

New reactionary Trump measures to intensify trade war

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The Trump administration is seeking to open a new front in its global trade war by accusing a wide range of countries of participating in schemes to allow Chinese goods into the US at a lower rate of tariff than they would otherwise be charged.

The new initiative is set out in a document issued by the Office of Trade and Manufacturing Policy earlier this month, entitled “The Great Transshipment Scam.” In a crude attempt to link up with interest in the Christopher Nolan movie *Odyssey* the document features a Trojan-style wooden horse on the front cover.

The department is headed by the rabid anti-China hawk Peter Navarro.

Commenting in the report he said: “For years, the great transshipment scam has let communist China launder its exports to more than 40 countries, rob our Treasury of billions of dollars and steal the pay cheques of billions of American workers.”

The basis of the report is that virtually the entire world is somehow involved in a giant conspiracy against the US.

The 40 countries pointed to by Navarro include the major trading partners of the US such as Canada, the European Union, India, Israel, Japan, Mexico, South Korea and Taiwan.

But there is a second tier, according to the document, which combine integration into China-linked supply chains with significant illegal transshipment volumes. These include Brazil, Indonesia, Malaysia, Thailand, Turkey and Vietnam. These countries “possess sufficient industrial scale, port capacity, supplier infrastructure, manufacturing depth of logistics capacity to move significant volume of China-linked goods into US-bound trade flows.”

And there are more. A third tier, which contains the largest number of countries—Cambodia, Laos, Panama, Costa Rica are named among many others—which have capacities which made them “attractive opportunistic

targets for China-linked rerouting.”

Reading the report, it is hard to think of a country which is not part of a supposed giant China-organised global operation against the US.

At first glance it might appear that the report is the expression of some kind of madness. But there is an underlying logic and economic reality.

The driving force of the US railing against a giant Chinese conspiracy is the vast change in the structure of the global economy over the past 40 years. This is the development of a highly integrated global production system with complex transportation, communication, and financial interconnections which has undermined previous US economic supremacy.

Navarro is just one of the more extreme expressions of the thinking in key sections of the US ruling class that its economic decline must be countered by all means available, including tariffs, financial sanctions and war, above all against China, which is being actively prepared.

The document is based on the big lie which sits at very centre of US tariff policy—that tariffs are an impost on the exporter, rather than a tax paid by the importer in the US, which is often then passed on to the consumer in the form of higher prices.

That fiction has been exposed by official US facts and figures. When he imposed so-called “reciprocal tariffs” on virtually every country in the world in April 2025, Trump claimed they would be paid for by foreign countries and corporations which would provide hundreds of billions of dollars for the US Treasury, possibly even making income tax unnecessary.

As recently as his 2026 State of the Union address, he declared: “As time goes by, I believe that tariffs, paid for by foreign countries will, like in the past, substantially replace the modern-day system of income tax, taking a great financial burden off the people I love.”

Shortly after that, the Supreme Court ruled that the

tariffs were illegal under the legislation through which they were imposed. But while the case went through the US courts, it was ruled they could be collected until a final determination was made.

The result of the decision has meant that US firms, which actually paid the taxes, not foreign countries or corporations, are legally entitled to a refund. And large amounts of money have already been paid, above all to major US companies.

Apple has received \$2.2 billion, Nike \$986 billion, FedEx around \$800 million, Amazon \$640 million and General Motors \$500 million, with more to come.

According to a report in the *Wall Street Journal*, where these figures were published, US Customs and Border Protections has received “just over 252,000 refund applications as of July 31 for tariffs declared illegal by the Supreme Court” and had accepted for processing claims amounting to \$128.7 billion.

The Trump regime, however, has not abandoned its tariff war but has put in place a patchwork network to continue it. But this has exacerbated what it designates the transshipment scam.

According to the report: “Transshipment is driven by exporters taking advantage of differences in US tariff treatments across countries.” In other words where transshipment does take place it has been facilitated by the nature of the Trump’s application of tariffs.

They are higher for some countries, above all China, and lower for others and have been imposed under different pieces of legislation, sometimes applying to all goods from a given country and at times applying to specific products whatever their country of origin.

Tariffs do have an effect on exporters to the US but only inasmuch as they raise the price for their products, not because the exporters pay the tariff as Trump and his acolytes continually insist.

And the report itself acknowledges what it sees as the problem of transshipment has been created by the policies of the administration itself, noting that the net effect of the administration’s policies on illegal transshipment “remains unresolved” and that “tariff differentials increase the incentive to illegally transship.”

It is doubtful that a more chaotic trade and tariff policy has ever been devised. But its contradictions—creating an illegality where none existed before—do not spring from the fevered brains of Trump and members of his administration but from the fact their policies are in the deepest historical sense reactionary.

That is, they are advanced on the basis of a nationalist

economic agenda, trying to secure the maintenance of American economic hegemony, under conditions where the foundations on which the nation-state system and US hegemony rested have been swept aside by the development of globalised production.

A commodity can no longer be stamped as made in China, made in Germany, made in the US or any other country but is the product of global labour—the integration of high-tech developments, manufacture of components, the assembly of final products into a unified system of production.

These objective developments, rooted in the development of the productive forces themselves, make clear not only the possibility of a planned world socialist economy but its necessity for the resolution of the contradictions of the capitalist system because the response of the Trump regime is to double down on its irrational and reactionary agenda.

The final section of the Navarro report is entitled “The AI Detective Border: A Global Warning.”

Significantly, it links the work of the Customs and Border Protection department to the events of 9/11—the pretext used for the “war on terror”—when its predecessor set up a system to track cargo, travellers and identity “national security threats.”

Now this system is being expanded using AI to establish what the document called the AI Detective Border.

Declaring the new system a “warning to the world,” it said: “The United States under President Trump will simply not allow its defense and industrial foundation to the hollowed out by trade fraud masquerading as commerce. The same advanced data systems that map global supply chains for industry will now illuminate them for enforcement.”

While there was no direct reference to the means of such enforcement, the implications are clear. Under conditions where its efforts so far to advance the America First agenda via tariffs have not proved successful, and are throwing up one contradiction after another, there will be an increasing resort to mechanical, that is, military means, with China the main target.



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