Negative: Truck Tariffs / Chicken Tax

By “Coach Vance” Trefethen

Case Summary: In the 1960s, European countries imposed tariffs on exports of US chicken. Congress retaliated with a number of higher tariffs on imports, including light trucks. The other tariffs have since been repealed, but the US tariffs on truck imports (around 25% tax) remains, and though it is on trucks, it is sometimes called the "Chicken Tax." AFF plan repeals the 25% truck tariff.

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Negative: Truck Tariffs / Chicken Tax

HARMS / SIGNIFICANCE

1. No lost credibility. There's no gap between US advocacy and truck tariffs, so there's no "lost credibility"

Biden definitely doesn't advocate "Free Trade"

Mike Watson 2022. (associate director of the Hudson Institute’s Center for the Future of Liberal Society) 6 Oct 2022 (accessed 10 Nov 2022) " Understanding the Trade Debate" https://www.city-journal.org/understanding-the-trade-debate

From his presidential campaign to the trade war with China to tariffs on allies, Donald Trump shattered the free-trade consensus of the post–Cold War era. President Joe Biden has largely preserved Trump’s trade agenda and, in some cases, expanded it.

Biden isn't advocating "free trade," he's advocating a "worker centered" trade policy

Ambassador Katherine Tai 2021. (United States Trade Representative) Remarks of Ambassador Katherine Tai Outlining the Biden-Harris Administration's "Worker-Centered Trade Policy" June 2021 (accessed 10 Nov 2022) https://ustr.gov/about-us/policy-offices/press-office/speeches-and-remarks/2021/june/remarks-ambassador-katherine-tai-outlining-biden-harris-administrations-worker-centered-trade-policy

When I go to Europe next week, it will be to encourage other allied democracies to pursue a worker-centered trade policy, too. To work with us to set a high standard alternative to state-directed economies that do not promote the rights of workers and to combat forced labor, the worst illustration of the race to the bottom. I’ll be asking them to join me in making global trade policy a force for good that raises wages and increases economic security.    The more we invest in our workers at home and abroad, the stronger democracy will be worldwide.  And by partnering with our allied democracies, we will more effectively respond to the threats of autocratic, non-market countries whose policies undercut our workers.  We’ve shown in our first few months – through USMCA enforcement, our WTO forced labor proposal, and many other actions – that we can craft a worker-centered trade policy if we partner with you.

2. No impact to lost trade credibility

We lost "credibility" on free trade in 1789. Yet we seem to be getting along just fine. So what?

Andrew Chatzky and [Anshu Siripurapu](https://www.cfr.org/bio/anshu-siripurapu) 2021 (Chatzky - Foreign Service Officer at U.S. Department of State. Siripurapu - covers economics, energy, and geopolitics, and helps edit the *Daily News Brief for the Council on Foreign Relations.*  BA in political economy from the University of Southern California ) last updated 8 Oct 2021 (accessed 10 Nov 2022) " The Truth About Tariffs" https://www.cfr.org/backgrounder/truth-about-tariffs

Tariffs are intended to protect local industries by making imports more expensive and driving consumers to domestic producers. In the United States, several politically sensitive industries benefit from such tariffs: sugar producers have been [protected by tariffs](https://www.cato.org/policy-analysis/candy-coated-cartel-time-kill-us-sugar-program) since 1789; and the auto industry has benefited from the so-called chicken tax since 1964, which places 25 percent tariffs on [some pickup trucks](https://rodrik.typepad.com/dani_rodriks_weblog/2009/05/the-chickens-have-come-home-to-roost.html). Additionally, tariffs are used to shield domestic industries from foreign countries’ unfair trading practices and, in some cases, for national security purposes. They can also be a tool of [industrial policy](https://www.cfr.org/backgrounder/industrial-policy-making-comeback).

