

Catch up: trade war escalates; America suspends Ukraine aid



China, Canada and Mexico all retaliated against **America's hefty tariffs** that went into effect on Tuesday. China swiftly responded with 10-15% levies on a range of American agricultural products. Canada followed with an announcement of 25% tariffs on American goods. Claudia Sheinbaum, Mexico's president, said her government would elaborate on its planned "tariff and non-tariff measures" at a rally on Sunday.

America suspended all **military aid** to **Ukraine** in an apparent effort to get the war-torn country to sign up to Donald Trump's plans for peace. Marco Rubio, America's secretary of state, said squeezing Ukraine was a way "to get the Russians to a negotiating table". In an interview recorded just before the announcement, J.D. Vance, the vice-president, said that Volodymyr Zelensky had displayed a "sense of entitlement" before Mr Vance's and Mr Trump's public dressing down of the Ukrainian president during a press conference last week.

Hours after America's announcement, the **European Union** proposed a fund worth €150bn (\$158bn) that would lend money to member states for [spending on defence](#). Ursula von der Leyen, the president of the European Commission, told European leaders in a letter that the bloc was ready to “massively boost its defence spending”. They will discuss the proposed instrument at a summit on Thursday.

Russia agreed to broker negotiations between **America** and **Iran** concerning the [Iranian nuclear programme](#). The Kremlin's spokesperson, Dmitry Peskov, told Bloomberg, a newswire, that Russia would “do everything in its power” to help the countries “resolve all problems through negotiations”. The comments were repeated by Russian state media. Donald Trump has vowed to put “maximum pressure” on Iran by tightening sanctions.

Anthropic raised \$3.5bn in a deal that values the American artificial-intelligence startup at \$61.5bn. The money will be used to boost its computing power amid increasingly [fierce competition](#). Last week Anthropic released Claude 3.7 Sonnet, which it claims to be its most advanced AI model. It was followed by the release of ChatGPT 4.5, the latest model by OpenAI, a rival.

TSMC said it would invest \$100bn to build new chip factories in America over the next four years. However, despite Mr Trump's hopes, the Taiwanese chipmaker will probably [continue to produce](#) the world's most advanced semiconductors at home. Mr Trump had previously accused Taiwan of “stealing” America's chip industry. TSMC has already invested \$65bn to construct three factories in Arizona.

Officials in **Japan** warned that **wildfire**, which has been raging for a week, could spread further in the coming days. The blaze broke out in the country's north-east and has torn through 2,100 hectares already. More than 1,200 people have been evacuated. Parts of the

region are experiencing their driest winter since 1946, fuelling the fires.

Figure of the day: €210bn (\$218bn), the value of Russian assets frozen in European banks. [Read the full story.](#)

Trump's first address to Congress



Donald Trump will speak to a joint session of Congress on Tuesday evening for the first time since his re-election. Though not technically a State of the Union address, it is expected to outline his domestic and [foreign-policy agenda](#). Mike Johnson, the House speaker, invited Mr Trump to give the address to present his “America First vision” to a large television audience.

The keenest viewers may not be ordinary Americans, who’ve heard a lot about his plans already, but Europeans, still shocked by his fiery meeting with Volodymyr Zelensky, Ukraine’s president, on Friday. They’ll be listening for any elaboration on Mr Trump’s attitude towards the [war in Ukraine](#) and the alliance with Europe. Fireworks are always a possibility, but so is tedium. Mr Trump’s speeches to Congress in his first term were the longest on average of those delivered by any recent president.

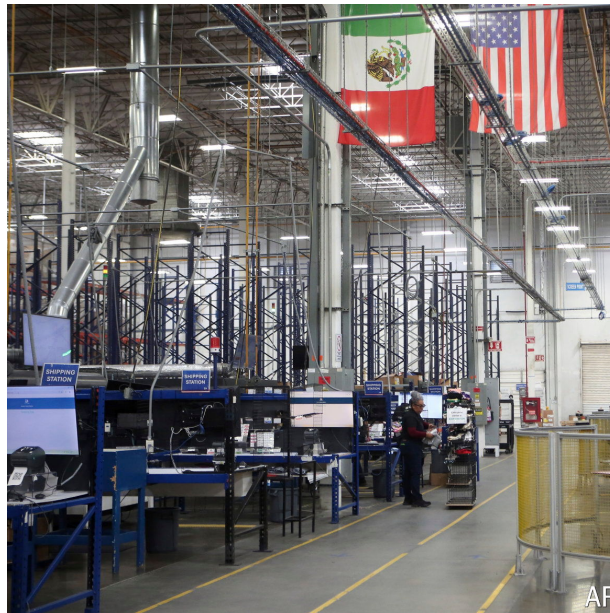
The Arab counter-plan for Gaza



When crisis strikes, the Arab League dawdles. Heads of state will gather in Cairo on Tuesday for what has been billed as an emergency summit. They will address [Donald Trump's wild talk](#) of depopulating Gaza and building a resort on the ruins. Never mind that he made his pitch a full month ago: the league has never been known for alacrity. Attendees will discuss an Egyptian counter-proposal to rebuild the enclave while keeping Palestinians on their land. They want to dissuade Mr Trump, but they also worry that America will saddle them with the task of reconstruction.

