

Trump targets \$200B more Chinese goods for tariffs

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People walk past a mural on a bank showing symbols for American, Chinese and other world currencies in Beijing on July 7, 2018. The trade war between the United States and China continues to escalate. | Mark Schiefelbein/AP Photo

The Trump administration escalated a mounting trade war with China on Tuesday by publishing a list of \$200 billion worth of Chinese goods that it proposes to hit with an additional 10 percent tariff.

"Rather than address our legitimate concerns, China has begun to retaliate against U.S. products," U.S. Trade Representative Robert Lighthizer said in a [statement](#). "There is no justification for such action."

The new [tariff list](#) broadens the types of goods caught up in the trade war by targeting items like seafood, minerals, chemicals, and personal care items, such as shampoo and soap. It also includes a number of consumer products such as handbags, luggage, gloves and paper.

The new U.S. move came after China retaliated in kind against tariffs that President Donald Trump imposed last week. Other Chinese-made goods slated to face the new 10 percent tariff. The list include building supplies, such as plywood and floor panels; certain wool products, cotton yarns and threads; woven cotton fabrics; and certain automobile parts, including tires.

Administration officials said they hoped the latest action would persuade China to take U.S. concerns about intellectual property theft and forced technology transfers

more seriously. That is the issue that provoked Trump to start the tit-for-tat trade war with Beijing last week.

Both sides met a number of times this spring to try to head off conflict, but U.S. officials said China refused to budge on key U.S. concerns. However, Beijing did offer to increase its imports of U.S. goods in response to Trump's desire to decrease the trade imbalance between Washington and Beijing.

No dates for future talks with China were announced during a briefing call on Tuesday about the latest action, but administration officials indicated they remain willing to engage.

USTR will hold a hearing on the proposed tariffs Aug. 20-23 as part of a public comment process that ends Aug. 30. A final decision will come sometime after that, the officials said.

Many Republicans are already alarmed by Trump's willingness to impose tariffs — basically a tax on imports — to try to force other countries to make trade concessions. That discomfort was on display again Tuesday night.

"Although I have supported the administration's targeted efforts to combat China's technology transfer regime, tonight's announcement appears reckless and is not a targeted approach," Senate Finance Chairman Orrin Hatch said in a statement. "We cannot turn a blind eye to China's mercantilist trade practices, but this action falls short of a strategy that will give the administration negotiating leverage with China while maintaining the long-term health and prosperity of the American economy."

Retailers warned that consumers were certain to feel the impact of the new duties, once they're in force.

"Tariffs on such a broad scope of products make it inconceivable that American consumers will dodge this tax increase as prices of everyday products will be forced to rise," David French, senior vice president at the National Retail Federation, said in a statement. "And the retaliation that will follow will destroy thousands of U.S. jobs and hurt farmers, local businesses and entire communities."

Trump is currently in Europe for a NATO summit on Wednesday and Thursday with longtime U.S. allies. Trump has also provoked a tit-for-tat trade war with European countries and Canada by raising duties on their steel and aluminum exports to the United States. However, administration officials said the latest action against China was not intended to send a message to other countries.

The U.S. last week imposed a 25 percent tariff on \$34 billion worth of imports China including plastics, chemicals, machinery, boat parts, flash drives, thermostats, batteries and remote controls. It is also poised to impose another round of 25 percent duties on an additional \$16 billion worth of Chinese goods as early as August.

Both of those moves are the result of a USTR investigation that concluded the United States was losing about about \$50 billion annually through the theft of intellectual property by Chinese companies and practices that force U.S. companies to turn over valuable technology to Chinese partners to do business in that market.

Beijing vowed to retaliate in kind if Trump went ahead with his threat to impose tariffs on Chinese goods, prompting the president to announce last month that he would up the ante if they did by imposing a 10 percent tariff on another \$200 billion worth of Chinese exports.

China shrugged off that threat. Last week, it responded to the initial U.S. tariffs by tacking on 25 percent duties on \$34 billion of American imports — many of them agricultural products such as soybeans, cotton, rice, sorghum, beef, pork, dairy, nuts and produce.

Administration officials they once again tried to target exports from Chinese high-tech industries that benefit from government subsidies under Beijing's "Made in China 2025" plan. The new list also includes some items that private sector groups asked to be include during hearings on the initial \$50 billion list, they said. It also includes tariffs on scrap commodities from China, apparently in response to Beijing's decision last year to ban imports of scrap materials like paper and plastic and to significantly restrict imports of scrap aluminum.

Last year, the United States imported about \$505 billion worth of goods from China, so the new \$200 billion list brings the percentage of Chinese exports facing new U.S. duties to about 50 percent. However, administration officials said they tried to minimize the impact on consumers while choosing items that would put pressure on Beijing.

Beijing on Monday renewed its request to consult with the U.S. on the tariffs at the World Trade Organization, which is the first step in the WTO's dispute settlement process.

China's Commerce Ministry has blasted Trump's action of pursuing additional tariffs as an example "of extreme pressure and blackmail."

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