

Trump looks to project calm as trade war heats up



U.S. President Donald Trump speaks during an event on ending surprise medical billing | Jim Watson/AFP via Getty Images

U.S. President Donald Trump on Friday sought to ease concerns about his administration's failure so far to reach a trade deal with China, writing on Twitter that despite a new round of tariffs that went into effect overnight, there is "no need to rush" negotiations with Beijing.

"Talks with China continue in a very congenial manner - there is absolutely no need to rush," he wrote on Twitter, repeating his false claim "massive payments" from China would be deposited "directly to the Treasury of the U.S." In reality, tariffs are taxes paid by importers, such as U.S. companies, which bring in products from China. Those costs are typically passed on to consumers in the form of higher prices, which can drive down demand for Chinese imports.

Tariffs on \$200 billion in Chinese goods increased to 25 percent at midnight on Friday after negotiations Thursday night failed to reach a deal. U.S. officials had said earlier this week that China "renege" on its commitments it had previously agreed to.

Talks between Chinese Vice Premier Liu He, U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin are set to continue Friday as they work to break the logjam that has resulted in a tit-for-tat tariff war with Beijing that has escalated over the last year.

China has vowed to implement retaliatory tariffs in response to Trump's move, but its Foreign Ministry also said it would "work together to resolve existing problems through cooperation and consultation."

“Trump also floated the idea of using revenue from agricultural goods to fund domestic priorities”

Trump, though, signaled that he is perfectly happy to impose tariffs as long as Beijing refuses to accede to his administration’s demands.

“The process has begun to place additional Tariffs at 25% on the remaining 325 Billion Dollars. The U.S. only sells China approximately 100 Billion Dollars of goods & products, a very big imbalance,” Trump wrote Friday.

He said that his administration would offer support for U.S. farmers whose businesses have been crippled by Trump’s trade war with China, proclaiming that the government “will buy ... agricultural products from our Great Farmers, in larger amounts than China ever did, and ship it to poor & starving countries in the form of humanitarian assistance.”

Vice President Mike Pence also suggested as much Thursday, saying during a visit to a Minnesota farm that “we have already had preliminary discussions in the White House for additional support for farmers if this impasse with China continues.”

But while Trump expressed confidence that negotiations would get back on track, Trump also claimed that the new tariffs “will bring in FAR MORE wealth to our country than even a phenomenal deal of the traditional kind,” adding that his approach was “much easier & quicker to do.”

He added: “Our Farmers will do better, faster, and starving nations can now be helped. Waivers on some products will be granted, or go to new source!”

Trump also floated the idea of using revenue from agricultural goods to fund domestic priorities like infrastructure or health care.

“If we bought 15 Billion Dollars of Agriculture from our Farmers, far more than China buys now, we would have more than 85 Billion Dollars left over for new Infrastructure, Healthcare, or anything else,” he said, though he did not offer any specifics for his plan. “China would greatly slow down, and we would

automatically speed up!”

Still, he added, “in the meantime we will continue to negotiate with China in the hopes that they do not again try to redo deal!”

He also suggested that there was a simple solution for manufacturers concerned about the penalties: “Build your products in the United States and there are NO TARIFFS!”

Source: <https://www.politico.eu/article/trump-trade-war-china-tariffs/>

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