3. No impact to "restoring credibility"

US "Credibility" isn't very important to world affairs

Prof. Stephen Walt 2022. (professor of international relations at Harvard University) 29 Jan 2022 " America Has an Unhealthy Obsession With Credibility" (accessed 10 Nov 2022) https://foreignpolicy.com/2022/01/29/us-credibility-ukraine-russia-grand-strategy/

If the credibility of U.S. promises is the key to world peace, one wonders why the world didn’t come unglued after the United States lost in Vietnam, after North Korea got away with seizing the USS Pueblo and holding its crew prisoner for almost a year, after the Shah of Iran fell and the U.S. Embassy in Tehran was captured, after the Reagan administration’s hasty withdrawal from Lebanon in 1984, after the Black Hawk Down debacle in Somalia, or after former U.S. President Bill Clinton opted not to intervene in the Rwandan genocide. Maybe U.S. credibility is neither as fragile nor as essential as hard-liners think.

MINOR REPAIR - A different and easier solution to the "Credibility" problem

Stop claiming we advocate "free trade"

If the President declares we no longer advocate for free trade, then our policies and rhetoric align and we regain credibility

Boom, problem solved just like that. No risk of any disadvantages, no change in trade policy. Just declare that we don't care much about free trade and so we're going to keep our truck tariffs. If we change our rhetoric to match our policy, it's a minor repair that completely solves for the credibility problem. Everything is now consistent and credible.

Reducing our commitments is another way to improve credibility (if credibility matters)

Prof. Stephen Walt 2022. (professor of international relations at Harvard University) 29 Jan 2022 " America Has an Unhealthy Obsession With Credibility" (accessed 10 Nov 2022) https://foreignpolicy.com/2022/01/29/us-credibility-ukraine-russia-grand-strategy/

The danger, of course, is that this powerful need to demonstrate credibility will lead U.S. leaders to fight in places that don’t matter very much in the hopes it makes it less likely that they will have to fight in places that do. But there’s another option: The United States can make its commitments and guarantees more credible to others by being more careful and discriminating when making them. A more selective, realistic, rational, and restrained approach to overseas commitments will make the ones that remain more credible because the United States’ interest in meeting them will be readily apparent to potential challengers. Carefully drawn commitments are also more likely to command more enthusiastic support from the American people, not just when answering a pollster’s question but also when they are called on to make genuine sacrifices to fulfill them.

DISADVANTAGES

1. De-industrialization

Link: Cars have low tariffs - that's the model AFF wants us to follow

They tell you in their 1AC about the supposedly wonderful 2.5% tariffs we have on cars and want to use that as their model for success.

Impact: Eliminating car tariffs was a disaster. It de-industrialized the Midwest with devastating consequences for jobs, communities, schools, and human lives

*John McElroy 2019 (editorial director of Blue Sky Productions and producer of “Autoline Detroit” for WTVS-Channel 56, Detroit) 13 Sept 2019 "*The Case for Higher U.S. Auto Tariffs" (accessed 10 Nov 2022) https://www.wardsauto.com/ideaxchange/case-higher-us-auto-tariffs

Thanks to low tariffs, the U.S. has some of the lowest prices for new cars anywhere in the world. But while consumers and retailers have benefited greatly from that, we’ve seen large swaths of the industrial heartland hollowed out, and the pain has been horrific. Communities were decimated as factories closed and their tax base evaporated. Slowly but surely they could no longer properly fund their schools. They had to cut back on basic services. And as more and more jobs disappeared, hope vanished with them. This all happened relatively quickly with insufficient time to adjust and build up something else to take its place. So, is it any wonder that opioid overdose deaths are the highest in once-vibrant communities across the industrial Midwest, or that the region has the second-highest suicide rate? I believe there is a direct correlation.

[Backup evidence] Reverse advocacy: Truck tariffs are a model of how we should do things in the car industry to save jobs

*John McElroy 2019 (editorial director of Blue Sky Productions and producer of “Autoline Detroit” for WTVS-Channel 56, Detroit) 13 Sept 2019 "*The Case for Higher U.S. Auto Tariffs" (accessed 10 Nov 2022) https://www.wardsauto.com/ideaxchange/case-higher-us-auto-tariffs

Now, as car sales start to slow in markets across the world, auto-producing nations are hoping to ramp up exports to keep their home factories humming. And they see the giant U.S. market with its low tariffs on passenger cars as the perfect place to ship them. This is especially true of China, which is estimated to have at least 14 million units of excess capacity. That’s the equivalent of 56 assembly plants sitting idle! The last thing the U.S. needs is a couple of million cars getting shipped over. That would absolutely cripple if not destroy auto manufacturing here. It’s time to take a lesson from those tariffs on trucks and apply them to passenger cars.

