**Headline:** Trump’s Global Tariffs Are Meant for China

**Teaser:** The latest tariff blitz has China in the crosshairs. Building on earlier efforts by previous administrations, Trump’s abrasiveness risks weakening Washington’s hand.

By John P. Ruehl

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**[Article Body:]**

Donald Trump’s “Liberation Day” on April 2, 2025, marked the formal launch of sweeping global tariffs, capping months of escalatory announcements since returning to office. Amplifying the economic nationalism of [his first term](https://www.piie.com/sites/default/files/documents/trump-trade-war-timeline.pdf), it marks the culmination of Trump’s [decades-old advocacy](https://www.nytimes.com/2019/05/15/us/politics/china-trade-donald-trump.html) for raising tariffs and reviving American industry.

His latest push builds on more than two decades of previous presidential efforts to recalibrate trade, in a far more aggressive form. Influenced by [Project 2025’s](https://static.project2025.org/2025_MandateForLeadership_FULL.pdf) chapter on fair trade by longtime adviser Peter Navarro, it calls for rapid, uncompromising trade action to reduce deficits, lower debt, and reshore manufacturing. Treasury Secretary Scott Bessent has similarly [framed tariffs](https://www.moneymacro.rocks/2025-04-03-Trump-plan/) as part of a larger economic realignment to restore U.S. industrial and economic dominance.

Though rarely stated outright, Trump aims to break the dominance of China’s export-led economic model, with the understanding that there will be some consequences for the U.S. economy. While his strategy builds on former efforts to reshape trade, the public’s understanding of Trump’s agenda and impression of its execution enjoys only [modest domestic support](https://thehill.com/homenews/administration/5236989-partisan-divisions-tariffs-foreign-alliances-poll/). The gamble carries the risks of global economic destabilization, blowback from allies, and handing China even more power on the global stage.

**Protectionism, Free Trade, and Resurgent Skepticism**

From 1798 to 1913, tariffs covered [50 percent to 90 percent of income](https://privatebank.jpmorgan.com/nam/en/insights/markets-and-investing/ideas-and-insights/tariffs-on-the-rise-implications-for-your-portfolio) and shielded American industry from foreign competitors. After World War II, however, the U.S. aimed to rebuild allied economies and draw them away from communism by [opening its](https://www.cato.org/publications/how-trade-agreements-have-enhanced-freedom-prosperity-americans) consumer, industrial, and capital markets. Trade deficits emerged [by the 1970s](https://www.investopedia.com/ask/answers/021115/how-long-has-us-run-fiscal-deficits.asp), but abandoning the gold standard in 1971 let the U.S. print dollars more easily and sustain the imbalance.

The Cold War’s end in the early 1990s left the U.S. confident it could continue steering global trade on its own terms. It [pushed for](https://www.usfunds.com/resource/the-surprising-history-of-tariffs-and-their-role-in-u-s-economic-policy/) global tariff cuts and free trade deals like the North American Free Trade Agreement (NAFTA), while U.S. corporations [helped build up](https://www.uni-trier.de/fileadmin/fb4/studium/FFA/Downloads/Dozent/Prezdricka/SS_2014/1_Offsh_of_Amer.pdf) foreign manufacturing, [particularly in China](https://www.upi.com/Archives/1994/06/08/Businesses-plan-investing-in-China/4623771048000/), which benefited from preferential trade terms under its most-favored-nation trade status. American consumers absorbed global overproduction, and corporate profits soared, but many American workers were increasingly left behind.

These policies added to the anti-globalization movements of the late 1990s, most visibly at the [1999 World Trade Organization (WTO) summit in Seattle](https://jacobin.com/2024/06/battle-of-seattle-protest-wto), prompting a rethink of trade policy. Domestic industries like steel had collapsed under cheap imports, and former President George W. Bush [briefly imposed steel tariffs](https://www.politico.eu/article/bush-trump-tariffs-why-steel-and-aluminum-failed-when-president/) in 2002 before the WTO struck them down. The 2008 financial crisis brought [bipartisan calls](https://www.govinfo.gov/content/pkg/CHRG-110hhrg49881/pdf/CHRG-110hhrg49881.pdf) for economic restructuring, with the Obama administration [pledging to reshore](https://www.theguardian.com/business/2013/jul/24/us-manufacturing-troubled-promise-reshoring) manufacturing jobs. Obama later distanced himself from the Trans-Pacific Partnership (TPP)—a free trade agreement—a move [echoed by Hillary Clinton](https://www.politico.com/story/2016/10/hillary-clinton-trade-deal-229381) during her 2016 presidential campaign.

