunities for U.S. Agricultural Exports in Taiwan" (accessed 17 Sept 2022) https://www.fas.usda.gov/data/opportunities-us-agricultural-exports-taiwan

 Despite some tariffs, such as those on poultry and rice used to protect domestic producers, strong U.S. brand recognition and consumer preferences are encouraging growth in U.S. exports of many other products. The United States is well-equipped to meet the demands of Taiwan consumers for high-value, quality products. U.S. exporters must continue to remain price-competitive in order to maintain market share and open new opportunities. Competing on price will complement the strong reputation of U.S. agricultural products, ensuring that export growth continues and that Taiwan remains an important destination for U.S. exports.

SOLVENCY

1. Trade liberalization doesn't benefit us

Globalized trade was promised to be net beneficial to everyone… except is hasn't been for most Americans

Prof. Paul Stiglitz 2017 (*professor of economics at Columbia Univ., chief economist at the Roosevelt Institute. Formerly chief economist at the World Bank and was chairman of the Council of Economic Advisers under President Clinton. He won the Nobel Prize in Economics in 2001*) Lecture, delivered at the meetings of the National Association of Business Economists, Washington D.C., March 6, 2017 "The Overselling of Globalization" https://policydialogue.org/files/publications/Volcker\_Award\_Speech\_Paper\_1.pdf

Things have not been going well for large parts of this country—for the bottom 90%—even if GDP has been increasing overall. Indeed, growth that benefits only the top simply increases the anger. Americans were told (to quote the expression made famous by John F. Kennedy) that a rising tide lifts all boats. They were told about trickle-down economics, which would ensure that all would benefit if GDP increased. Globalization was, of course, just one among a panoply of policies, including financial market liberalization, which were supposed to increase the efficiency of the economy, from which all were supposed to benefit. These policies, individuals and in the aggregate, seem not to have served a large fraction of the country well, which has had enormous political and social consequences.

2. Already tried & failed

We already offered Taiwan an FTA during the G.W. Bush administration, but they have too many trade barriers

Wayne M. Morrison 2005 (Specialist in International Trade and Finance Foreign Affairs, Defense, and Trade Division, Congressional Research Service) Taiwan’s Accession to the WTO and Its Economic Relations with the United States and China, last updated 14 Apr 2005 (accessed 17 Sept 2022) https://www.everycrsreport.com/files/20050414\_RS20683\_dfa60afcea5acb4decfdf7c88992ee0dbba4fa52.pdf

Some Members of Congress have indicated support for a U.S.-Taiwan free trade agreement (FTA) that would reduce trade barriers by both sides, thus boosting U.S.-Taiwanese economic ties. Bush Administration officials have indicated support for such an FTA, but only after Taiwan first agrees to resolve various trade disputes with the United States, in particular Taiwan’s inadequate enforcement of IPR, and trade barriers on telecommunications services, pharmaceuticals, and various agricultural products On November 29, 2004, the United States and Taiwan resumed discussions (after a six year hiatus) under the Trade and Investment Framework Agreement (TIFA), a forum designed to resolve major trade and investment disputes. Progress towards resolving current trade disputes being addressed under the TIFA could lead to an agreement to begin discussions for a bilateral FTA.

3. Unreliable partner. Taiwan has agreed in the past to lower trade barriers, and then not kept their word

Link: 2002, Taiwan agreed to "immediately" open markets for rice and pork under WTO rules

Wayne M. Morrison 2005 (Specialist in International Trade and Finance Foreign Affairs, Defense, and Trade Division, Congressional Research Service) Taiwan’s Accession to the WTO and Its Economic Relations with the United States and China, last updated 14 Apr 2005 (accessed 17 Sept 2022) https://www.everycrsreport.com/files/20050414\_RS20683\_dfa60afcea5acb4decfdf7c88992ee0dbba4fa52.pdf