2. Reverse credibility gap

**If you believe "credibility" has any impact, it gets worse with an AFF ballot.**

The problem is the gap in credibility between those who promise the benefits of "free trade" (like AFF) and the fact that it doesn't actually deliver those benefits

Ambassador Katherine Tai 2021. (United States Trade Representative) Remarks of Ambassador Katherine Tai Outlining the Biden-Harris Administration's "Worker-Centered Trade Policy" June 2021 (accessed 10 Nov 2022) https://ustr.gov/about-us/policy-offices/press-office/speeches-and-remarks/2021/june/remarks-ambassador-katherine-tai-outlining-biden-harris-administrations-worker-centered-trade-policy

We know that trade is essential to a functioning global economy.  It is clear, however, that the past promises made to workers on trade were not met.  Certain sectors of the economy have done well.  But far too many communities and workers were left behind.  The consequences for families when factories closed and jobs were sent overseas were real.  And they were real for the workers who lost their jobs to unfairly traded imports, too.  This created a trust gap with the public about free trade.

BIG LINK TO "FREE TRADE" DISADVANTAGES

Goal of AFF plan is leadership towards "Free Trade"

That's what they tell you we'll get if you vote Affirmative. If we don't get more "Free Trade," then the plan loses on solvency. But if we DO get more "Free Trade," then we get the disadvantages of Free Trade, which are…

3. Unsustainability

Free trade leads to short-term behaviors that are not sustainable, and reduce long-term living standards

Ian Fletcher 2010 (adjunct fellow at the U.S. Business and Industry Council; formerly an economist in private practice serving mainly hedge funds and private equity firms) 10 myths about free trade <http://dailycaller.com/2010/04/14/10-myths-about-free-trade/> (accessed 26 June 2022)

Free trade has roughly ten very serious problems. The first problem is the assumption that trade is sustainable. But a nation exporting non-renewable resources may discover that its best move (in the short run) is to export until it runs out. The flip side of this problem is overconsumption, in which a nation (like the present-day U.S., maybe?) borrows from abroad in order to finance a short-term binge of imports that lowers its long-term living standard due to the accumulation of foreign debt and the sale of assets to foreigners.

4. Increased inequality

Link: Free trade increases inequality by raising the value of capital over labor

Ian Fletcher 2010 (adjunct fellow at the U.S. Business and Industry Council; formerly an economist in private practice serving mainly hedge funds and private equity firms) 14 Apr 2010 10 myths about free trade <http://dailycaller.com/2010/04/14/10-myths-about-free-trade/> (accessed 26 June 2022)

The second problem is that free trade increases inequality even if it makes the economy grow overall (which is itself questionable). Because free trade tends to raise returns to the abundant input to production (in America, capital) and lower returns to the scarce input (in America, labor), it tends to benefit capital at labor’s expense.

Impact: Inequality fuels credit bubbles that crash the economy

Frederick E. Allen 2012. (journalist) Oct 2012 FORBES magazine “How Income Inequality Is Damaging the U.S.“ https://www.forbes.com/sites/frederickallen/2012/10/02/how-income-inequality-is-damaging-the-u-s/ (ellipses in original; brackets added)

The Congressional Budget Office recently reported that between 1979 and 2007 the top 1% of households doubled their share of pretax income while the share of the bottom 80% fell. Then came the great recession. Economists including David Moss of the Harvard Business School noticed that “the last time inequality rose to its current heights was in the late 1920s, just before a financial meltdown. . . . In 2010, Moss plotted inequality and bank failures since 1864 on the same graph; he found an eerily close fit.” But does that imply a cause-and-effect relationship? It looks that way, [journalist Jonathan] Rauch writes. Economists have been tracing the following chain of causality. Those who make the least consume the most of their income; those who make the most tend to save a great deal, and for that reason, according to the economist Christopher Brown, at Arkansas State, “income inequality can exert a significant drag on effective demand.” Rauch writes that
*In a democracy, politicians and the public are unlikely to accept depressed spending power if they can help it. They can try to compensate by easing credit standards, effectively encouraging the non-rich to sustain purchasing power by borrowing. They might, for example, create policies allowing banks to write flimsy home mortgages and encouraging consumers to seek them. Call this the “let them eat credit” strategy.*Then “the economy, propped up on shaky credit, becomes more vulnerable to shocks. When a recession comes, the economy takes a double hit as banks fail and credit-fueled consumer spending collapses.”

