

The Misleading Attack on *De Minimis*

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Old Fashioned Protection is Masquerading as:

- *Consumer Safety*
- *Drug Protection*
- *Fair Tariffs*

Socrates Interrogates the Masquerades

Senators Wyden, Lummis, Brown, Collins and Casey:

Assertion: Severely restricting *de minimis* will “protect American consumers”.

Socrates: *How does denying consumers the ability to purchase foreign goods protect them?*

Among supporters, the National Council of Textile Organizations and United States Footwear Manufacturers Association seek to protect firms, not consumers.

Five Senators, continued:

Assertion: Legislation will “Halt the Flood of Illicit Packages into the United States”.

Likewise, progressive Senators Warren, Brown, Whitehouse, and Blumenthal called for “Further action ... to fully address the flood of uninspected packages entering into the United States”

Socrates: *What percentage of packages contain illicit goods?*

Brandon Lord, executive director at CBP, stated: “There’s a misconception that we don’t target or screen de minimis—it’s not true. People throw around the phrase ‘loophole.’ It’s not a loophole.”

What’s needed is a random check of 10,000 de minimis packages to determine the percentage of illicit shipments.

Five Senators, continued:

Assertion: Legislation will close the “gateway for fentanyl”.

Socrates: *This is absurd. All fentanyl consumed in the US annually could be imported in a single tractor-trailer. Over 5 million trucks enter the US from Mexico annually. It is far easier to import fentanyl concealed in large trucks than in small de minimis packages which are regularly screened.*

Putting *de minimis* in perspective

- In 2023, *de minimis* imports were \$55 billion -- a big increase from \$50 million in 2012.
- But in 2023, total US imports were \$3,112 billion.
- *De minimis* amounts to just 2 percent of total imports.
- This is the sole program by which consumers can import merchandise direct from foreign producers free of customs hassle and without paying tariffs or retail markups.

President Biden on *De Minimis* Executive Order:

Assertion: *De minimis* enables firms to “circumvent” Trump’s doubtful national security and China tariffs.

Socrates: “*Circumvent*” assumes that tariffs are the natural order of international trade.

But “circumvent” is not used to describe free trade agreements with Canada, Mexico, and 18 other countries.

Nor to describe the Generalized System of Preferences that allows duty-free imports from 119 developing countries.

President Biden, continued:

Assertion: *De minimis* is “putting American consumers at risk” by importing “huge volumes of low-value products such as textiles and apparel into the U.S. market duty-free.”

Socrates: The president describes a benefit, not a “risk”, especially for consumers with modest income.

Assertion: *De minimis* is “undercutting American workers and businesses”.

Socrates: The president embraces the canard that imports are bad for US workers and business. Economists repeatedly show the positive correlation between US imports and US economic conditions.

Representative Earl Blumenauer, Ranking Member of the Ways and Means Committee

Assertion: *De Minimis* “has morphed into a dangerous loophole that threatens American competitiveness, consumer safety, exploits forced labor, and contributes to the fentanyl crisis in our communities.”

Socrates: The Congressman amplifies unsupported attacks made by other *de minimis* opponents and adds Chinese forced labor to the laundry list.

2 percent of US imports cannot possibly cause the devastation claimed by Blumenauer. CPB can enforce the Uyghur Forced Labor Prevention Act against *de minimis* packages of Chinese origin.

Socrates Concludes

- None of the assertions are supported by factual evidence on the magnitude of alleged illicit and harmful contents in *de minimis* packages.
- *De minimis* imports are not a second “China shock”. The assertion of extensive damage to US workers and businesses cannot possibly be attributed to 2 percent of US imports.
- The attack on *de minimis* is essentially a quest for protection masquerading under other pretenses.