



Written by [Luis Miguel](#) on January 31, 2024

Establishment in Meltdown After Trump Vows Tariffs and Trade War With China

As the United States under the presidency of Joe Biden draws precariously close to war in the Middle East, candidate Trump is declaring his intention to launch a different type of war should he be elected — a trade war with Beijing.

Donald Trump, the frontrunner for the Republican Party's 2024 presidential nomination, has told advisors that he is prepared to raise tariffs on all Chinese imports by 60 percent, per a report by the [Washington Post](#).

And in public, Trump has voiced support for the idea of taking away China's status as a "most favored nation" trade partner (a label given to most of the countries with whom the United States engages in commerce) — a move that itself would potentially raise tariffs on China by 40 percent and likely be reciprocated by Beijing.

The *Post* further notes:

In the White House and on the campaign trail, Trump has argued that tariffs on imports bolster domestic industry while raising money for the federal government.... He has floated enacting a "universal baseline tariff" on virtually all imports, or roughly \$3 trillion worth of goods, which would amount to more than a ninefold increase in the amount of goods subject to tariffs compared with his first term. He has also talked about pushing legislation to have the United States automatically impose "reciprocal" tariffs matching those of all countries on U.S. exports.

As of November, China ranked as the third most significant trading partner for the United States, trailing only Mexico and Canada. It constituted 11.7 percent of the overall U.S. foreign trade.

Notably, the *Washington Post* echoes the sentiment of many establishment intellectuals and politicians of both parties who argue that such tariffs will hurt American consumers by leading to higher prices of foreign-made goods and hurt American businesses by making it harder for them to sell their products in the Chinese market.

The outlet, for example, quotes Adam Posen, president of a Washington-based think tank known as the Peterson Institute for International Economics, who panned Trump's proposal as "lunacy" and argued that "If a Trump administration were to put up much higher tariffs on imports from China, American companies would lose most of their market share in both China and many third countries."



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On the “right-leaning” side of the political spectrum, the *Post* cited Erica York, senior economist at the anti-tariff Tax Foundation, who said: “The 2018 to 2019 trade war was immensely damaging, and this would go so far beyond that it’s hard to even compare to that. This threatens to upend and fragment global trade to an extent we haven’t seen in centuries.”

But Trump and those ideologically aligned with him make the case that tariffs function as a strategic instrument aimed at compelling rival nations such as China to rectify bad-faith trade practices. Even Trump’s detractors admit that China’s economic strategies, such as artificially depreciating its currency to boost exports, have detrimentally affected American manufacturing. Trump and his followers defend their position, in part, by framing tariffs as a means to pressure Beijing into altering its practices.

Former Republican Speaker of the House Newt Gingrich, for instance, said of Trump: “He believes the tariffs he imposed in his first term raised a great deal of revenue for the American people. I know from personal conversations with Trump that he believes deeply that having the tool of tariffs allows you to negotiate from a position of strength, because we still have the largest market in the world.”

Trump’s proposal also has support among the dissident Right, which for decades has been opposed to the mainstream conservative movement’s globalist, free trade orthodoxy. Vox Day, author of such works as *The Return of the Great Depression* and *The Irrational Atheist*, [lauded](#) a potential trade war as a contest which the United States “cannot lose”:

As I pointed out six years ago on Chinese state television, a trade war is very much to the advantage of the United States economy. The net effect of the Western sanctions regime on the Russian economy only serves to underline my original point: a trade war is, by definition, always beneficial to the trading party that has a negative trade balance. And the USA has a massive trade deficit vis-a-vis China. Unlike a naval war in the Pacific, an air war in the Middle East, or worse, a ground war in Europe, this is one war that the USA literally cannot lose.

Day points to the case of Russia, which, far from being devastated by the western sanctions imposed on it in response to Moscow’s invasion of Ukraine, has gained independence and new partnerships by commercially aligning itself with the BRICS+ countries. And even though Russia has the trade surplus, not the deficit, relative to the West, it has fared well because the U.S. Western alliance is now the smaller market — in terms of population and purchasing power parity — when compared to the bloc comprising Russia, China, Iran, and their allies.

In short, while the establishment forecasts doom and gloom if Trump should follow through on his trade war rhetoric, it would, in reality, be a matter of America using the same tactics which China and Russia have thus far been successfully employing to their own benefit.



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