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Trump Threatens Tariffs on All Imports From China, Escalating Trade Feud

By **Alan Rappeport**

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President Trump threatened China with another round of punishing tariffs on Friday, saying he was prepared to tax essentially all Chinese goods imported into the United States if Beijing did not change its trade practices.

The threat comes as the administration prepares to move forward with another round of tariffs on \$200 billion worth of Chinese imports, including many everyday consumer products like electronics and housewares.

His comments, made aboard Air Force One on his way to Fargo, N.D., signal that the trade dispute with China is unlikely to reach a quick resolution, despite concerns from many businesses that the tariffs could have devastating effects. The White House has already imposed tariffs on \$50 billion worth of Chinese goods, and China has retaliated with a similar amount of tariffs on American products. Mr. Trump hinted on Friday that the next round of tariffs was guaranteed unless China agreed to his demands to more freely open its markets to American companies.

“Nobody has ever done what I’ve done,” Mr. Trump said. “The \$200 billion we’re talking about could take place very soon, depending what happens with them. To a certain extent, it’s going to be up to China.”

Mr. Trump added: “And I hate to say that, but behind that, there’s another \$267 billion ready to go on short notice if I want. That totally changes the equation.”

The White House is waging several trade wars at once and continues to threaten tariffs on both allies and adversaries alike. The president spoke as his administration continued its tense negotiations with Canada over the North American Free Trade Agreement and as the United States trade representative prepared to meet with European leaders on Monday to ease a simmering trade dispute with that bloc.

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Mr. Trump said again on Friday that he would be willing to hit Canada with auto tariffs if it did not concede to United States demands for a rewrite of Nafta.

“In Canada, the tax on cars would be the ruination of the country,” Mr. Trump said.

Still, Mr. Trump said that China was a cut above the rest of America’s trading partners when it came to unfair trade practices.

“China, right now, is a far bigger problem,” he said, adding, “I’m being strong on China because I have to be.”

The administration is now deciding which Chinese goods to tax as part of its next round of tariffs. A public comment period on a proposed list of products, from fish to feathers to fitness trackers, ended on Thursday, and officials said they planned to take the comments, plus those made during six days of hearings, into account before deciding which products to hit.

In a letter filed with the Trump administration this week, Apple warned that the proposed tariffs would affect a wide range of its products, including watches, headphones, chargers and adapters.

“Our concern with these tariffs is that the U.S. will be hardest hit, and that will result in lower U.S. growth and competitiveness and higher prices for U.S. consumers,” the company wrote in a letter to Robert E. Lighthizer, Mr. Trump’s top trade negotiator, that was made public on Friday.

The imposition of new tariffs is supposed to go through a rigorous government investigation into whether the levies are warranted, including public feedback on how the move would affect American industry. But Mr. Trump continues to dangle the prospect of additional duties in a casual manner.

“The notion that the president is going to add an extra \$267 billion worth of tariffs is grossly irresponsible and possibly illegal,” said Jose Castaneda, a spokesman for the Information Technology Industry Council, suggesting that the administration had not conducted the necessary investigation to justify such a decision.

Mr. Trump has previously said he is prepared to tax nearly all Chinese goods that come into the United States. Still, the threat of further tariffs rattled stock markets, in part because China has said it plans to retaliate against any American trade barriers.

For now, talks between the world’s two largest economies remain stalled.

“Trump has a strong incentive to strike some sort of deal with China that will allow him to claim victory as a deal maker,” said Eswar Prasad, a trade policy professor at Cornell University. “However, notwithstanding any negative blowback from Trump’s domestic constituents, it increasingly looks like the off-ramp from this trade war is unlikely to materialize before the midterm elections in the U.S.”

Also unclear is whether the trade dispute with Canada will be resolved in time to meet the administration's Sept. 30 deadline. The Nafta negotiations have been making little tangible progress this week as Mr. Lighthizer and Chrystia Freeland, Canada's foreign minister, continue to work through challenging sticking points. Canadian officials have expressed their reluctance to do away with an impartial dispute settlement system to arbitrate disagreements over tariffs. The United States has also been pushing hard for greater access to Canada's dairy market.

"The word that continues to block the deal is M-I-L-K," Larry Kudlow, the chairman of the White House's National Economic Council, said on the Fox Business Network. "Milk, dairy, drop the barriers, give our farmers a break, and we can fix some other things."

The Trump administration last week notified Congress that it was planning to move ahead with a bilateral trade deal with Mexico if it could not reach an agreement to incorporate Canada into the three-country pact. However, the United States and Canada have until the end of September to mend their differences before the text of the treaty with Mexico is made public.

Mr. Trump on Friday said that his coarse tone toward Canada was necessary to close the deal.

"People have been saying I'm too tough on Canada," he said. "Look, Canada has been ripping us off for a long time."

He added: "Now they've got to treat us fairly."

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