

Trump Accuses China Of 'Vicious' Trade Tactics As Tariffs Battle Escalates



WASHINGTON (AP) — President Donald Trump on Wednesday accused China of “vicious” tactics on trade as he prepared for tough negotiations with European leaders in an escalating trade battle among world powers.

Trump tweeted that China was specifically targeting U.S. farmers with retaliatory tariffs because “they know I love & respect” them. His defense came after his administration announced a plan to provide \$12 billion in emergency relief for farmers who have been slammed by the president’s trade disputes with China and other countries.

Addressing the China trade relationship, Trump wrote on Twitter, “They are being vicious in what will be their failed attempt. We were being nice - until now!”

The president was meeting at the White House later Wednesday with European Commission President Jean-Claude Juncker and other European officials as their trade dispute threatens to spread to automobile production.

Trump has placed tariffs on imported steel and aluminum, saying they pose a threat to U.S. national security, an argument that the European Union and Canada rejects. He has also threatened to slap tariffs on imported cars, trucks and auto parts, potentially targeting imports that last year totaled \$335 billion.

The European Union has warned that it will retaliate with tariffs on products worth \$20 billion if Trump puts duties on cars and auto parts from Europe.

On Tuesday, Trump suggested in a tweet that “both the U.S. and the E.U. drop all Tariffs, Barriers and Subsidies! That would finally be called Free Market and Fair Trade! Hope they do it, we are ready - but they won’t!”

The Trump administration has imposed tariffs on \$34 billion in Chinese goods in a dispute over Beijing’s high-tech industrial policies. China has struck back with duties on soybeans and pork, affecting Midwest farmers in a region of the country

that supported the president in his 2016 campaign.

Trump has threatened to place penalty taxes on up to \$500 billion in products imported from China, a move that would dramatically ratchet up the stakes in the trade dispute involving the globe's biggest economies.

The moves have been unsettling to lawmakers with districts dependent upon manufacturers and farmers affected by the retaliatory tariffs.

The Agriculture Department said it would tap an existing program to provide \$12 billion in direct payments to farmers and ranchers hurt by foreign retaliation to Trump's tariffs and other assistance, such as the purchase of excess crops.

With congressional elections coming soon, the government action underscored administration concern about damage to U.S. farmers from Trump's trade tariffs and the potential for losing House and Senate seats in the Midwest and elsewhere.

The administration said the program was just temporary.

"This is a short-term solution that will give President Trump and his administration the time to work on long-term trade deals," said Agriculture Secretary Sonny Perdue as administration officials argued that the plan was not a "bailout" of the nation's farmers.

But that provided little solace to rank-and-file Republicans, who said the tariffs are simply taxes and warned the action would open a Pandora's box for other sectors of the economy.

"I want to know what we're going to say to the automobile manufacturers and the petrochemical manufacturers and all the other people who are being hurt by tariffs," said Sen. John Kennedy, R-La. "You've got to treat everybody the same."

Sen. Pat Toomey, R-Pa., said the Agriculture Department was "trying to put a Band-aid on a self-inflicted wound. The administration clobbers farmers with an unnecessary trade war then attempts to assuage them with taxpayer handouts. This bailout compounds bad policy with more bad policy."

Trump pushed back against critics of his plan on Wednesday, telling them to "be cool" because "the end result will be worth it!"

On Twitter, Trump said people “snipping at your heels during a negotiation” will only delay the process. He wrote: “Negotiations are going really well, be cool. The end result will be worth it!”

The program is expected to start taking effect around Labor Day. Officials said the direct payments could help producers of soybeans, which have been hit hard by retaliation to the Trump tariffs, along with sorghum, corn, wheat, cotton, dairy and farmers raising hogs.

The food purchased from farmers would include some types of fruits, nuts, rice, legumes, dairy products, beef and pork, officials said.

Agriculture officials said they would not need congressional approval and the money would come through the Commodity Credit Corporation, a wing of the department that addresses agricultural prices.

The officials said payments couldn't be calculated until after harvests come in. Brad Karmen, the USDA's assistant deputy administrator for farm programs, noted that the wheat harvest is already in, so wheat farmers could get payments sooner than other growers.

Soybeans are likely to be the largest sector affected by the programs. Soybean prices have plunged 18 percent in the past two months.

The Agriculture Department predicted before the trade fights that U.S. farm income would drop this year to \$60 billion, or half the \$120 billion of five years ago.

Mark Martinson, who raises crops and cattle in north-central North Dakota and is president of the U.S. Durum Growers Association, said the \$12 billion figure “sounds huge” but there are many farmers in need. “I don't think this will cover us for a very long time — and it might not even buy me a tank of diesel. I think it will only put out the fire a little bit.”

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