Taiwan’s WTO membership was formally approved on November 11, 2001, the day after China’s WTO membership was approved.3 On December 2, 2001, the Taiwanese government notified the WTO that it had ratified its WTO accession agreement, and on January 1, 2002, it joined the WTO Under the terms of its WTO accession, Taiwan agreed to cut tariffs and remove non-tariff barriers over specified time periods:
**END QUOTE LATER IN THE CONTEXT HE WRITES QUOTE:**

Taiwan agreed to immediately liberalize previously closed markets for rice; expand market access for pork, poultry, and variety meats; and to make significant immediate tariff reductions on hundreds of agricultural products (such as potato products, pears, grapes, grapefruit, sunflower oil, and soup). Taiwan also agreed to eliminate restrictive sanitary and phytosanitary (SPS) regulations.

Failure: 19 years later in 2021, the US and Taiwan were still fighting about Taiwan's restrictions on US pork

Bill Tomlinson 2021 (journalist) 14 July 2021 "US seeks to undo Taiwan damage to pork trade" (accessed 17 Sept 2022) https://www.agri-pulse.com/articles/16155-us-seeks-to-undo-taiwan-damage-to-pork-trade

Taiwan needs to undo the damage it’s doing to U.S. pork exports. That’s one of the contentious messages delivered by the U.S. to Taiwan during recent trade talks, according to sources close to the discussions. At the beginning of the year, Taiwan eased trade barriers to U.S. pork and beef — just as President Tsai Ing-wen promised in late August of 2020. While beef trade generally benefited from the removal of outdated BSE restrictions, U.S. pork exports declined sharply as the Taiwanese government replaced one restriction on pork imports and added newer measures, say U.S. officials.

Impact: No Solvency.

Taiwan would have to actually follow the terms of an FTA for AFF's solvency or advantage evidence to correctly estimate the economic benefits. All of their evidence assumes both sides follow the terms they agree to, but we know that Taiwan won't follow them when it's not in their interest to do so. This invalidates all the AFF solvency evidence, since it's based on a false assumption of Taiwanese compliance.

DISADVANTAGES

1. Ticking off China

Link: Trade deals with Taiwan anger the mainland China government, which sees it as promoting independence for Taiwan

Doug Palmer 2022 (journalist) POLITICO 4 July 2022 "Taiwan sees U.S. trade deal as vital to maintaining its democracy" (accessed 15 Sept 2022) https://www.politico.com/news/2022/07/04/taiwan-sees-u-s-trade-deal-as-vital-00043556

Earlier this week, the United States and Taiwan formally launched talks on the new U.S.-Taiwan Initiative on 21st-Century Trade, despite Beijing’s strong objection. “China firmly opposes all forms of official interaction between the Taiwan region and countries having diplomatic ties with China, including negotiating or concluding agreements with implications of sovereignty and of official nature,” Chinese Foreign Ministry spokesman Zhao Lijian said Tuesday. Taiwan’s political leaders “need to give up on the idea that they could seek independence with U.S. support. Otherwise the higher they jump, the harder they will fall,” Zhao said.

Link: China sharply objects to US/Taiwan FTA, and would further increase US/China tensions

Doug Palmer 2020 (journalist) POLITICO 12 Aug 2020" Taiwan's president seeks to begin free trade talks with U.S." (accessed 16 Sept 2022) https://www.politico.com/news/2020/08/12/taiwan-free-trade-us-394486

