
The Impact of Tariffs

Videos:

“The Case for Trump’s Tariffs”

<https://www.youtube.com/watch?v=jG-yFrNnv2A>

(8:53 minutes)

“Why Economists Hate Trump’s Tariff Plan | WSJ”

<https://www.youtube.com/watch?v=-eHOSq3oqI>

(8:17 minutes)

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. What is a tariff?
3. According to the Wall Street Journal video, what was the result of the Chicken War?
4. In the Foreign Policy video, Oren Cass said that “free trade has not worked at all the way that most economists predicted.” What is free trade?
5. In the Wall Street Journal video, we saw a clip of Donald Trump using the term "economic nationalism." What is economic nationalism?
6. Oren Cass said: “Certainly we do have more cheap stuff in the United States, but I think the vast majority of Americans would rightly say [free trade with China] has not on net been beneficial.” What did he mean by this? Why do we have “more cheap stuff”? Why would Americans think trade with China has not been beneficial?
7. In the Wall Street Journal video, Madeline Marshall explained how tariffs on washing machines work. According to her, who literally pays the tariff to the U.S. government?
8. In the Foreign Policy video, Ravi Agrawal referred to globalization. What is globalization?
9. In the Wall Street Journal video, Douglas A. Irwin said: “[The U.S. importer's] margins are pretty low, they've got to pass that price on to consumers who ultimately pay it. That's the whole point, in some sense....” Why is that the point of a tariff? What is the intended goal?
10. Oren Cass said that referring to a tariff as a sales tax is a “point of political rhetoric, not a useful economic analysis.” What did he mean by this?

11. Madeline Marshall said that the 2018 tariffs created some jobs, but more jobs were lost.
What caused the loss in jobs?
12. Oren Cass said that while some economists compare tariffs to a sales tax, they never make the same comparison for carbon taxes. What reason did he give for this?
13. Douglas A. Irwin said: "Once tariffs get in place, there are two factors that sort of keep them in place for some time." What are these factors?
14. Oren Cass suggested we should account for "the value of making things." What is the value of making things domestically, as opposed to importing things from other countries?
15. Douglas A. Irwin said that if more tariffs are enacted, "not only will U.S. imports shrink, but U.S. exports will shrink as well." What reason did he give for this?
16. Did these two videos share any common ground? Were there any points on which they agreed? If so, what were they?
17. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
18. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?
19. What else would you like to learn about this topic?