



## Guitar Globalization

*Ex-Rage Against the Machine axman Tom Morello decides to Rock Against the TPP.*

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President Barack Obama has taken his Trans-Pacific Partnership (TPP) pitch on the road, hoping to rally support for the controversial trade deal. Meanwhile, ex-Rage Against the Machine guitarist Tom Morello has kicked off a politically fueled road trip of his own. With the support of nonprofit Fight for the Future, Morello's own Firebrand Records, and a musically diverse lineup of ideologically unified comrades, the nationwide Rock Against the TPP tour will compete with the president for hearts and minds with the ultimate goal of stopping "the biggest corporate power grab in history."

For the Morello militia, no sphere of civil life is safe from the ravages of trade. "If it becomes law, the TPP...poses a grave threat to good-paying jobs, internet freedom, the environment, access to medicine, food safety, and the future of freedom of expression," the tour's website warns hysterically.

But the very concept of "rocking" against the TPP has an unavoidable irony embedded in it. To rock, one must have a guitar. And the reason so many Americans own guitars today is thanks, in large part, to past trade agreements like the TPP.

The Treaty of Mutual Cooperation and Security Between the United States and Japan, adopted in 1960, was the first nudge toward opening up trade relations between the two historic enemies. By the following decade, Japan-based Ibanez had started experimenting with the electric guitar template pioneered by U.S. monoliths Fender and Gibson.

This happened to coincide with mounting consumer dissatisfaction with the latter two brands. As the Cato Institute's Chris Edwards explains, for Fender and Gibson, "the quality started dwindling in the '60s and '70s. And after a decade or so, Japan realized they can make them better." The Ibanez products, cheaper and of superior quality, suddenly enjoyed consumer favor.

The shifting industry landscape also inspired new U.S. upstarts to enter the market, most notably Mesa Boogie and Peavey Electronics.

By the mid-1980s, through corporate restructuring spurred on by their burgeoning competitors, Fender and Gibson had regained the status they command to this day. "*Evil* investment firms came in," Edwards jests, "and, seeing that these companies were undervalued and poorly managed, bought them out." Soon after, they reintroduced the brands, stressing their return to mid-century quality standards. "That's how capitalism works."

But the relaunch had a dark side as well: Gibson filed an (unfruitful) lawsuit against Ibanez on imitation grounds, alleging the Japanese brand had defied trademark laws by imitating Gibson guitar headstocks. And the U.S. enacted barriers in response to what was perceived as excessive "dumping" of imports. A self-immolating overreaction, this move stopped the flow of cheap electronic materials coming from Japan and significantly raised the cost of production on manufacturers in the U.S., for a time handicapping their competitive virility in the marketplace.

In the 20 years since the implementation of the North American Free Trade Agreement, the value of America's imports of musical instruments and supplies has outpaced that of its exports by 530 percent, according to a recent study in *The Music Trades*. But while woodwinds took a hit, string manufacturers have actually enjoyed a trade surplus. Access to foreign markets led to "increased employment at U.S. guitar plants over the past two decades," the authors note.

Even so, the deficit-vs.-surplus matchup is an inaccurate way to measure overall outcomes. Implementing protectionist policies, such as tariffs and quotas, to reduce trade deficits has backfired for the music industry in the past. In addition to the risk of instigating a trade war, which would in turn harm the value of our exports, protectionism relies on the fallacy that consumers would be inspired to buy out of their price range if only the cost of cheap imports they've gotten used to were increased.

It's fortunate then that Morello, who sports a hammer-and-sickle Communist Party sticker on his guitar, hasn't entirely gotten his way. While mazes of trade restrictions still exist, the free movement of goods and labor has sparked an explosion in variety of style, quality, and cost, empowering all consumers, not just the wealthy. Fender, for example, manufactures most of its pricier high-end guitars in Corona, California, while basing its downscale Squier subsidiary below the border. Gibson's strategy is similar: That company's more expensive guitar models are produced in Nashville, Tennessee, while its cheaper counterpart, Epiphone, assembles its instruments overseas. Meanwhile, the boutique guitar revolution has been precipitated by a groundswell of enterprising craftsmen, accommodating the demand of serious virtuosos and hobbyists with penchants for unorthodox aesthetics and intimidating price tags.

Allowing manufacturers to access cheaper inputs for the lower rungs of their output means more guitars, more guitarists, and more protest anthems. The Rock Against the TPP tour is a friendly neighborhood reminder that you don't need a distortion pedal to peddle distortion.