Taiwan President Tsai Ing-wen Wednesday expressed hope of beginning free trade talks with the United States, a long-sought goal that likely would further increase tensions between Washington and Beijing. “Past months have shown us the importance of economic linkages and supply chain security for both Taiwan and the U.S.,” Tsai said [during a video presentation hosted by the Hudson Institute and Center for American Progress.](https://english.president.gov.tw/News/6027) “We must be clear-eyed on how we can move forward on an FTA. For too long, closer trade relations have been hindered by technicalities that account for just a small fraction of two-way trade.” Background: Her comments followed a recent visit by U.S. Health and Human Services Secretary Alex Azar to Taiwan, which drew fire from Beijing — a sign of what to expect if free trade talks begin. “China firmly opposes any official interactions between the U.S. and Taiwan,” said a Chinese Foreign Ministry spokesperson, Wang Wenbin, last week in reaction to Azar’s visit. “China will take firm countermeasures in response to the U.S. wrong move.” Taiwan has wanted a free trade agreement with the United States for years, a goal that enjoys some support among members of Congress, but which various administrations have declined to pursue.

Link/Uniqueness: Status Quo specifically avoids pushing China too far on trade deals with Taiwan

Associated Press 2022 (journalists Josh Boak, Aamer Madhani and Zeke Miller) 23 May 2022 "Biden: US would intervene with military to defend Taiwan" (accessed 15 Sept 2022) https://apnews.com/article/russia-ukraine-biden-taiwan-china-4fb0ad0567ed5bbe46c01dd758e6c62b

White House national security adviser Jake Sullivan confirmed Sunday that Taiwan isn’t among the governments signed up for the Indo-Pacific Economic Framework, which is meant to allow the U.S. to work more closely with key Asian economies on issues like supply chains, digital trade, clean energy and anticorruption. Inclusion of Taiwan would have irked China.

Link: China threatens to invade Taiwan because they believe it's already theirs, not a separate country like Russia/Ukraine

CNN 2022. (journalist Michelle Toh, CNN Business) 23 Mar 2022 " Russia's invasion of Ukraine has foreign investors fleeing Taiwan. Here's why[" (accessed 15 Sept 2022) https://www.cnn.com/2022/03/23/investing/taiwan-investment-jitters-russia-ukraine-intl-hnk/index.html](%22%20%28accessed%2015%20Sept%202022%29%20https%3A//www.cnn.com/2022/03/23/investing/taiwan-investment-jitters-russia-ukraine-intl-hnk/index.html)

China's ruling Communist Party has repeatedly vowed to "reunify" with the island — using force if necessary. "Ukraine is a sovereign state, while Taiwan is an inseparable part of China's territory," Qin Gang, China's ambassador to the United States, wrote in a [Washington Post op-ed](https://www.washingtonpost.com/opinions/2022/03/15/china-ambassador-us-where-we-stand-in-ukraine/) published last week. "These are totally different things."

Mainland China seriously wants to reunify with Taiwan, by force if necessary

Dr. Ted Galen Carpenter 2018 (contributing editor to both the National Interest and American Conservative, serves on the editorial boards of Mediterranean Quarterly and the Journal of Strategic Studies. Ph.D. in U.S. diplomatic history from Univ of Texas.) 20 Feb 2018 “Will the U.S. Go to War with China over Taiwan?” (accessed 16 Sept 2022) https://www.cato.org/publications/commentary/will-us-go-war-china-over-taiwan

Chinese officials are hypersensitive about any Taiwanese trappings of independence, even though the island has never been under the PRC’s control. Australian scholar Andrew Tan aptly summarizes Beijing’s attitude: “For China, Taiwan represents unfinished business from the Chinese civil war and an emotionally charged nationalist issue that far outranks tensions in North Korea, the Senkaku Islands and the South China Sea. For a rising great power that is increasingly confident, assertive and nationalistic, the reunification of Taiwan with the mainland is its top, non‐negotiable national priority.” Indeed, the PRC passed its Anti‐Secession Law in 2005, emphasizing that China would use force if necessary to prevent any move by Taiwan toward formal independence.

