

## Layoffs and Closures. Trump's Trade War Is Killing Jobs in America

A South Carolina TV manufacturing facility will close its doors, and Trump's threatened auto tariffs could do yet more damage to the state's economy.

By <u>Eric Boehm</u> Global Research, August 09, 2018 <u>Reason.com</u> 8 August 2018 Region: <u>USA</u> Theme: <u>Global Economy</u>

Note to readers: please click the share buttons above

The latest casualties from President Donald Trump's trade war are 126 jobs at a plant where televisions are built.

Element Electronics announced Monday that it would close its facility in Winnsboro, South Carolina. Layoffs will begin in October, the company told the state's Department of Employment and Workforce in a letter. (The letter was <u>obtained</u> by The State, a newspaper based in Colombia, South Carolina.)

"The layoff and closure is a result of the new tariffs that were recently and unexpectedly imposed on many goods imported from China, including the key television components used in our assembly operations in Winnsboro," said the letter.

The jobs lost in Winnsboro are unlikely to be replaced quickly. Even before the tariffs hit, Fairfield County (where Winnsboro is located) was struggling: It recently lost a <u>textile mill</u> that employed more than 200 people, and the planned construction of a nuclear power plant was <u>canceled</u>. In May, the most recent month for which data is available, Fairfield County had the <u>highest unemployment rate</u> in South Carolina.

Trump's tariffs, which are really just taxes on imported goods, are likely to cause the most pain in places like Fairfield County. Large, successful businesses are not immune to the consequences of trade barriers, but they have more ways to deal with suddenly higher production costs than small companies that were already struggling to stay afloat.

And the president is not done with his assault on South Carolina's manufacturing sector. If Trump follows through with a threat to impose <u>tariffs on automobiles</u> and the parts used to build them, it could wreck havoc on the state's economy. In comments submitted last month to the U.S. Commerce Department, which is studying the possibility of placing tariffs on cars and car parts, Germany-based BMW said those import taxes could force it to <u>reduce</u> <u>production and cut jobs</u> at its Spartanburg, South Carolina, plant. That facility employs about 10,000 workers and is BMW's largest manufacturing facility in the world. The trickle-down effects of tariffs could jeopardize another 35,000 jobs at American companies that supply parts for that plant, BMW warned. Just the *threat* of those auto tariffs is hurting the state. The Swedish automaker Volvo has <u>paused plans</u> to hire 4,000 additional workers at its production facility near Charleston, citing uncertainty over American trade policy.

South Carolina is quickly becoming a <u>microcosm</u> for the national debate over tariffs. It's a state that Trump won by <u>more than 14 points</u> in 2016, but it's also a place where agriculture and industry—the two sectors of the economy most likely to take a hit from the trade war—are vitally important. Unlike most other East Coast states, South Carolina lacks major cities that serve as hubs for major financial services or tech firms. It's a state that has benefited tremendously from international automobile manufacturers' production facilities, but it's also a state where the loss of a television manufacturing plant can derail a small town.

Trump has said his trade war of choice would be "good and easy to win." Secretary of Commerce Wilbur Ross has shrugged off tariff-caused job losses as mere "hiccups" along the road to making America great again. In places like Winnsboro, South Carolina, those comments probably ring especially hollow.

The original source of this article is <u>Reason.com</u> Copyright © <u>Eric Boehm</u>, <u>Reason.com</u>, 2018

## **Comment on Global Research Articles on our Facebook page**

## **Become a Member of Global Research**

Articles by: Eric Boehm

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: <a href="mailto:publications@globalresearch.ca">publications@globalresearch.ca</a>

<u>www.globalresearch.ca</u> contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca