US business group opposes broad tariffs on China

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The US Chamber of Commerce, the world's largest trade federation, voiced strong opposition to US President Donald Trump's reported plan to impose sweeping tariffs on China.  
Thomas Donohue, president and CEO of the chamber, which represents more than 3 million businesses, said the chamber understands the Trump administration's concern over the impact of China's industrial policies and trade practices.  
"But the US Chamber would strongly disagree with a decision to impose sweeping tariffs," Donohue said in a statement released on Thursday.  
Concerns about a trade war between the world's two largest economies have grown in the past two days. White House officials were quoted by Reuters on Wednesday as saying that the Trump administration may in the coming week or two announce a $60 billion punitive tariff, primarily targeting China's technology and telecommunications products, for the country's alleged intellectual property violations. A Wall Street Journal report put the number at $30 billion.  
The United States initiated a Section 301 investigation under the US Trade Act of 1974 into China's intellectual property policies and practices in August.  
"Simply put, tariffs are damaging taxes on American consumers," Donohue said. Tariffs of $30 billion a year would wipe out over a third of the savings US families received from doubling the standard deduction under recent tax reforms, and if the tariffs reach $60 billion, it would be even more devastating, he said.  
Such tariffs could lead to a destructive trade war with serious consequences for US economic growth and job creation, he said.  
"The livelihoods of America's consumers, businesses, farmers and ranchers are at risk if the administration proceeds with this plan," Donohue said. "We urge the administration to not impose these tariffs and to work with the business community to resolve the real and justifiable concerns raised by Chinese trade practices."  
The US China Business Council, a Washington­based group representing more than 200 US companies in China, tweeted on Wednesday that its 2017 member survey found that most respondents think growth prospects in China are better than in other markets. In Beijing, Foreign Ministry spokesman Lu Kang said at a daily news conference on Friday that he noted Donohue's statement, saying an increasing number of farsighted people in the US are speaking rationally on bilateral trade relations. There is no winner in a trade war and it will only harm both countries, he said.  
Trade with China has considerably reduced the average costs for US households, Lu said, adding, "I don't believe such cooperation would have lasted until now if it benefited only the Chinese side."  
It is normal for China and the US to have some disputes and friction, he said. "The key point is to manage disputes in a constructive manner."  
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