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## Trump's Tariffs Put China at Center of 2020 Re-Election Bid

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Donald Trump is making a high-stakes bet on his 2020 re-election with his decision to impose new tariffs on China: that the U.S. economy is strong enough to absorb an all-out trade war -- and might even benefit.

Trump set out his rationale in a series of tweets Friday morning after raising tariffs to 25% on \$200 billion in goods from China and threatening more. Chinese and U.S. officials held brief talks in Washington that were unproductive, according to people unfamiliar with the matter.

“Tariffs will make our Country MUCH STRONGER, not weaker,” the president predicted in a tweet. “Just sit back and watch!”

Should the president’s instinct prevail, he’ll enter next year’s election with the most powerful asset for an incumbent -- a strong economy. As of now, he can boast of historically low unemployment numbers, positive economic growth and stock market highs. He’d also vindicate a more aggressive approach toward China than his predecessor Barack Obama -- and by extension, former Vice President Joe Biden, whom Trump said Friday is likeliest to emerge as next year’s Democratic presidential nominee.

Obama and “the Administration of Sleepy Joe” allowed China to get away with “murder,” Trump said in another tweet.

Read more: [China Names Its Trade-Deal Price as Trump Sets New Deadline](#)

But Trump’s bet carries obvious risks. China has said it will retaliate, and may target the U.S. agriculture heartland that is a wellspring of political support for the president.

If Beijing declines to make the concessions the Trump administration is demanding and the tariffs remain in place through November of 2020, some of the worst economic damage may be concentrated in communities in the Midwest and Rust Belt that put Trump in the White House in 2016.

U.S. importers and economists say it is their businesses and American consumers that will pay Trump’s tariffs, not Beijing.

Daniel Ikenson, a trade policy expert at the libertarian Cato Institute, which has opposed Trump’s tariffs, calculated that an across-the-board 25% levy on Chinese imports may amount to a tax on American consumers of as much as \$135 billion, based on the \$543 billion in goods imported in 2018 as a baseline.

“That’s a cost of about \$400 for every person in the United States,” he wrote in a blog post Thursday. “That’s a lot.”

U.S. stocks closed higher Friday, clawing back from heavy intraday losses, but the S&P500 index still registered its worst since just before Christmas. Economists at Moody’s Analytics this week warned that an all-out trade war between the U.S. and China would lead to a recession around the time of the 2020 election.

Read more: [Punch Drunk Traders Stop Guessing as Trump Runs Markets Ragged](#)

Trump explained in his tweets why he doesn’t believe a recession will happen. He wrote that China would be hurt worse than the U.S., and also cited the soaring value of 401(k) retirement accounts “since the bottom of the market,” although much of those gains came during the Obama administration and from a decade of employee contributions.

He promised to protect farmers, including a plan to buy surplus agricultural products with taxpayer dollars and send the goods abroad as humanitarian assistance.

As a result, he said, “there is absolutely no need to rush” to make a weak deal with China.

Trump returned to Twitter Saturday, posting moments after his motorcade arrived at the Trump National Golf Club in Virginia that “Such an easy way to avoid Tariffs? Make or produce your goods and products in the good old USA.”

Trump’s China policy isn’t an easy target for the Democrats angling to challenge him in 2020 because their own party is divided on the issue. In Congress, many Democrats say Trump’s confrontation of China is one of his few policies they support. That includes the Senate Democratic leader, New York’s Chuck Schumer, who has urged Trump to not to cave in the trade talks.

Representative Brad Sherman, a California Democrat who is a longtime China hawk, said he backs Trump’s plan to substantially raise tariffs on Chinese goods and spend the proceeds buying farm and other products hurt by Beijing’s retaliation.

“Of all the Trump policies, if I had to cheer one, this would be it,” he said in an interview. “President after president has done nothing.”