

**Date and Time:** Sunday, June 9, 2019 3:58:00 PM JST

**Job Number:** 90516553

**Documents (100)**

1. The Trade War’s Next Battle Could Be China’s Access to Wall Street

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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2. Acting Defense Chief Tries to Cool Hostilities With China as Trade War Heats Up

**Client/Matter:** -None-

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3. China Steps Up Trade War and Plans Blacklist of U.S. Firms

**Client/Matter:** -None-

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4. As Trade War Rages, China’s Sway Over the U.S. Fades

**Client/Matter:** -None-

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5. Trump Gives Farmers $16 Billion in Aid Amid Prolonged China Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

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6. As Trade War Spreads to Mexico, Companies Lose a Safe Harbor

**Client/Matter:** -None-

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7. China, Stepping Up Trade War, Plans a Blacklist of U.S. Firms

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8. China Faces New ‘Long March’ as Trade War Intensifies, Xi Jinping Says

**Client/Matter:** -None-

**Search Terms:** Trade War

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9. Trade War Undercuts China's Sway In the U.S.

**Client/Matter:** -None-

**Search Terms:** Trade War

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10. Stocks Rebound as U.S.-China Trade War Enters New Stage

**Client/Matter:** -None-

**Search Terms:** Trade War

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11. Alibaba Reports Slower Growth as U.S.-China Trade War Intensifies

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**Search Terms:** Trade War

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12. U.S.-China Trade War: The Consequences

**Client/Matter:** -None-

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13. U.S.-China Trade War: The Consequences;letters

**Client/Matter:** -None-

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14. U.S. Renews Trade War Against China as Talks End Without Any Deal

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15. Larry Kudlow Breaks With Trump, Saying ‘Both Sides Will Pay’ in Trade War With China

**Client/Matter:** -None-

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16. Chip Makers Are Punished as the Trade War Drags On

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17. Trump’s Trade War Escalation Will Exact Economic Pain, Adviser Says

**Client/Matter:** -None-

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18. Why Markets Aren’t Sweating the U.S.-China Trade War Much: The ‘Trump Put’

**Client/Matter:** -None-

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19. Why the U.S.-China Trade War Could Be Long and Painful: No Offramps

**Client/Matter:** -None-

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20. Markets Dip Amid Trade War Jitters

**Client/Matter:** -None-

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21. China's Propaganda Adds Its Take on Trade War

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22. Mnuchin Presses Retailers On Plans Amid Trade War

**Client/Matter:** -None-

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23. Trump’s Trade War Threat Poses Problems for China and Investors

**Client/Matter:** -None-

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24. Fear of Intensifying Trade War Ricochets Through Economy

**Client/Matter:** -None-

**Search Terms:** Trade War

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25. Lack of Face-Saving Options Could Drag Out a Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

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26. Wall Street’s Slump Continues Over Trade War Concerns

**Client/Matter:** -None-

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27. As Trump Moves to End Trade War With China, Business Asks: Was It Worth It?

**Client/Matter:** -None-

**Search Terms:** Trade War

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28. If There’s a U.S.-China Trade War, China May Have Some ‘Unconventional Weapons’

**Client/Matter:** -None-

**Search Terms:** Trade War

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| **Content Type** | **Narrowed by** |
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29. Stocks Rise After U.S. and China Agree to Halt Escalation of Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

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30. Wall St. Closes Lower, as a U.S.-China Trade War Looms

**Client/Matter:** -None-

**Search Terms:** Trade War

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31. Talks to End U.S.-China Trade War Now Shift to Make-or-Break Rounds

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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32. New Round of U.S.-China Trade War Rattles Global Markets

**Client/Matter:** -None-

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33. As U.S.-China Trade War Rages, Some Australian Farmers See an Opportunity

**Client/Matter:** -None-

**Search Terms:** Trade War

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34. How to Tell if the Trade War Is Starting to Damage the U.S. Economy

**Client/Matter:** -None-

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35. When It Comes to a Trade War, China Takes the Long View

**Client/Matter:** -None-

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

36. When It Comes to a Trade War, China Takes the Long View;On Money

**Client/Matter:** -None-

**Search Terms:** Trade War

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37. U.S. and China Expand Trade War as Beijing Matches Trump’s Tariffs

**Client/Matter:** -None-

**Search Terms:** Trade War

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38. U.S. and China Call Truce in Trade War

**Client/Matter:** -None-

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39. In a Trade War, China Might Boycott U.S. Goods. That Could Backfire.

**Client/Matter:** -None-

**Search Terms:** Trade War

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40. Is Trump Serious About Trade War? China’s Leaders Hunt for Answers

**Client/Matter:** -None-

**Search Terms:** Trade War

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41. Thinking About a Trade War (Very Wonkish);Op-Ed Columnist

**Client/Matter:** -None-

**Search Terms:** Trade War

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42. Trump’s Trade War With China Is Officially Underway

**Client/Matter:** -None-

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43. China Vows Retaliation If U.S. Starts Trade War

**Client/Matter:** -None-

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44. How Rare Earths (What?) Could Be Crucial in a U.S.-China Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

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45. China Envoy Seeks to Defuse Tensions With U.S. as a Trade War Brews

**Client/Matter:** -None-

**Search Terms:** Trade War

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46. U.S. and China Take a Step Back From Trade War

