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EU Plans Nearly \$300 Billion in New Tariffs; Trump Won't Back Down

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July 2, 2018

According to the Washington Post, President Donald Trump is not backing down from his outrageous plans to impose massive tariffs on U.S. trading partners even though he is facing threats of retaliation from all of them.

On Friday the European Union filed a 10-page submission with the United States Commerce Department warning the United States that if it imposes new tariffs on cars and car parts it will lead to retaliatory tariffs on U.S. exports in the amount of \$294 billion.

On Sunday Canada put in place new taxes on \$12.6 billion of U.S. products imported to our northern neighbor. On Friday China will begin new import duties on \$34 billion worth of American goods, including soybeans and other agricultural products produced in states which have been big Trump supporters.

Even though the president is facing new and intense pressures from American businesses to cut back the tariffs before they cause substantial job losses, he is not changing his plans.

“Every country is calling every day, saying, ‘Let’s make a deal, let’s make a deal.’ It’s going to all work out,” Trump said Sunday, once again remarking that trade wars are “easy to win.”

No matter what Trump says or tweets, there is evidence that the risk of a massive global trade war is rising.

According to *the Post*:

“Despite Trump’s rhetoric, concerns are growing that Trump’s appetite for tariffs only appears to be expanding as trade tensions escalate. Many who argued that Trump was just threatening tariffs as a negotiating tactic and would never let the skirmish intensify are now saying they may have miscalculated.”

In its submission to the U.S. Commerce Department the European Union leaders wrote:

“Protective measures would undermine U.S. growth, negatively impact job creation, and not improve the trade balance . . . and auto tariffs would damage further the reputation of the United States.”

And American economic experts are now saying that Trump’s moves may seriously hamper economic growth and lead to a decline in the stock market.

“This is a really dangerous path we’re going down,” said Chad Bown, a senior fellow at the Peterson Institute for International Economics. “Warning Trump doesn’t seem to be enough. It may actually take the costs of these things to show up before he can be convinced of it.”

“If the trade rhetoric and uncertainty continues, it will be very, very bad for the market and for the midterm election and other elements of the president’s strategy,” said Anthony Scaramucci, a longtime investor and Trump ally. “There’s been a seismic change in psychology in the markets in the last four to six weeks.”

Some people believe that Trump will not change his approach until there’s a major drop in the stock market or economy.

“It will probably take a significant pullback in the stock market to get Trump to back down,” said Scott Lincicome, a trade lawyer and adjunct scholar at the Cato Institute, a libertarian think tank. “The Dow and S&P 500 have leveled off, but they are still pretty high since the election, something Trump is proud of.”