Trump’s first-term trade agenda broke from the previous caution. Favoring unilateral action, he [withdrew](https://ustr.gov/about-us/policy-offices/press-office/press-releases/2017/january/US-Withdraws-From-TPP) from the TPP in 2017, [clashed with the WTO](https://www.nytimes.com/2019/12/08/business/trump-trade-war-wto.html), and [renegotiated NAFTA](https://www.forbes.com/sites/phillevy/2020/08/09/the-verdict-on-trump-trade-policy-part-1-fixing-nafta/). He then [imposed](https://www.china-briefing.com/news/the-us-china-trade-war-a-timeline/) tariffs on key trade partners, especially China. By then, the cost of offshoring had become clear. With U.S. corporate assistance, China had gained capital and technology expertise to become the “[world’s factory](https://www.sciencedirect.com/science/article/abs/pii/S1043951X21000766).” Low-tariff access to the U.S. market gave Beijing a $300 billion [surplus](https://www.tovima.com/finance/china-halts-boeing-orders-amid-escalating-u-s-trade-war/) over America in 2024, and it emerged as the world’s top [exporter](https://www.bbc.com/news/business-25678415) and [creditor](https://www.theguardian.com/world/2023/nov/06/china-worlds-biggest-debt-collector-as-poorer-nations-struggle-with-its-loans).

President Biden struck a less confrontational tone upon assuming office in January 2021, yet he similarly [raised tariffs on China](https://www.cnn.com/2024/09/13/politics/china-tariffs-biden-trump/index.html). Like China, the EU and Japan had established large trade surpluses with the U.S., an issue he [sought to address](https://www.cfr.org/article/bidens-america-first-economic-policy-threatens-rift-europe), but geopolitical unity with the U.S. on the global stage tempered criticism. Despite [lowering](https://www.piie.com/blogs/trade-and-investment-policy-watch/2021/biden-and-europe-remove-trumps-steel-and-aluminum) tariffs on Europe, Biden nonetheless passed the Inflation Reduction Act and CHIPS and Science Act, [both criticized by the EU as protectionist](https://www.ie.edu/insights/articles/does-us-protectionism-jeopardize-the-global-energy-transition).

Trump’s second-term focus has again hit allies, yet the attention remains squarely on China, with individual tariffs on other countries being paused [on April 9](https://www.axios.com/2025/04/09/trump-tariffs-pause-china-stocks-recession), while tariffs on Beijing have increased. Aside from direct exports, Washington also seeks to target China’s role in global trade. Biden’s push to “nearshore” manufacturing to countries like Mexico exposed the limits of decoupling, as Chinese companies [quickly established themselves](https://www.counterpunch.org/2023/11/02/why-were-seeing-shifting-patterns-in-global-manufacturing/) in new Mexican industrial parks.

Many imports shipped to the U.S. from other countries also contain Chinese components, meaning Trump’s 10 percent “[baseline](https://www.reuters.com/markets/us-starts-collecting-trumps-new-10-tariff-smashing-global-trade-norms-2025-04-05/)” tariff hike on all imports is meant to counteract other countries serving as conduits for Chinese goods.

In Project 2025, Peter Navarro emphasized the role of non-tariff barriers, like strict safety standards, customs delays, and local content requirements, in obstructing U.S. exports. The U.S. uses these, too, and in early February 2025, Trump cited [fentanyl smuggling](https://www.npr.org/2025/02/02/nx-s1-5283957/fentanyl-trump-tariffs-china-canada-mexico) as justification for raising tariffs on China, Mexico, and Canada.

Even if a more conventional president follows, Trump’s tariff hikes and resulting supply chain rerouting may prove difficult to undo. Critics question whether this transition can be fast, affordable, or effective, but the COVID-19 pandemic proved supply chains can reorient under pressure [relatively quickly](https://www.wired.com/story/software-entrepreneur-pandemic-pivot-manufacturing-masks/), just as China showed its agility by setting up operations in Mexico during the 2020s.

**Internal Risks**

A tariff war will nonetheless raise prices for consumers and businesses, ending the era of cheap global goods that the U.S. economy has depended on for decades. Countries maintained friendly ties to keep consumer market access and reinvested U.S. dollars into American stocks, bonds, and real estate. Uncertainty over Trump’s policies saw a fake [tweet about tariffs](https://www.npr.org/2025/04/07/nx-s1-5355055/tariffs-markets-x-social-media) on April 7 trigger multi-trillion-dollar swings. Prolonged stock volatility or declines would reduce pensions, household wealth, and corporate valuations.

