

The Trump Tariff Tracker: How severe is the pain?

By Heather Long and Christopher Ingraham
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As of Friday, many trade and economic experts now say President Trump has catapulted the United States into a trade war — and they see no sign of it ending soon.

There's no formal definition of what constitutes a trade war, but the escalating exchange of trade barriers between the United States and its trading partners has hit a point where most economists say there will be a negative impact. Companies will scale back on investments, growth will slow, consumers will pay more for some items, and there could be more job losses. The Federal Reserve warned Thursday some companies are already scaling back or postponing plans.

The United States imposed the first duties on \$34 billion in Chinese goods early Friday, and China immediately retaliated with levies on an equal amount of American goods, including staples such as soybeans, corn, pork and poultry.

“This clearly a dark day for consumers,” said **Bernard Baumohl, chief global economist at the Economic Outlook Group**. “What appears to be a full-blown trade war will boomerang and hurt the U.S. economy.”

The tally so far: Tariffs on \$85 billion

In total, Trump has now put hefty tariffs on \$85 billion worth of imports: solar panels, washing machines, steel, aluminum and a hodgepodge of Chinese products. Other nations have responded with similar tariffs, bringing the total hit so far in the global trade war to \$165 billion, according to Chad Bown of the Peterson Institute for International Economics.

The U.S. president argues this is necessary to correct years of foul play on the trade arena, especially by China. He argues these tariffs are based on national security (officially named the Section 232 tariffs on steel and aluminum) and the righting of wrongs (officially named Section 301 tariffs that went into effect Friday on Chinese imports to fight Chinese intellectual property theft).

While Trump acknowledges there will be hardship from these tariffs, especially in certain communities, his team insists the overall impact on the economy is “trivial.” As The Washington Post calculated, less than 4 percent of imports of foreign goods coming into the United States are impacted by Trump's tariffs — so far.

What comes next?

Trump's threats to add more tariffs are what really worry business leaders, foreign governments and even fellow Republican officials. He says he's ready to put tariffs on another \$400 billion of Chinese products if China punches back yet again, something most expect China to do either with more tariffs or harsher non-tariff barriers to trade like added inspections of cars and letting fruit rot in Chinese ports while it waits for clearance to come ashore.

And his team is investigating whether to place tariffs on the roughly \$360 billion auto, truck and car parts that were imported from foreign nations last year. Either of those moves would immediately vault the number of imported goods subject to the extra tax to close to 20 percent, a far steeper hit. If Trump did both, a third of imported goods would be impacted, an amount that would almost certainly be felt when Americans go shopping.

“We have two hyper nationalists going after each other. It's a real testosterone face-off. No one is going to give in and citizens of both countries are going to suffer,” said **Baumohl**.

Who has been hurt?

So far, the damage from Trump's trade battle has mainly been on the diplomatic side. China says Trump is “opening fire” on its nation, and Canada, a longtime U.S. ally, called the tariffs “insulting” and “totally unacceptable.” The European

Union sent the Trump administration a document Friday warning that adding the auto tariffs would “damage further the reputation of the United States.”

No one is backing down yet, and there's almost no high-level dialogue taking place that could bring an end to the standoff.

“The Chinese have a very high threshold for pain. I don’t think they are going to blink because of a little pain,” said Sung Won Sohn, a former economist in the Nixon administration. “After all, China used to be in much worse economic shape.”

While at least one company is blaming layoffs of Trump's tariffs, it typically takes a while for the downsides to be widely felt in a trade war. Since the U.S. economy is doing so well this summer, Trump also has a cushion — for now. If the trade war shaves 0.1 or 0.2 percent off growth, few will notice right now.

“It may be a while before the damage shows up,” predicts Bart Oosterveld, director of the global business and economics program at the Atlantic Council. “The economy is going gangbusters, so it doesn't hurt Trump economically at all as long as there’s 200,000 jobs added each month.”

But the gamble Trump is making has always been clear: Will the ends justify the means? Will whatever deal ultimately gets done to end this be worth the damage along the way?

While a majority of Americans agree with Trump that the United States have been “taken advantage of” by its trading partners, few (just 4 percent) say trade is their top issue in the midterm election, according to a new Washington Post-ABC News poll. Jobs, the economy, health care and immigration rank far higher.

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