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U.S.-China trade is going to shrink. It should.

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A smaller relationship is better than accepting unbalanced market access: Opposing view



(Photo: STR via AFP/Getty Images)

The United States is about to apply 10 percent tariffs to \$200 billion more imports from China. The rate is scheduled to hit 25 percent Jan. 1. If Beijing retaliates, President Donald Trump promises tariffs on almost all imports from China.

The back-and-forth will continue, but a bottom line has emerged: The Sino-American economic relationship is going to shrink, perhaps violently.

The actions fit the president's long-standing belief that the deficit with the China seriously harms America. He sees Chinese retaliation as an unacceptable attempt to maintain that deficit. His 10 percent tariffs mean that Chinese goods will be about as competitive as last spring, before an 8 percent drop in the Chinese currency.

As a result, the bilateral deficit could grow. At midyear, the goods and services deficit was heading for \$358 billion for 2018. It was \$308 billion in 2016 under President Barack Obama. President Trump may see tariffs as his only politically acceptable choice.

OUR VIEW: [Tariffs on China are a tax on Americans \(/story/opinion/2018/09/23/donald-trump-china-tariffs-tax-american-consumers-editorials-debates/1378481002/\)](https://www.usatoday.com/story/opinion/2018/09/23/donald-trump-china-tariffs-tax-american-consumers-editorials-debates/1378481002/).

China promised retaliation but didn't abandon negotiations. The key to talks is President Trump's participation, but his role should be limited.

In 2001, when China joined the World Trade Organization, bilateral trade was 1.2 percent of U.S. gross domestic product. Last year, it was 3.6 percent. This is too much for a flawed partner uninterested in economic reform.

The initial trade inquiry was launched because China steals and coerces the transfer of intellectual property. But tariffs are being applied even to companies that respect IP.

It is definitely impossible for trade with China to be reciprocal, because its state-owned enterprises are so subsidized. America should be concentrating sanctions on these subsidized firms. But President Trump dislikes complex sanctions. Merely talking to China has accomplished nothing.

Tariffs will be painful. But a smaller relationship is better than accepting unbalanced market access and mass intellectual property infringement.

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