Some argue that if the stock markets crash, money could [flow into and lower the price of U.S. treasuries](https://darrowwealthmanagement.com/blog/bonds-during-recession/), reducing their prices and allowing the government to refinance long-term bonds with cheaper debt. However, many traditional U.S. debt holders may demand concessions before continuing to finance it. Treasury yields [have already risen](https://www.wsj.com/finance/investing/us-treasury-bonds-selloff-tariffs-investors-e503b398), making new debt more expensive, and China, the second-largest holder of U.S. debt, is suspected of [shedding bonds](https://www.schiffsovereign.com/trends/is-china-dumping-us-government-bonds-152455/) to help do so.

China has also retaliated by raising its own tariffs and [recently halting](https://www.japantimes.co.jp/business/2025/04/14/economy/china-rare-earth-minerals-halt-exports/) exports of rare earths and critical minerals essential for modern technologies. Its state-backed firms can flood global markets with cheap goods and advanced tech, squeezing out competitors. With a growing presence in international institutions and trade blocs, Beijing could increasingly shape global economic norms if these institutions and agreements become more fluid and the U.S. steps back.

Trump also wants to [devalue the dollar](https://fortune.com/europe/2025/04/01/donald-trumps-strategy-weaken-dollaralready-success-too-expensive-for-americans-travel-europe/) to make U.S. exports more competitive, but insists on [keeping the dollar](https://rncplatform.donaldjtrump.com/?_gl=1*sjghq7*_gcl_au*MzkxMjA4ODU0LjE3MjYwODkxNjc.&_ga=2.210188949.1296331238.1726089167-2101883872.1726089167) as the world’s reserve currency, which eases access to cheap debt. His approach is [undermining global confidence](https://www.marketwatch.com/story/trumps-tariffs-are-tarnishing-the-dollars-global-appeal-the-damage-may-be-hard-to-reverse-bdbf5847) in the dollar, even if no clear alternative has emerged yet. Trump’s [pressure on a resistant Federal Reserve](https://fortune.com/2025/04/11/trump-is-once-again-pushing-for-a-rate-cut-fomc-members-are-building-a-credibility-barricade-around-jerome-powell/) to cut interest rates further reflects limited borrowing options and coordination in U.S. financial policy as he embarks on major economic upheaval.

Democrats have [largely avoided](https://www.washingtonpost.com/opinions/2025/04/11/democrats-tariffs-trump-trade-war-protectionism/) serious condemnation of Trump’s policies, recognizing it may be a losing political strategy. Still, some top members like [Chuck Schumer](https://www.cbsnews.com/newyork/news/chuck-schumer-warns-trump-tariffs-will-hurt-new-york/) and [Gavin Newsom](https://www.nytimes.com/2025/04/04/us/politics/newsom-trump-california-tariffs.html?smid=nytcore-android-share) have marked early opposition, along with [seven GOP senators](https://thehill.com/homenews/senate/5236142-congress-tariff-bill-trump/) who recently voted against Trump’s Trade Review Act.

Trump’s policies have some support from the U.S. business class, which once saw China as a promising market but now sees it as a rival. No longer limited to cheap goods, Chinese companies like [Temu, Shein](https://qz.com/temu-shein-amazon-haul-trump-tariff-consumers-inflation-1851770443), and [BYD](https://www.cnn.com/2025/03/25/business/byd-tesla-china-elon-musk-nightcap/index.html) increasingly threaten giants like Amazon and Tesla. Any success in bringing manufacturing back will mostly come through [automation](https://www.automate.org/industry-insights/reshoring-and-nearshoring-trends-making-north-america-competitive) instead of high-paying jobs, benefiting major U.S. corporations. Still, decades of cooperation with China means that these businesses remain exposed, with major corporate figures [expressing public concern](https://www.axios.com/2025/04/07/trump-tariffs-wall-street-dimon-ackman-musk) and Elon Musk publicly [criticizing](https://www.politico.com/news/2025/04/05/elon-musk-peter-navarro-tariffs-00006930) Peter Navarro’s role in the tariff push.

Trump has, in turn, framed tariffs not only as leverage over trading partners but also as a source of revenue to offset other taxes. His 2024 campaign called for [cutting the corporate tax rate](https://www.doeren.com/viewpoint/president-trumps-proposed-tax-plans) to 15 percent, down from 21 percent, already lowered from 35 percent [during his first term](https://www.americanprogress.org/article/trumps-corporate-tax-cut-not-trickling/). However, the promised economic boom was not evident before COVID-19 hit, and his [suggestion of replacing](https://www.usatoday.com/story/money/2025/04/22/trump-tariffs-replace-income-taxes-economists/83196923007/) personal income tax with tariff revenue is also unlikely to generate enough funds to do so, even in an optimistic scenario.