Brink: US & China must reduce tensions now to avoid a potentially disastrous instability

Dr. David Keegan 2021 (Ph.D. in Chinese History; adjunct lecturer in China Studies at Johns Hopkins School of Advanced International Studies; retired from the Department of State in 2012. He was Deputy Director of the American Institute in Taiwan in Taipei and served as Director of the Office of Taiwan Policy in the Bureau of East Asian and Pacific Affairs) "Strengthening Dual Deterrence on Taiwan: The Key to US-China Strategic Stability" 6 July 2021 https://www.stimson.org/2021/strengthening-dual-deterrence-on-taiwan-the-key-to-us-china-stra

As stated at the beginning, the U.S. and China have been here before, although both sides are threatening the other’s interests and values with an intensity seldom seen before. China is proclaiming its rise to great power status, co-equal or almost co-equal with the United States; President Biden has made outcompeting China the measure of his administration. The militaries on both sides have ramped up their capabilities to deter and defeat the other. The two nations have gone beyond competition to confrontation, and both have repeatedly made determining Taiwan’s future the center of that confrontation. Whether you call Taiwan a pawn or not, it is entrapped by this clash. For that very reason, reducing tensions over Taiwan could be the initial step away from a potentially disastrous instability and perhaps toward building a restrained confidence on both sides that other outstanding conflicts can be successfully addressed.

Brink: US / China tensions are increasing and coming to the brink of war

Kevin Rudd 2020. (former Prime Minister of Australia and President of the Asia Society Policy Institute in New York) 3 Aug 2020 “Beware the Guns of August—in Asia” (accessed 16 Sept 2022) https://asiasociety.org/policy-institute/beware-guns-august-asia

Unmoored from the strategic assumptions of the previous 50 years but without the anchor of any mutually agreed framework to replace them, the world now finds itself at the most dangerous moment in the relationship since the Taiwan Strait crises of the 1950s. The question now being asked, quietly but nervously, in capitals around the world is, where will this end? The once unthinkable outcome—actual armed conflict between the United States and China—now appears possible for the first time since the end of the Korean War. In other words, we are confronting the prospect of not just a new Cold War, but a hot one as well.

Impact: Global economic collapse and nuclear war with China

Prof. Hugh White 2015 (Professor of Strategic Studies in the School of International, Political & Strategic Studies at the Australian National Univ. Served as an intelligence analyst with the Office of National Assessments; from 1995 to 2000 he was Deputy Secretary for Strategy and Intelligence.) 5 May 2015 “Will America defend Taiwan?” (accessed 16 Sept 2022) <https://www.lowyinstitute.org/the-interpreter/will-america-defend-taiwan>

US leaders must therefore ask what happens if Beijing does not back down as a crisis escalates. At what point would they back down instead? What would be the damage to US global leadership if Washington brought on a confrontation with China and then blinked first? What could happen if Washington didn't blink first? Is Taiwan's status quo worth a global economic collapse? It is worth a real risk of nuclear war with China?

Impact: US/China conflict over Taiwan would escalate and nuclear war is possible

Prof. Hugh White 2015 (Professor of Strategic Studies in the School of International, Political & Strategic Studies at the Australian National Univ. Served as an intelligence analyst with the Office of National Assessments; from 1995 to 2000 he was Deputy Secretary for Strategy and Intelligence.) 5 May 2015 “Will America defend Taiwan?” <https://www.lowyinstitute.org/the-interpreter/will-america-defend-taiwan>

Militarily, America can no longer expect a swift and certain victory in a war over Taiwan. China's anti-access/area-denial capabilities would preclude direct US intervention unless those capabilities had first been degraded by a sustained and wide-ranging strike campaign against Chinese bases and forces. China would very likely respond to such a campaign with attacks on US and allied bases throughout Asia. The US has no evident means to cap the resulting escalation spiral, and no one could be sure it would stop below the nuclear threshold. The possibility of nuclear attacks on US cities would have to be considered

Backup: Biden says US will go to war with China over Taiwan

Associated Press 2022 (journalists Josh Boak, Aamer Madhani and Zeke Miller) 23 May 2022 "Biden: US would intervene with military to defend Taiwan" (accessed 15 Sept 2022) https://apnews.com/article/russia-ukraine-biden-taiwan-china-4fb0ad0567ed5bbe46c01dd758e6c62b

