

U.S. and China clobber each other with biggest sets of tariffs yet

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BEIJING — The commercial battle between the United States and China heated up Monday as the economic powerhouses slapped each other with the largest rounds of tariffs yet, unleashing punitive duties now on roughly half of their traded goods.

President Trump imposed fresh levies on \$200 billion in Chinese imports, prompting Beijing to respond with tariffs on \$60 billion in American goods, approaching the point of running out of U.S. products to target.

Neither of the world's two largest economies showed signs of backing down, and there are no further trade talks scheduled to resolve the dispute.

As the new tariffs hit, the Chinese government released a report accusing the Trump administration of a foreign policy based on “trade bullying” and “attempting to impose its own interests on China through extreme pressure,” according to [state media](#).

“It has brazenly preached unilateralism, protectionism and economic hegemony, making false accusations against many countries and regions, particularly China,” the paper said.

Thousands of goods now face [border taxes](#) of up to 10 percent, including grocery store staples, household objects and industrial equipment. Economists expect the cost of food, clothing, furniture, toys and cars to swell, triggering layoffs across industries in both countries.

Trump warned this month that retaliation from Beijing would spark another set of tariffs on [\\$267 billion](#) in Chinese goods, erecting financial barriers on virtually everything the United States buys from the nation. (In 2017, that order reached \$505 billion.)

Beijing cannot match Washington dollar for dollar in a full-blown trade war — the Asian nation imported \$130 billion in U.S. goods last year — but officials have said China will keep fighting back with “qualitative” measures. American business groups have taken that to mean an array of [regulatory headaches](#): stalled visas, delayed licenses and spikes in port inspections.

The latest levies from Beijing affect more than 5,200 kinds of American imports, including chemicals, industrial wares and medical instruments.

The United States started [imposing levies](#) in July on \$50 billion in Chinese industrial imports as Trump sought to confront trade practices he deems unfair. The White House has accused Beijing of stealing American intellectual property and propping up Chinese firms with subsidies that disadvantage manufacturers on U.S. soil.

“We’ve taxed them \$50 billion — that’s on technology,” the president recently [told reporters](#) on Air Force One. “Now we’ve added another \$200 billion. 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.”

China has refused to cave amid Trump’s escalating threats. Officials on Friday canceled trade negotiations that were scheduled this week in Washington and then [scrapped military talks](#) with the United States that were supposed to start in Beijing on Tuesday. (Beijing abandoned the defense-related conversations in response to American sanctions imposed last week on Chinese military personnel for buying combat aircraft and missile supplies from Russia.)

Analysts say Chinese President Xi Jinping is trying to show strength on the world stage as the Chinese public, whose respect is crucial to his sustained power, [increasingly bashes Trump](#) online for picking on China.

Beijing has launched efforts to influence the conversation in the Midwest, as well.

State media purchased a [four-page advertisement](#) in Iowa's largest newspaper this week warning American soybean farmers that Trump's trade war would shift business to South America.

"As the largest importer of U.S. soybeans, China is a vital and robust market we cannot afford to lose," the advertisement in the Des Moines Register [said](#), quoting Davie Stephens, vice president of the American Soybean Association.

A coalition of more than 80 industry and agricultural groups in the United States, meanwhile, also protested on Monday the intensifying economic conflict.

"Americans are waking up today to a tax increase on the things they rely on to provide for their families," Brian Kuehl, spokesman for Tariffs Hurt the Heartland, said in a statement. "From furniture to pet food, lightbulbs to baby cribs, even groceries and toilet paper will be taxed by these tariffs."

Chinese officials have acknowledged the trade war could hinder their country's economic progress. Heftier price tags on household goods would represent an especially precarious development in a country where consumer spending drives the bulk of growth. (Shopping is [already waning](#), China watchers say.)

China's central bank has let its currency slide about 5 percent this year, boosting Chinese exports in overseas markets while making imports more expensive.

And the months-long storm of tariffs has apparently rattled investors: The Shanghai Composite Index, the country's main stock gauge, has dropped more than 20 percent since January.

Still, extracting concessions from Xi probably won't happen anytime soon, said Shi Yinong, a professor of international relations at Renmin University in Beijing.

"I personally believe that the Chinese government will refuse to bend to Trump in spite of the sure damages to China's economy," he said.

More likely on the horizon are tax cuts to boost Chinese businesses, he said, and a sense of urgency in building new trade alliances with other countries.

Some academics painted the rift Monday as an opportunity.

China must "turn America's pressure to impetus," said Shen Dingli, professor of international relations at Fudan University in Shanghai, and focus on improving public education and the development of domestic technology.

Yang Liu contributed to this report.



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