

Voters Deserve a More Constructive Debate on Trade

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During the two Ohio Senate campaign debates this fall, in Columbus and Youngstown, Democrat Tim Ryan and Republican J.D. Vance sparred over who's tougher on China, but neither talked about how the state can build a brighter future in a more open and high-tech 21st-century economy.

Both candidates embraced tariffs imposed by President Trump and expressed skepticism over past trade agreements. Missing from their exchange were constructive ideas on how to expand the benefits and opportunities the people of Ohio have gained from international trade and investment.

In 2019, Ohio companies exported \$53 billion in goods and \$16 billion in services to the world. The U.S. Commerce Department estimates those exports support a quarter of a million jobs in the state. Across Ohio, more than 16,000 companies exported goods in 2018 — 89 percent of them small and medium-sized enterprises. Ohio farmers export more than \$4 billion annually, with soybeans, soybean meal, corn, and pork among the top categories. Top Ohio service exports include travel, air freight, port services, royalties, and education.

Dollars also flow into Ohio from abroad to invest in factories and businesses. More than 1,000 international companies operate in the state employing 310,000 workers. According to the Global Business Alliance, more than half of those jobs are in manufacturing. Major international employers include Honda, Akzo Nobel Coatings, BASF Corp., and Husky Energy Inc.

Despite what politicians seem to believe, the people of Ohio also benefit from competitively priced imports. More than a third of imports to the state are consumer goods important to working families, such as TVs, computers, toys, clothing, and food. With inflation topping 8 percent, imports have offered some relief from rising prices. Ohio companies also benefit from global supply chains for commodities and intermediate components that help them control costs and stay competitive.

Ohio's manufacturing sector has undergone a sometimes-painful transition in recent decades, but it remains a vital piston in the state's economy. According to the Ohio Manufacturers' Association, the state ranks no. 4 in the nation in manufacturing output, behind only California, Texas, and Illinois. In 2020, the state's factories churned out \$105 billion worth of goods and employed more than 600,000 workers.

International trade has been a huge part of Ohio's manufacturing success. In 2020, the state exported \$45 billion in manufactured products to more than 200 countries. Half of those exports go to Canada and Mexico. The state has become an important part of an integrated North American

automotive platform, with motor vehicles and parts among its top exports. The top manufacturing employer in the state is the international automaker Honda, which employs more Ohio workers — 14,100 — than Ford and GM combined.

Manufacturing employment in Ohio has declined in the past 15 years, as it has nationwide, but not primarily because of trade. The main factors have been rising productivity spurred by automation and the migration of factories to other states. Decline of heavy industry in Ohio dates back more than 45 years, to “Black Monday” in September 1977, when Youngstown Sheet & Tube announced the beginning of massive layoffs at its Campbell steel works in the Mahoning Valley. That was more than a decade before anyone was talking about NAFTA or the rise of China.

In a misguided effort to boost U.S. manufacturing, the Trump administration imposed tariffs on imported steel, aluminum, and a range of goods from China — tariffs largely retained by the Biden administration. The tariffs did little to revive manufacturing employment, but they have raised costs for Ohio consumers and businesses while inviting retaliation by China and other trade partners.

On the front lines of the trade war have been Ohio soybean farmers, who saw their normally robust exports to China hurt by retaliatory 25 percent tariffs. Down-lite, a Mason, Ohio, company that makes down comforters, quilts and blankets, for major department stores, found itself liable for more than \$500,000 in tariffs because of the Trump tariffs. Ohio families continue to suffer daily from tariffs and quotas that artificially raise prices for products ranging from pickup trucks to clothing, footwear, sugar, dairy products, and baby formula.

The people of Ohio deserve a more nuanced and constructive debate on trade. Those aspiring to represent the state in Congress should focus on opening markets abroad for Ohio exports, attracting foreign investment, and reducing import taxes that raise costs for Buckeye families and businesses alike.

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