President Joe Biden said Monday the U.S. would intervene militarily if China were to invade Taiwan, declaring the commitment to protect the island is “even stronger” after [Russia’s invasion of Ukraine](https://apnews.com/hub/russia-ukraine?utm_source=apnewsnav&utm_medium=featured). It was one of the most forceful presidential statements in support of Taiwan’s self-governing in decades. Biden, at a news conference in Tokyo, said “yes” when asked if he was willing to get involved militarily to defend Taiwan if China invaded. “That’s the commitment we made,” he added.

2. Slavery in Taiwan

Must first resolve issue of "forced labor" in Taiwan (or else, we just accept that Taiwan has slavery and say it's OK)

Dr. Huynh Tam Sang 2022 (doctorate holder and international relations lecturer at Ho Chi Minh City University of Social Sciences and Humanities, is a research fellow at the Taiwan NextGen Foundation and nonresident WSD-Handa Fellow at the Pacific Forum) 8 June 2022 "Forging US-Taiwan economic ties" (accessed 16 Sept 2022) https://www.taipeitimes.com/News/editorials/archives/2022/06/08/2003779532

Equally important is that the US and Taiwan underline their efforts to bring Taiwan’s laws, policies and regulations in line with global standards. This earnest vision demonstrates Washington’s determination to make Taipei a resilient economy, with great potential to meet higher economic standards. In the trade initiative, each side touched on sensitive topics that need equitable dialogue and long-term commitment. For example, the US has long criticized Taiwan for failing migrant workers. Washington’s 2021 Human Rights Report blasted Taiwan for forced labor, which “occurred primarily in sectors reliant on migrant workers, including domestic service, fishing, farming, manufacturing, meat processing and construction.”

3. US/Taiwan FTA distracts us from better options

FTA isn't the only way to enhance US/Taiwan trade, and the effort would crowd out other productive policies

Evan A. Feigenbaum & Barbara Weisel 2021. (Feigenbaum - vice president for studies at the Carnegie Endowment for International Peace. Weisel is a managing director at Rock Creek Global Advisors and served most recently as assistant U.S. trade representative for Southeast Asia and the Pacific. She was the U.S. chief negotiator for the twelve-country Trans-Pacific Partnership) 4 March 2021 "Deepening the U.S.-Taiwan Economic Partnership" (accessed 16 Sept 2021) <https://carnegieendowment.org/2021/03/04/deepening-u.s.-taiwan-economic-partnership-pub-83978> (brackets added)

The danger is that advocates for a deepened U.S.-Taiwan economic partnership could find themselves at least twelve to eighteen months into the Biden administration before U.S. trade officials even begin weighing the prospect of an agreement. Focusing solely on a BTA [Bilateral Trade Agreement] and little else thereby risks crowding out other productive ideas, initiatives, and policy innovations. That would be a tragedy for both sides. While a BTA with Taipei is certainly desirable, it is hardly the only way to enhance U.S.-Taiwan economic relations.

Immediate priority should be smaller, easier initiatives

Evan A. Feigenbaum & Barbara Weisel 2021. (Feigenbaum - vice president for studies at the Carnegie Endowment for International Peace. Weisel is a managing director at Rock Creek Global Advisors and served most recently as assistant U.S. trade representative for Southeast Asia and the Pacific. She was the U.S. chief negotiator for the twelve-country Trans-Pacific Partnership) 4 March 2021 "Deepening the U.S.-Taiwan Economic Partnership" (accessed 16 Sept 2021) <https://carnegieendowment.org/2021/03/04/deepening-u.s.-taiwan-economic-partnership-pub-83978> (brackets added) (Taipei is the capital of Taiwan)

The immediate priority for both Washington and Taipei should be an early harvest of quick wins. It will take time for the Biden administration to decide whether to launch a plurilateral sectoral trade initiative in which Taiwan might participate. So other complementary bilateral initiatives that could move more quickly should, at this point, be the immediate goal.