5. Enables mercantilism

Link: What is mercantilism? Government intervention to help its domestic industries and damage foreign competitors

Stephen Ezell 2013. (Senior Analyst, Information Technology and Innovation Foundation) 24 July 2013 China’s Economic Mercantilism <http://www.industryweek.com/public-policy/chinas-economic-mercantilism> (brackets added) (accessed 26 June 2022)

But by 2006, that began to change, as China made the strategic decision to shift away from attracting the commodity-based production facilities of foreign MNCs [multi-national corporations] toward a “China Inc.” development model focused on helping Chinese firms, often at the expense of foreign firms. The path to prosperity and autonomy now became “indigenous innovation” (in Chinese, zizhu chuagnxin), with a focus on helping Chinese firms move up the value-chain to higher-value-added production activities. To get there, China has embraced economic mercantilism on an unprecedented scale, using a wide array of policies to assist Chinese firms while discriminating against foreign establishments attempting to compete in China.

Link: Free trade enables other countries to practice mercantilist policies against us

Ian Fletcher 2010 (adjunct fellow at the U.S. Business and Industry Council; formerly an economist in private practice serving mainly hedge funds and private equity firms) Six Reasons for U.S. to Abandon Free-Trade Myth 26 Oct 2010 <http://www.bloomberg.com/news/articles/2010-10-26/six-reasons-for-u-s-to-drop-free-trade-myth-commentary-by-ian-fletcher> (accessed 26 June 2022)

The fifth dubious assumption is that free trade won’t turn benign trading partners into dangerous trading rivals. But free trade often does do this, as we see today in China, whose growth is massively dependent upon exports. This is especially likely when trading partners practice mercantilism, the 400-year-old strategy of deliberately gaming the world trading system by methods like currency manipulation and hidden tariffs.

Impact: US economic and political decline and rise of Chinese totalitarianism

Dr. Howard Richman, Prof. Raymond Richman & Prof. Jesse Richman 2010. (Howard Richman - PhD from Univ of Pittsburgh. Raymond Richman- professor emeritus of public and international affairs at Univ of Pittsburgh. Jesse Richman – PhD; associate professor of political science at Old Dominion Univ) 10 Dec 2010 Bernanke to China: Stop Hurting Us or You'll Hurt Us (accessed 26 June 2022) <http://www.americanthinker.com/articles/2010/12/bernanke_to_china_stop_hurting.html>

If we don't act against mercantilism, the future is predictable: America will decline as an economic and political power.  Eventually, China will replace the United States as the dominant power on the world stage, and totalitarianism will likely replace democracy as the world's dominant political philosophy.  All because our leaders wouldn't balance budgets and trade.

Impact: Mercantilism will kill US jobs and economic growth

Dr Robert D Atkinson 2012. (president of the [Information Technology and Innovation Foundation](https://en.wikipedia.org/wiki/Information_Technology_and_Innovation_Foundation), a public policy [think tank](https://en.wikipedia.org/wiki/Think_tank); formerly vice president of the [Progressive Policy Institute](https://en.wikipedia.org/wiki/Progressive_Policy_Institute); PhD in City and Regional Planning) February 2012 Enough is Enough: Confronting Chinese Innovation Mercantilism <http://www2.itif.org/2012-enough-enough-chinese-mercantilism.pdf> (accessed 26 June 2022)

Further integration of global supply chains that link the United States and China could be good for both nations but not if Chinese policies continue to be based on absolute advantage and mercantilism. In this case, the results will be more of the same: the loss of U.S. industrial and high-tech output, and the jobs and GDP growth that go with it.

6. 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.