

# POLICY SOLUTIONS FOR THE PANDEMIC

## POLICY MEMO: REMOVE TARIFFS TO ACCESS CRITICAL SUPPLIES & RESTART THE ECONOMY APRIL 22, 2020

### The Buckeye Institute's Recommendation

In the short-term, the United States should immediately remove tariffs and international trade barriers on essential equipment and medical products used in the fight against COVID-19. In the long-term, the United States should not reinstate those tariffs or trade barriers as it reopens its economy for business and tries to jumpstart dormant economic activity.

### Background

In 2018, the United States **imposed** retaliatory tariffs ostensibly to protect American industries against unfair trade policies practiced by other countries. One retaliatory tariff led to another, which ultimately led to an international trade war that has already cost Ohio taxpayers **\$1.7 billion**. When COVID-19 began spreading here, the United States **resisted** changing its tariff policy. But certain tariffs unintentionally prevented access to essential anti-viral medical supplies and even kept the Ohio maker of Purell from importing essential components of its hand sanitizer bottles, so some **tariffs** were lifted. And as recently as April 19, the U.S. Treasury Department temporarily **postponed** payments of tariffs for 90 days for importing manufacturers, alleviating financial strains in the short-run.

As the Trump Administration rightly **considers** changing tariff policies on medical equipment, it should act quickly and revisit U.S. tariffs more generally. In fact, lifting tariffs and eliminating trade barriers should be part of the administration's concerted effort to reboot the nation's economy. Whatever other effects retaliatory tariffs might have, they raise costs for businesses—and businesses pass those higher costs on to consumers, making goods and services more expensive. As the country struggles to emerge from the financial and economic impacts of COVID-19 counter-measures, American businesses and consumers cannot afford artificially higher prices brought on by tariffs. Restarting the weakened U.S. economy figures to be hard enough without the added strain of retaliatory tariffs, the uncertainty of a prolonged trade war, and the burden of higher prices shouldered by American families now struggling to make ends meet.

### Conclusion

Tariffs and other international trade barriers raise production and consumption costs for American businesses and families. Immediately reducing tariffs during this pandemic will improve access to critical medical supplies essential to fighting COVID-19. Moreover, eliminating tariffs and international trade barriers altogether should be part of the Trump Administration's broad-based effort to revive the U.S. economy.