4. Negative economic side effects of trade agreements

Lower wages: Trade agreements put downward pressure on workers' wages in order to boost corporate profits

Prof. Joseph Stiglitz 2019 (*professor of economics at Columbia Univ., chief economist at the Roosevelt Institute. Formerly chief economist at the World Bank and was chairman of the Council of Economic Advisers under President Bill Clinton. He won the Nobel Prize in Economics in 2001*) Joseph Stiglitz: US trade deals were designed to serve corporations at the expense of workers 21 Apr 2019 (accessed 16 Sept 2022) https://www.cnbc.com/2019/04/22/joseph-stiglitz-us-trade-deals-helped-corporations-and-hurt-workers.html

It’s true that American workers have been disadvantaged — low-skilled workers in particular have seen their wages reduced, in part because of globalization. But that is partly because American negotiators got what they asked for: the problem was with how we managed globalization and with what we wanted — trade agreements simply advanced corporate interests at the expense of workers in both developed and developing countries. We as a country didn’t do what we should have to help workers whom globalization was hurting. We could have ensured that globalization benefited all, but corporate greed was just too great. The winners didn’t want to share their gains with the losers. Indeed, they liked it that wages were pressured down as American workers had to compete with workers from developing countries. It increased corporate profits all the more.

Lost jobs: If you believe AFF's claim that exports create jobs, then in total, a balanced trade agreement destroys jobs

Prof. Paul Stiglitz 2017 (*professor of economics at Columbia Univ., chief economist at the Roosevelt Institute. Formerly chief economist at the World Bank and was chairman of the Council of Economic Advisers under President Clinton. He won the Nobel Prize in Economics in 2001*) Lecture, delivered at the meetings of the National Association of Business Economists, Washington D.C., March 6, 2017 "The Overselling of Globalization" https://policydialogue.org/files/publications/Volcker\_Award\_Speech\_Paper\_1.pdf

The standard theory recognized that the opening up of trade to cheap imports would result in the loss of jobs in the import-competing sectors. But it also assumed that new jobs would be created in the export sectors—and that those new jobs would pay far better than those that were lost. Contrary to what our politicians assert(including the US Trade Representative, or USTR, which is in charge of trade policy), trade agreements are not about creating jobs. Maintaining the economy at full employment is the responsibility of monetary policy (the Federal Reserve in the US, the Bank of England in the UK, and the European Central Bank in the eurozone) and fiscal policy (the setting of taxes and expenditure). It is not the purview of trade policy. Even the narrow argument put forward by the USTR that trade agreements create jobs is unpersuasive—indeed, almost certainly fallacious. If, as the USTR claims, exports create jobs, then imports destroy jobs; and if trade is roughly balanced, what advanced countries export uses less labor than what they import. Hence, net, for advanced countries like the US, any balanced trade agreement by itself destroys jobs.

Voting Impact: We shouldn't adopt any new trade agreements without a plan in place to offset the adverse effects on those negatively affected

**[And AFF cannot propose such a plan because it wouldn’t be a foreign trade policy, but rather a set of domestic economic or social welfare policies happening separately from foreign import/export trade.]**

Prof. Paul Stiglitz 2017 (*professor of economics at Columbia Univ., chief economist at the Roosevelt Institute. Formerly chief economist at the World Bank and was chairman of the Council of Economic Advisers under President Clinton. He won the Nobel Prize in Economics in 2001*) Lecture, delivered at the meetings of the National Association of Business Economists, Washington D.C., March 6, 2017 "The Overselling of Globalization" https://policydialogue.org/files/publications/Volcker\_Award\_Speech\_Paper\_1.pdf

