

Trade war explodes as Trump clashes with US firms over 'order' to abandon China, block fentanyl shipments

President Trump's trade war with China boiled over Friday as Beijing slapped retaliatory tariffs on America and the president declared he's ordering U.S. companies to prepare to leave the country and relocate back home — prompting pushback from corporate America.

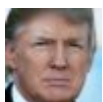
"Our great American companies are hereby ordered to immediately start looking for an alternative to China, including bringing ... your companies HOME and making your products in the USA," Trump tweeted in a blistering set of statements Friday morning. The president went on to call on companies to "search for & refuse" shipments of the opioid painkiller fentanyl from China.

TRADE WAR: CHINA SLAPS TARIFFS ON \$75B OF U.S. GOODS



Donald J. Trump@realDonaldTrump

Our Country has lost, stupidly, Trillions of Dollars with China over many years. They have stolen our Intellectual Property at a rate of Hundreds of Billions of Dollars a year, & they want to continue. I won't let that happen! We don't need China and, frankly, would be far....



Donald J. Trump@realDonaldTrump

....better off without them. The vast amounts of money made and stolen by China from the United States, year after year, for decades, will and must STOP. Our great American companies are hereby ordered to immediately start looking for an alternative to China, including bringing..

The U.S. has said it plans to impose 10 percent tariffs on \$300 billion of Chinese goods in two steps, on Sept. 1 and Dec. 15. China responded Friday with new tariffs on \$75 billion of U.S. products in retaliation, deepening a conflict over trade and technology that threatens to tip a weakening global economy into a recession.

On Friday evening, Trump said products coming from China that were slated to be hit with a 10 percent tariff on Sept. 1 will now face a 15 percent tariff. Trump also said goods and products currently being taxed at 25 percent will be taxed at 30 percent starting Oct. 1

But as Trump rejects such warnings while keeping his foot on the gas in the clash with China, American businesses responded to his latest guidance by urging continued trade talks.

The U.S. Chamber of Commerce issued a statement saying it wants to see continued “constructive engagement” with China.

TRUMP ORDERS US COMPANIES TO BLOCK ALL FENTANYL SHIPMENTS FROM CHINA

“The U.S. business community has for many years called out the lack of progress in addressing China’s unfair trade practices. ... Despite our concerns, the 40-year-old trade relationship between our two countries has been for the most part productive, constructive, and mutually beneficial,” said Myron Brilliant, executive vice president of the U.S. Chamber of Commerce.

“While we share the President’s frustration, we believe that continued, constructive engagement is the right way forward. Time is of the essence. We do not want to see further deterioration of US-China relations. We urge the administration and the government of China to return to the negotiating table.”

Trump, meanwhile, pressured major shipping companies to block fentanyl from China.

“I am ordering all carriers, including Fed Ex, Amazon, UPS and the Post Office, to SEARCH FOR & REFUSE all deliveries of Fentanyl from China (or anywhere else!),” Trump tweeted Friday.



Donald J. Trump@realDonaldTrump

....your companies HOME and making your products in the USA. I will be responding to China's Tariffs this afternoon. This is a GREAT opportunity for the United States. Also, I am ordering all carriers, including Fed Ex, Amazon, UPS and the Post Office, to SEARCH FOR & REFUSE,....



Donald J. Trump@realDonaldTrump

....all deliveries of Fentanyl from China (or anywhere else!). Fentanyl kills 100,000 Americans a year. President Xi said this would stop - it didn't. Our Economy, because of our gains in the last 2 1/2 years, is MUCH larger than that of China. We will keep it that way!

China added fentanyl products to the country's list of narcotics subject to state control after Xi Jinping met with Trump in December 2018, but the White House says it has not seen substantial action on blocking major shipments.

But the shipping companies suggested they're already doing what they can.

FedEx and UPS both said in statements they already work to identify and remove illegal shipments.

"FedEx already has extensive security measures in place to prevent the use of our networks for illegal purposes. We follow the laws and regulations everywhere we do business and have a long history of close cooperation with authorities," the company said.

"UPS takes a multi-layered approach to security and compliance to identify and prevent delivery of illegal Fentanyl and other illicit substances as well as any other attempts of noncompliant shipments," the shipping business said.

Stocks fell sharply on Wall Street after Trump's comments. The Dow Jones Industrial Average sank more than 600 points Friday.

The stocks of all three companies the president mentioned also dropped as

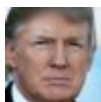
traders tried to understand what the implications for them were.

Meanwhile, Trump also lashed out at the Federal Reserve after its chairman, Jerome Powell, stopped short of saying the U.S. central bank is prepared to cut interest rates for a second time this year.

TRUMP RIPS FED: 'WHO IS OUR BIGGER ENEMY,' POWELL OR CHINA'S XI?

In a tweet, Trump compared Powell — whom he's repeatedly criticized, despite hand-picking him almost two years ago — to Chinese President Xi Jinping.

"As usual, the Fed did NOTHING!" Trump tweeted. "My only question is, who is our bigger enemy, Jay Powell or Chairman Xi?"



Donald J. Trump@realDonaldTrump

As usual, the Fed did NOTHING! It is incredible that they can "speak" without knowing or asking what I am doing, which will be announced shortly. We have a very strong dollar and a very weak Fed. I will work "brilliantly" with both, and the U.S. will do great...



Donald J. Trump@realDonaldTrump

....My only question is, who is our bigger enemy, Jay Powell or Chairman Xi?

His tweet came shortly after Powell gave a speech at the Jackson Hole Economic Symposium in Wyoming in which he promised policymakers will "act as appropriate" to sustain the record economic expansion. The economic outlook, Powell said, remains strong, despite uncertainties resulting from the U.S.-China trade war, slowing global growth and muted inflation.

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Stocks had been wavering between gains and losses earlier after China said it would retaliate against the latest round of tariffs imposed by Washington with

duties on \$75 billion of U.S. products.

China said Friday that it will also increase import duties on U.S.-made autos and auto parts. The retaliation pulled global markets into negative territory.

Fox Business' Paul Conner and Megan Henney, Fox News' Rich Edson and The Associated Press contributed to this report.