

Catch up: America says 104% tariffs on China will go ahead; stocks reverse gains



The White House said that an additional 50% **tariff** on imports from **China**, on top of the 34% that President Donald Trump announced last week, would go into effect on Wednesday. That would bring America's total tariff rate on Chinese goods to 104%. Earlier China [promised to retaliate](#) by imposing a 34% levy on American imports, and vowed to "fight to the end".

As Mr Trump's tariff deadline neared, Wall Street's benchmark **S&P 500 index** closed down by 1.6% on Tuesday, reversing earlier gains. Global stockmarkets had partially rebounded after three [dramatic days of sell-offs](#), and American stocks spiked over 4%. Earlier Scott Bessent, America's treasury secretary, signalled optimism about [tariff negotiations](#), saying "we can end up with some good deals".

Ukraine's president, Volodymyr Zelensky, said that his country's forces captured two **Chinese** nationals fighting with the Russian army in eastern Ukraine. He said other such fighters were suspected to be operating at the front line and that he has asked for

an explanation from China, which denies directly helping Russia's war effort. Earlier Mr Zelensky acknowledged that **Ukrainian** troops were active in Belgorod, a **Russian** border region.

America's **Supreme Court** allowed the Trump administration to [proceed for now](#) with terminating 16,000 **probationary employees** at six government agencies. A lower-court judge ruled their jobs should be reinstated after trade unions and non-profits sued; the workers are on paid leave while the case proceeds. It is the third time in recent days that America's highest court has sided with Mr Trump.

Meta said that it would require **Instagram users under 16** to get parental permission to view some live-streamed features. The image-sharing platform will also blur images thought to contain nudity in the messages of under-16s. Meta said it would also extend its "teen accounts", which filter content and restrict contact lists on Instagram, to Facebook and Messenger.

Spain's government said it would spend an additional €2bn (\$2.2bn) on defence this year as Europe seeks to rearm. The country spends just 1.3% of its GDP on defence, the [lowest level](#) in NATO; the government has said it will boost that to 2% "as soon as possible", though its official deadline is 2029. European members of the alliance face pressure from America to contribute more to their continent's security.

At least 44 people were killed and 160 injured after the roof of a nightclub in Santo Domingo, the capital of the **Dominican Republic**, collapsed on Tuesday morning. "We deeply regret the tragedy," said [Luis Abinader](#), the president, who added that relief agencies were working "tirelessly" to rescue survivors. The governor of the country's Monte Cristi province was among the fatalities.

Figure of the day: 895, the goal count with which Alex Ovechkin, a Russian ice-hockey star, topped Wayne Gretzky's once-unbreakable record. [Read the full story.](#)

We now publish our mini crossword, with a choice of straight or cryptic clues based on the headlines, twice a week. Try the [latest puzzle](#). And check back on Saturday for another challenge.

America's tense tech titans



When Google Cloud hosts its annual “Next” shindig in Las Vegas on Wednesday, the question on everyone’s mind will be how America’s tariff war will impact spending on AI-related cloud-computing. Amazon, Microsoft, Google and Meta had previously signalled they would [spend more](#) than \$300bn in total on cloud infrastructure in 2025. Such spending had helped fuel the AI stockmarket boom of recent years.

Then came President Donald Trump’s tariffs. So far semiconductors look to be exempt. But the costs of data-centre building materials as well as components such as servers, cooling gear, and networking equipment could soar. The fear of a slowdown has added to broader concerns about the so-called [Magnificent Seven](#) high-tech companies. [Apple](#) has been hit by fears that the tariffs could drive up the cost of iPhones in America. Both Apple and Tesla could face anti-American retaliation by Chinese consumers. Scott Bessent, the treasury secretary, calls the stockmarket drop “a Mag 7 problem, not a MAGA problem”. The Trump administration is not yet shedding tears for the tech titans.

India makes the best of a bad bargain



India officials have sounded upbeat about America's tariff blitz. Piyush Goyal, the commerce minister, said "the industries of India see opportunities" because the rate America levied on India, 26%, is lower than those slapped on other Asian countries such as China (34% or higher) and Vietnam (46%). Officials also hope that India can get a reprieve through [bilateral negotiations with America](#). A first round took place days before President Donald Trump's announcement.

But the brave face hides trepidation. Mr Trump could insist on concessions in areas such as e-commerce and agriculture, which could upset votebanks like farmers. And his tariffs could hurt global economic growth. To buttress India's economy, the central bank is expected to announce a rate cut when a three-day meeting of its monetary-policy committee ends on Wednesday. That decision has been made easier by two side-effects of Mr Trump's tariffs: falling oil prices have eased inflationary pressures, and the dollar's weakening has helped stem the Indian rupee's recent slide.

Latin America stands divided



The summit of the Community of Latin American and Caribbean States will attract rare attention on Wednesday. As the region grapples with Donald Trump's trade tariffs and his hardline stance on migration, there are renewed calls for unity among its 33 members—and a joint regional response. Mexico's president, Claudia Sheinbaum (pictured), and her Brazilian counterpart, Luiz Inácio Lula da Silva, will attend the meeting in Tegucigalpa, the Honduran capital.

But don't expect more than symbolic declarations of solidarity. Latin America, which got off relatively lightly on tariffs, remains fragmented economically, politically, and diplomatically. Intra-regional trade and co-operation have always been weak. Political divisions and national self-interest are strong. Many governments believe they stand to gain more by negotiating bilaterally with America—whether by cracking down on migration flows, as [Ms Sheinbaum is doing](#), or, like El Salvador's president, [Nayib Bukele](#), by agreeing to accept deportees into his high-security prisons.

Congo sits down with M23



Rebels from the Rwanda-backed M23 group in the east of the Democratic Republic of the Congo withdrew from the strategic town of Walikale last week, after capturing it and threatening the city of Kisangani, some 450kms away. The retreat, the rebels said, was a goodwill gesture to foster peace talks. M23 has captured eastern Congo's two [largest cities](#) since January, killing thousands of people and destroying the national army in the region.

Although Congolese officials have resisted direct talks with the rebels, whom they view as [pawns of Rwanda](#), the government's defeats mean they have little choice. On Wednesday face-to-face talks are expected to begin in Doha, Qatar's capital. But the secretive meetings could yet be called off. Earlier negotiations have failed. Last month the rebels pulled out of talks in Angola with Congolese government representatives at the last minute. They said that Western sanctions imposed on M23's leaders undermined the basis of dialogue.

Trump's man in space



On Wednesday America's Senate will begin confirmation hearings for [Jared Isaacman](#), Donald Trump's nominee to run NASA. Mr Isaacman is an unusual choice: an agency outsider and private astronaut, he quit high school to start a payments company that made him a billionaire.

Mr Isaacman has pleased many space enthusiasts by expressing dislike for the giant aerospace contractors upon which NASA has relied in the past, preferring to steer the agency towards a new generation of faster-moving space startups. But expect some sharp questions too: Mr Trump's administration is reportedly considering cuts of up to 50% to NASA's science budget. And Mr Isaacman's links to [Elon Musk](#), whose rocketry firm SpaceX is now one of NASA's biggest contractors, may prove a sticking point with some senators. Mr Musk's suggestion that the International Space Station should be scrapped early, for instance, will have irritated Ted Cruz, the committee's chairman, since it would mean job losses in his state of Texas.

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 BST on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Wednesday: Which muscular actor played Khal Drogo in “Game of Thrones” and Aquaman in various DC movies?

Tuesday: Which singer won Grammy awards for “The Rose” and “Wind Beneath My Wings”?

Be prepared, and be careful not to do your good deeds when there's no one watching you.

Tom Lehrer