



## France and EU ready to face off U.S. tariff threat

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*U.S. President Donald Trump has threatened to hike up U.S. tariffs on French products at a NATO summit that marked a new low in U.S.-French relations. France and Brussels said they stood ready to retaliate if so.*

1. President Donald Trump has warned the United States could slap high duties -- up to 100 percent -- on French goods if the two countries failed to resolve a trade dispute.
2. Trump's threat, while he was in London for a tense NATO summit on Tuesday, was prompted by French plans for a digital services tax on tech giants.
3. A U.S. government investigation says the three-percent tax would harm U.S. tech companies -- like Amazon, Apple, Google and Facebook -- and also intensify a festering trade dispute between Europe and the United States.

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### UNITED STATES PRESIDENT DONALD TRUMP SAYING:

"I'm not going to let people take advantage of American companies because if anyone's going to take advantage of American companies it's going to be us, it's not going to be France. And so we're taxing, as you know, we're taxing their wines, and everything else and we have a very, very big tax to put on them."

4. Both France and Brussels said Tuesday they stood ready to retaliate.

### EUROPEAN COMMISSION SAYING:

"European Union will act and react as one."

5. This white-knuckle handshake was among many signs of a new low in Trump's testy relations with France's Emmanuel Macron.
6. They're already at odds over Trump's approach to issues such as trade and climate change.

7. If imposed -- a decision that awaits a January public hearing -- the new taxes would apply to French products worth 2.4 billion dollars, including champagne, cheese and handbags.
8. Washington has already slapped 25 percent taxes on French wine and cheese — backed by the World Trade Organization -- in response to illegal EU aircraft subsidies.
9. Trump also lashed out at his European allies before the summit, singling out Germany for low defense spending, and Macron for - quote - 'nasty' comments about NATO's so-called 'brain death'.