

Beijing Biden Plans to Scrap Trump Tariffs on China ... to Fight Inflation?

The selling out of America to Beijing continues.

Joe Biden is expected to make an announcement later this month about undoing tariffs on Chinese imports put in place under the Trump administration. This would ostensibly be with the aim of combating rising inflation, although some of Biden's own advisors warn that removing the tariffs would have no meaningful impact on inflation.

Politico <u>spoke</u> with three industry officials and a former federal official with knowledge of the White House's plans. They said Biden will go public with his plans in July. A top White House official who also talked to the outlet, however, said there is, as of yet, no date set for the announcement.



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According to *Politico*, the White House hopes to tame the historically high inflation presently ravaging the country, and some Biden advisors, along with outside advisors, believe the solution is to strike down tariffs on Chinese goods in order to lower consumer prices.

Treasury Secretary Janet Yellen and Commerce Secretary Gina Raimondo have long advocated for across-the-board tariff relief as a solution to inflation, though the proposed lift would fall short of the sweeping changes the two hope for.

Per the sources cited by *Politico*, the White House plans are not final but are likely to be divided into three parts.

For one, they intend to scrap a limited number of tariffs, such as one on consumer goods like bicycles. While the specific duties to be targeted are still being debated, two sources who spoke to *Politico* on condition of anonymity claimed the proposed relief would affect approximately just \$10 billion worth of imports out of the \$370 billion that the Trump administration slapped tariffs on.

Second, the White House reportedly plans to announce that the U.S. Trade Representative (USTR) will roll out a new exclusion process so that companies can get exemptions from the tariffs on Chinese goods. This would be a step up from the exemptions USTR handed out on 352 types of imports from China this year.

And in what appears to be an attempt to balance what might otherwise be interpreted as a giveaway to China, the White House also reportedly intends to announce a tariff investigation under Section 301 of the 1974 Trade Act that will specifically be aimed at areas of China's economy that are significantly subsidized by the communist government.

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This would be a way of addressing longstanding concerns from the U.S. that Beijing boosts its domestic tech sectors, including the production of semiconductors and batteries, to the disadvantage of foreign competition. The planned actions by the White House would possibly lead to new duties on such products as a way of improving the odds from U.S. companies.

The senior administration official who spoke with *Politico* said talks continue and that no final decision has yet been reached.

The outlet reports:

The announcement will represent the culmination of a year-long debate at the White House over when and how to reshape Trump's trade legacy on China. The administration last year considered a plan to pair tariff relief for consumer goods with new duties on high-tech Chinese goods, but elected to allow USTR Katherine Tai to engage her Chinese counterpart in economic conversations before announcing the plan.

When initial talks between the Biden administration and China proved fruitless, the White House was ready to move forward with the plan late last winter, but Russia's invasion of Ukraine pushed those plans back, as many of the administration's economic and national security officials focused on supporting Kyiv and punishing Moscow.

In contrast to Yellen and Raimondo, Tai and Labor Secretary Marty Walsh, as well as organized labor, have advocated for keeping the Trump-era tariffs as they are. Tai has been one of the voices in the Biden White House arguing that undoing the tariffs would not alleviate inflation — but would deprive the U.S. of major leverage when negotiating with the Chinese on trade.

Word of these changes comes as the USTR this summer conducts a review of the Chinese tariffs that is mandated by law. Per *Politico*, more than 300 American companies have called for the Trump-era tariffs to be kept in place.

That Biden would rather ease tariffs on a hostile regime than address the actual issue behind inflation — the reckless policies of the unaccountable Federal Reserve — may be frustrating, but not surprising.

Biden has long shown himself to be Beijing's best friend in America. Lifting the Trump tariffs would simply be one more instance in a long line of actions that have strengthened China while weakening America.



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