

Trump Reverses Course on Global Tariffs, Announcing 90-Day Pause

The president further raised already steep tariffs on China, saying that Beijing should not have retaliated against his earlier trade actions.

**By Ana Swanson and Tony Romm
New York Times**

President Trump on Wednesday abruptly reversed course on steep global tariffs that have roiled markets, upset members of his own party and raised fears of a recession. Just hours after he put punishing levies into place on nearly 60 countries, the president said he would pause them for 90 days.

But Mr. Trump did not extend that pause to China, opting instead to raise tariffs again on all Chinese imports, bringing those taxes to a whopping 125 percent. That decision came after Beijing raised its levies on American goods to 84 percent on Wednesday afternoon in an escalating tit-for-tat between the world's largest economies.

In a post on Truth Social, the president said that he had authorized "a 90 day PAUSE" in which countries would face "a substantially lowered Reciprocal Tariff" of 10 percent. As a result, nearly every U.S. trading partner now faces a 10 percent blanket tariff, on top of 25 percent tariffs that Mr. Trump has imposed on cars, steel and aluminum.

Slumping markets quickly rallied after Mr. Trump's post. The S&P 500 climbed several percentage points in a matter of minutes and closed with a rise of more than 9 percent, sharply reversing days of losses. Wednesday was the best day for the S&P 500 since the recovery from the 2008 financial crisis.

Nearly every stock in the index rose. Airlines, some tech companies and Tesla were among those companies to soar over 20 percent. Shares of automakers rose sharply even though 25 percent tariffs on imported cars remain in place. Ford and General Motors both rose more than 7 percent.

Mr. Trump, who for days had insisted he was not concerned about the market rout, acknowledged on Wednesday that the downturn had fed into his decision.

"Over the last few days it looked pretty glum," Mr. Trump said. "I thought that people were jumping a little bit out of line," he said, in explaining his decision. "They were getting yippy. They were getting a little bit afraid."

Mr. Trump's change in course came amid a sharp sell-off in [U.S. government bond markets](#) and the dollar, which are typically seen as the safest corner for investors during

times of turmoil. Investors large and small had watched trillions in stock market value vanish in a matter of days, and economists increasingly sounded urgent alarms that the United States might be careening toward a recession of its own making.

Asked Wednesday if the bond market reaction had caught his attention, Mr. Trump said he noticed over the weekend that investors were getting “queasy.”

“I was watching the bond market; the bond market’s very tricky, but if you look at it now, it’s beautiful,” he said.

The 90-day halt to tariffs ultimately caused stock prices to skyrocket, prompting the president to suggest on the sidelines of an event at the White House that the gains might have set a “record.”

Earlier in the day, Mr. Trump had told Americans to “BE COOL!” and quickly followed up with a post saying “THIS IS A GREAT TIME TO BUY!!!”

That prompted some Democrats to suggest that Mr. Trump was intentionally manipulating stock markets. In a hearing in the House of Representatives Wednesday, several Democrats questioned Jamieson Greer, the U.S. trade representative, about the president’s aim.

“It’s not market manipulation,” Mr. Greer said. “We’re trying to reset the global trading system.”

The president announced last week that he would raise tariffs to levels not seen for a century, a change he said would make global trade more fair even if it caused some “discomfort.” As markets gyrated, Mr. Trump and his advisers insisted that they were committed to keeping the tariffs on until other countries lowered their trade barriers and made other economic changes.

Dozens of foreign countries raced to assemble delegations to appeal to the Trump administration. In his hearing on Wednesday, Mr. Greer said he had meetings Tuesday with officials from Europe, South Korea, Ecuador and Mexico, in addition to conversations with countries such as the United Kingdom in recent weeks.

Vietnamese officials had offered to cut their tariffs on American apples, cherries and ethanol, and brought along a term sheet to a meeting spelling out changes they were willing to make, Mr. Greer said. He predicted the negotiations would lead to “open markets overseas,” creating a “virtuous cycle” for American manufacturing.

Mr. Greer criticized the typical way to negotiate trade deals, describing them as “where you ask others nicely to give you market access and to do a dialogue with you for several years, and at the end you have no more market access.”

“And then there’s the Trump way,” he added.

As the hearing was nearing its end, Mr. Trump sent out his post announcing the pause, which took the gathering by surprise and rippled through the chamber.

“This is amateur hour,” shouted Representative Steven Horsford, Democrat of Nevada. “It looks like your boss just pulled the rug out from under you.”

But while Mr. Trump lowered tariffs on most countries globally, at least until July 9, Wednesday’s events left punitive tariffs in place on China, the second-largest source of U.S. imports last year.

China makes the bulk of the world’s cellphones, computers, toys and many other products. When those items are brought into the United States, importers — most of which are American companies — are expected to pay more than the cost of the item itself in fees to the government.

Beijing and Washington have been engaged in a tit-for-tat conflict since Mr. Trump returned to the White House. The president has vilified China as an economic aggressor whose entry into the World Trade Organization decimated workers and communities across the United States. While China has become a manufacturing powerhouse, many U.S. industries have benefited from access to the Chinese market.

Asked on Wednesday whether he expected to continue raising levies on China, Mr. Trump said no and suggested he was waiting for a call from China’s leader, Xi Jinping, so the two could work out a deal.

“China wants to make a deal,” he said. “They just don’t know quite how to go about it.”

Last week, after Mr. Trump imposed a 34 percent tariff on China, Beijing responded with an equal levy. Mr. Trump then added an additional 50 percent tariff, which China matched with a 50 percent levy of its own.

The Ministry of Commerce announced separately on Wednesday that it was putting export controls on 12 American companies and had added six more American companies to its list of “unreliable entities,” meaning they will be mostly barred from doing business in China or with Chinese companies.

Mr. Trump’s advisers quickly tried to spin his decision to remove most tariffs globally as a win and not a capitulation. Mr. Bessent said that the tariffs had worked to get some of China’s closest neighbors such as Vietnam and Cambodia to seek deals with the United States.

On Wednesday afternoon, the president told reporters that he might consider exempting some U.S. companies from the tariffs, in addition to the 90-day pause. He said his decision on this would be made “instinctively.”

Reporting was contributed by Talmon Joseph Smith, Colby Smith, Joe Rennison, Robert Jimison, Keith Bradsher and Alan Rappeport.