**Is it true that tariffs on Chinese goods benefit Americans?**

**This is a myth that adds to our anger of China and Chinese goods.**

For many years, through multiple Administrations, the American public has been led to believe that trade tariffs benefit America, first, in taxes collected from foreign governments (including China), and second, that jobs would return to America. and our national security would be improved. We all wish that it is/was true.

These myths have been expounded by many officials, including presidents, but are not true. Neither China, nor other foreign governments, sends money to the US Treasury based on our foreign trade tariffs.

Here is what is really happening. The tariffs levied on imported Chinese (and other foreign goods), are first paid by our businesses that import all foreign goods that are levied tariffs. This added expense, recovered by businesses with mark ups on these same goods purchased by Americans. Thus the American customers really are paying taxes for goods our government levies tariffs. The manufacturing jobs transferred to China are rarely returned, **Unacknowledged**, are millions of jobs are created to transport (port workers, truck drivers), process the millions of tons of merchandise (thousands of workers have jobs to handle and process the huge amount of products imported from China). We must also realize that many products, including cars, have components that are totally, or partially, made in China. There are many invisible jobs involved.

Major companies, think of Costco, Walmart, would dramatically downsize, if goods, partially, or totally made in China, were no longer available.

Many major businesses have been silent, as our senior federal officials have declared China as a major threat to America, and some have even declared China as an existential threat to America.

On February 18, 2021, the U.S. Chamber of Commerce, warned that a cold war with China would have "serious consequences for U.S. businesses." The Chamber estimates that the cost just to our airline industry would be as much as $51 billion annually, and around 200,000 airline jobs would be lost.

Regarding the semi-conductor industry, there is forecasted that the lost of semiconductor business of at least $83 billion, and also the loss of 124,000 jobs.

Regarding our threats to decouple with China, the Chamber warns that "If not staged properly, could have very damaging impacts for U.S. businesses."

Many people have not realized, but in the past few decades, the world has been very interconnected and globalized, and no country can be totally independent and self sufficient, unless it spends a lot of money, effort, and time to restructure a nation. It is doubtful that any nation can become totally independent. To become totally independent, would require to have access to vast amounts of natural resources and a large, healthy labor force and an educated work force that has jobs. That nation would also need to be wealthy and not burdened with a significant amount of national debt.

=============================================

**Sources:**

***''China Rift Would Be Costly to Business, Group Says," Bob Davis, WSJ, 210218, A4***

Washington - The U.S. Chamber of Commerce is warning that rising tensions with China could have serious consequences for U.S. businesses, laying out a worse-case scenario where some major U.S. industries would be crippled.

Full decoupling - meaning a complete cutoff of sales to China-would cost the U.S. aircraft and aviation industry between $38 billion and $51 billion in sales annually the report estimates. That would translate to between 167,000 and 225,000 jobs lost.

Simularly, an end of U.S. semiconductor sales to China would cost the industry $83 billion in revenue and 124,000 jobs, according to the report "Understanding U.S.-China Decoupling."

The scenarios laid out in the 88 page report envision a complete end to sales between the two intertwined economic super-powers - the kind of outcome that is likely to happen in an all-oout war.

Still, the Chamber argues, it is important to contemplate extreme cases as a way to focus policy makers on the costs involved in battling China.

"If not staged properly," and wielded properly," said Jeremy Waterman, the Chamber's China chief, U.S. policies "could have very damaging impacts for U.S. businesses."

The report, aimed at policy makers and business leaders, comes as a Biden administration has begun a broad review of U.S.- China policy, which is steered by appointed officials with sometimes divergent viewpoints.

Charles Freeman, the Chamber's senior vice president for Asia, said policy makers need to understand the potential negative impact of their actions and figure out ways to also work with China.

"The goal is to make sure that the administration takes a whole-of -government approach to China," he said, which involves "pursuing a collaborative agenda," as well as addressing areas of competition and confrontation.

The U.S. Chamber report follows a similar report by the European Union Chamber of Commerce in China, which warned its members to prepare for continuing battles between the U.S. and China-both huge markets for European businesses.

***"Clash of Civilizations," Lecture by our author, Roger Dong***