That will not be the only item on the agenda. [Ahmed al-Sharaa](#), Syria's interim president, is expected to attend—even though Egypt, which loathes Islamist politicians, had tried to keep him away. It will be his first chance to meet many Arab leaders face to face, among them Egypt's Abdel-Fattah al-Sisi and Lebanon's Joseph Aoun. They will be keen to take his measure.

Due date for Trump's tariffs



For months Donald Trump has threatened to [impose hefty tariffs](#) on goods from Canada and Mexico. Many had hoped the mercurial president might hand America's two biggest trading partners a last-minute reprieve, as he did a month ago. No such luck. At one minute past midnight local time, the tariffs took effect.

Mr Trump is drawn to the possibility of a single North American tariff wall, built to discourage imports from China. But the relentless threats and imposition of tariffs are themselves taking a toll. Consumers, worried about inflation, have turned gloomier. Uncertainty may also be discouraging investment by businesses. Even if Mr Trump backs off from tariffs on Mexico and [Canada](#), he seems set on Tuesday to slap another 10% levy on Chinese goods, on top of the 10% he imposed last month. China has taken a harder line than America's neighbours, refusing to offer concessions until Mr Trump begins serious trade talks.

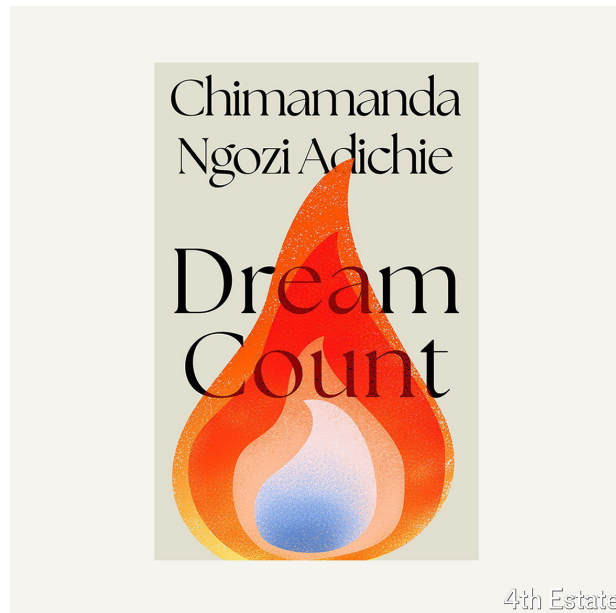
Mexico takes on American gunmakers



On Tuesday the Supreme Court of the United States will hear arguments in its first case about gun violence abroad brought by a foreign country. Mexico alleges that Smith & Wesson and six other American gun manufacturers, plus one distributor, are negligently, recklessly and sometimes unlawfully selling guns knowing that they are likely to end up in criminals' hands. The Mexican government in recent years began [legal action](#) against American gunmakers. At first American courts rejected the case, but a court of appeal then sided with Mexico.

Over 30,000 Mexicans have been murdered each year since 2017, many by gangs. Mexico has very strict gun laws; most of the arms come across its northern border. But President Donald Trump is no fan of restricting sales of American firearms. The unprecedented case opens a new arena in which the two [governments may clash](#). And if Mexico wins, other countries wracked by gun violence could follow suit.

We should not all be polemicists



Can you be a good polemicist and a good novelist? To judge by the praise offered to Chimamanda Ngozi Adichie, you can. The [Nigerian writer's](#) novels have been lavished with awards: “Americanah”, her third, was named one of the *New York Times's* 100 best books of the 21st century. Ms Adichie’s viral TED talk on feminism received an even more impressive accolade: Beyoncé sampled its lines.

Writers who are both great polemicists and accomplished novelists are rare (Emile Zola and Leo Tolstoy are among the exceptions). A polemic must tell you precisely what to think; a novel never should. A polemic is explicit; a novel implicit. In her new book, “Dream Count”, out on Tuesday, Ms Adichie tries to be both, unsuccessfully. The story of the interlocking lives of four women has too many characters, and sometimes they feel less like people than like parables.

Daily quiz



The Economist

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 GMT on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Tuesday: Who briefly replaced Jay Leno as host of “The Tonight Show” from 2009 to 2010?

Monday: Which baseball team last won the World Series in 1991?

No one ever made a decision because of a number. They need a story.

Daniel Kahneman