There is a simple lesson in all of this: economists as public servants have, of course, a responsibility to tell those that they advise of the consequences of alternative policies. But their responsibility goes further: they have to understand and explain the limits of their models and the limits of our knowledge; to articulate what we know and what we don’t. Economists might, in the end, decide that globalization’s distributive effects are outweighed by or outweigh the aggregative effects. But it was wrong not to explain its potentially large distributive effects, the large adverse effects on employment in certain locales, the consequences of imperfect risk markets and imperfections in competition, and the implications for dynamic comparative advantage. It was wrong not to accompany any globalization proposals—any new trade agreements—with a set of measures that would have ensured that large segments of the population were not worse-off as a result.

5. Lost jobs. The "Gateway to China" problem

Link: Taiwan promotes trade agreements by promising we'll get increased trade with mainland China

Maaike Okano-Heijmans, Sander Wit and Frans-Paul van der Putten 2015. (All are with the Netherlands Institute of International Relations, a.k.a. Clingendael Institute. Okano-Heijmans is a senior research fellow at the Clingendael Institute and the lead author of this report. Wit was affiliated to Clingendael as a research assistant from August 2014–January 2015. Frans-Paul van der Putten is a senior research fellow at Clingendael) March 2015 (accessed 17 Sept 2022) Cross-Strait Relations and Trade Diplomacy in East Asia Towards Greater EU–Taiwan Economic Cooperation? <https://www.clingendael.org/sites/default/files/2016-02/2015%20-%20Towards%20Greater%20EU-Taiwan%20Economic%20C%20ooperation%20-%20Clingendael%20Report%20%28FINAL%29.pdf>

Attempts by Taiwan’s Ma administration to reap the benefits of the ECFA [China/Taiwan Economic Framework Agreement], not just in cross Strait relations but also in its relations with third countries, are not limited to the field of trade diplomacy. In particular, they are also apparent in Taiwan’s commercial diplomacy. In other words, Taiwan not only uses the ECFA to persuade others to conclude preferential trade agreements with the island; it also engages in a massive campaign to promote trade and investment in Taiwan by appealing to its attractiveness as a gateway for foreign firms into China, and even the East Asian market more broadly.95 In doing so, the Taiwanese government is pointing to the benefits provided by the ECFA, which also extend to foreign companies operating in Taiwan. These mainly relate to the confidence with which one can do business — such as higher production quality, protection of intellectual property rights, and transparent and trustworthy business procedures — which is greater in Taiwan than in China. In addition, it is appealing to the strengths of its investments in mainland China, which amount to roughly US$ 150 billion by some 80,000 companies — as well as its cultural competence — that is, its affinity with Chinese business culture — and the extremely well-networked Taiwanese business community. With about one million Taiwanese either residing or travelling in mainland China at any given time, and with Taiwan Business Associations present in almost every province or major city in mainland China, Taipei certainly seems to have a good business case.

Impact: Lost jobs. If the AFF plan works and we get more trade with China, that's bad because freer trade with China has killed 2.4 million American jobs, so far

NEW YORK TIMES 2021 (journalist Ana Swanson) published 17 March 2021, updated 3 Nov 2021 "In Washington, ‘Free Trade’ Is No Longer Gospel" <https://www.nytimes.com/2021/03/17/business/economy/free-trade-biden-tai.html> (accessed 26 June 2022)

David Autor, an economist at the Massachusetts Institute of Technology, said economic theory had never claimed that trade made everybody better off — it had said trade would raise overall economic output, but lead to gains and losses for different groups. But economists and politicians alike underestimated how jarring some of those losses could be. Mr. Autor’s [influential research](https://www.nber.org/papers/w21906) shows that expanded trade with China led to the loss of 2.4 million American jobs between 1999 and 2011. China’s growing dominance of a variety of global industries, often accomplished through hefty government subsidies, also weakened the argument that the United States could succeed through free markets alone.