And while the U.S. needs to expand production for both domestic use and exports, current capacity falls far short. Tariffs might push companies and consumers toward new habits, but blanket protection without government initiatives in infrastructure development, skills training, and research and development risks doing more harm than good, and leaves the private sector to act with little guidance.

Compared to Trump’s unpredictable approach, China and the EU have positioned themselves as stable anchors of the global economy. [U.S. calls to coordinate](https://www.wsj.com/politics/policy/u-s-plans-to-use-tariff-negotiations-to-isolate-china-177d1528) with major economic allies like the EU and Japan to limit dealings with China, including reducing Chinese imports and preventing its companies from establishing themselves, risk falling on deaf ears as tariffs have strained ties.

**Global Risks**

Reducing access to U.S. consumers also threatens a major pillar of global economic stability. The U.S. accounted for [roughly 13 percent](https://www.theglobaleconomy.com/USA/share_world_imports/) of global import consumption in 2023, acting as a safety valve for global overproduction by absorbing excess goods.

China, facing a [property crisis](https://www.reuters.com/world/china/chinas-new-home-prices-fall-february-2025-03-17/), high youth unemployment, and mounting local government debt, has pledged to “[vigorously boost domestic consumption](https://www.cnn.com/2025/04/07/business/china-trump-tariffs-opportunity-analysis-intl-hnk/index.html),” according to the People’s Daily, to help replace American consumers. But its [$300 billion trade surplus](https://ustr.gov/countries-regions/china-mongolia-taiwan/peoples-republic-china#:~:text=China%20Trade%20Summary,($16.3%20billion)%20over%202023.) with the U.S. exemplifies its reliance and more limited leverage for retaliation. The EU [has signaled](https://www.nytimes.com/2025/04/14/world/europe/europe-china-dumping-tariffs.html) it will not tolerate a flood of Chinese goods, as it, like the U.S., increasingly finds itself competing with China in high-end products.

The EU and Canada have similarly raised tariffs on the U.S. The Trump administration has tested EU unity by courting globalization-skeptic allies like [Italy’s Prime Minister Giorgia Meloni](https://www.reuters.com/world/italys-meloni-meet-trump-amid-us-europe-trade-tensions-2025-04-15/), though tensions are likely to deepen before they ease. Europe’s struggle to sustain support for Ukraine against Russia has shown the perils of deindustrialization, a trend the U.S. now seeks to radically reverse ahead of others. And, by targeting allies with tariffs too, the U.S. ensures that any self-inflicted economic pain is matched abroad, making the cost of reshaping trade a shared burden.

Forcing a global trade war—an escalating Canada-China [tariff clash in 2025](https://www.dentons.com/en/insights/newsletters/2025/march/21/trump-2-0-navigating-change-in-canada/china-announces-tariffs-targeting-canadian-agriculture-and-food-products?utm_source=chatgpt.com) is one encouraging sign—is likely to further weaken China’s export-led model. As the U.S. signals a reduced role in safeguarding global maritime trade, already strained by disruptions like [Houthi attacks in the Red Sea](https://asiatimes.com/2024/01/how-houthis-threaten-us-control-over-global-shipping/) and rising piracy, geopolitical tensions could disrupt other key routes. Without U.S. intervention, free trade will face rising shipping and insurance costs.

Trump frequently changed tactics in his first term, mixing threats with negotiations. If his tariff strategy falters, voices like [Kent Lassman’s](https://static.project2025.org/2025_MandateForLeadership_CHAPTER-26.pdf) in Project 2025, calling for a return to free trade, may gain traction. But Trump has been warning of trade imbalances since the 1980s, when Japan and West Germany were his main targets. He seems determined to make reversing it central to his legacy, this time focusing on China.

Scrapping the old, in his view, unreformable system, and embracing whatever follows is based on the belief that the U.S. is best positioned to shape the new system. The question now is which countries will support that shift or be forced to. Whether a complete globalization teardown occurs or not, he appears ready to push as hard as possible within constraints. As evidenced by much of MAGA’s merchandise [still being made in China](https://www.firstpost.com/world/trump-says-buy-american-but-he-buys-from-china-chinese-firms-made-maga-merchandise-say-reports-13879821.html), dismantling Beijing’s advantages in global trade will not be easy.