

TUA NEWS RELEASE

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PROPOSED “BORDER ADJUSTMENT TAX” IS A VERY DESTRUCTIVE TARIFF

Chicago — The border adjustment tax proposed by Pres. Donald Trump is just another name for a tariff, one of the most destructive types of taxation, said the president of Taxpayers United of America (TUA).

“American consumers always take it on the chin when tariffs are passed,” said Jim Tobin, President of TUA and an economist.

“The Smoot-Hawley Tariff Act of 1930 raised U.S. tariffs on over 20,000 imported goods, and more than any other factor, caused the country’s recession to become the Great Depression. Tariffs, which are passed to protect farmers or classes of manufacturers, always cause more damage than the benefits they purport to produce.”

“Phil Gramm, an economist and former Congressman and Senator from Texas, pointed out in yesterday’s Wall Street Journal that a 25% rise in the value of the U.S. dollar brought about by the proposed tariff would cause a one-time reduction of 3% in the value of Americans’ net foreign assets. This would result in a horrendous destruction of household wealth of \$2.7 trillion.”

“It is ironic that President Trump referred to Pres. Abraham Lincoln’s protectionism as a good thing.”

“Abraham Lincoln was the biggest state tax raiser in Illinois during the 19th century. As legislative leader in Springfield, he promoted pork barrel spending that raised state property taxes and almost bankrupted Illinois. None of his tax-subsidized projects were completed, but his political allies lined their pockets with tax dollars and helped make Lincoln a well-paid politician.”

“Lincoln said, ‘Give us a protective tariff and we will have the greatest nation on earth.’ Pursuing the War Between the States, which caused, by the latest estimates, as many as 850,000 American deaths, Lincoln strongly opposed free trade and implemented a 44-percent tariff during the Civil War—in part to pay for railroad subsidies and for the war effort, and to protect favored industries.”

“Tariffs are never good for American consumers. They raise their cost of living, leaving less money in their pockets. Free trade IS fair trade—fair to American consumers trying to make ends meet.”