**Client/Matter:** -None-

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47. Soybean Surge Makes the U.S.-China Trade War Look Deceptively Good

**Client/Matter:** -None-

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48. Why China Is Confident It Can Beat Trump in a Trade War

**Client/Matter:** -None-

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49. To Ease Pain of Trump’s Trade War: $12 Billion in Aid for Farmers

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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50. Amid Fears of Trade War, Trump Predicts China Will Relent

**Client/Matter:** -None-

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51. Trump Aims New Threat at China as Mnuchin Warns of Trade War

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52. Trump Hits China With Tariffs on $200 Billion in Goods, Escalating Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

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53. As Trade War Intensifies, China Moves to Bolster Its Economy

**Client/Matter:** -None-

**Search Terms:** Trade War

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55. A Trade Skirmish May Not Mean a Trade War Is Near

**Client/Matter:** -None-

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56. What a Trade War With China Looks Like on the Front Lines

**Client/Matter:** -None-

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57. As Trade War Persists, Mnuchin Says China Talks Have ‘Broken Down’

**Client/Matter:** -None-

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58. White House Tries to Tamp Down Trade War Fears as China Retaliates

**Client/Matter:** -None-

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59. China to Pump $175 Billion Into Its Economy as Slowdown and Trade War Loom

**Client/Matter:** -None-

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60. Qualcomm May Be Collateral Damage in a U.S.-China Trade War

**Client/Matter:** -None-

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61. Trump Doubles Down on Potential Trade War With China

**Client/Matter:** -None-

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62. Stocks Fall as Wall St. Turns Its Focus to Escalating U.S.-China Trade War

**Client/Matter:** -None-

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63. Why China Is Confident It Can Beat Trump in a Trade War

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64. How U.S. Criminal Laws Became Weapons in the China Trade War

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66. Looking for an Easy-to-Win Trade War of My Very Own;Essay

**Client/Matter:** -None-

**Search Terms:** Trade War

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67. Trump’s Trade War Leaves American Whiskey on the Rocks

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68. Bloomberg Moves New Forum for Elites From China Amid Fallout of Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

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69. Will Art Become a Casualty of the U.S.-China Trade War?

**Client/Matter:** -None-

**Search Terms:** Trade War

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70. Trump’s Trade War Spooks Markets as White House Waits for China to Blink

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

71. Chinese Companies Flocked to U.S. Markets in 2018. The Trade War May Have Had a Role.

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

72. The American Casualties of Trump’s Trade War;Feature

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

73. China Seeks Allies as Trump’s Trade War Mounts. It Won’t Be Easy.

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

74. A $12 Billion Program to Help Farmers Stung by Trump’s Trade War Has Aided Few

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

75. Trump Starts a Trade War, but the Path to Success Remains Unclear

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

76. DealBook Briefing: The Trade War Isn't Over. It's Just on Hold.

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

77. Trade War Escalates. Stock Markets Shrug. Here’s Why.

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

78. The Unknowable Fallout of China’s Trade War Nuclear Option;Dealbook

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

79. Trade War With China in Aisle 12

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

80. German Growth Slips as Trump's Trade War Starts to Bite

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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81. German Growth Stagnates as Trump Trade War Starts to Bite

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

82. Trump’s Steel Tariffs Raise Fears of a Damaging Trade War;Analysis

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

83. China Vows Retaliation if Trump Engages in Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

84. Bumbling Into a Trade War;Op-Ed Columnist

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

85. In China Trade War, Apple Worries It Will Be Collateral Damage

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

86. Aid Is Scarce For Farmers In Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

87. U.S. and China Soften Trade War Rhetoric, and Markets Take Heart

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

88. A Trade War Could Leave Investors With Few Places to Hide

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

89. DealBook Briefing: The China Trade War Could Decimate Deal-Making

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

90. Trump Embraces a Trade War, Which Could Undermine Growth

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

91. Trump Embraces a Trade War, Which Could Undermine Growth

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

92. Trump Declines to Label China a Currency Manipulator as Trade War Brews

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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93. U.S. Allies Gird for a Trade War

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

94. A Trade War Hits Home for U.S. Cheesemakers

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

95. DealBook Briefing: China's Ready for a Trade War. Your Move, Mr. Trump.

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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96. U.S. Opens Inquiry Into Uranium Imports in Sign That Trade War Is Spreading

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

**Narrowed by:**

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| **Content Type** | **Narrowed by** |
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97. U.S. Allies Brace for Trade War as Tariff Negotiations Stall

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

98. Trump’s Ace in the Hole in Trade War: A Strong Economy

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

99. The Week in Business: Stock Market Falters, and the U.S.-China Trade War Brings Drama to the G-20

**Client/Matter:** -None-

**Search Terms:** Trade War

**Search Type:** Natural Language

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

100. The Week in Business: Stock Market Falters, and the U.S.-China Trade War Brings Drama to the G-20;with interest

**Client/Matter:** -None-

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| News | Publisher: The New York Times Company; Publication Type: Newspapers; Timeline: Jan 20, 2017 to Jun 02, 2019 |

**The Trade War’s Next Battle Could Be China’s Access to Wall Street**

The New York Times

May 28, 2019 Tuesday 15:43 EST

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**Section:** BUSINESS

**Length:** 1485 words

**Byline:** Keith Bradsher and Ana Swanson

**Highlight:** As some inside and outside the White House call for weakening ***China***’s links to ***U.S***. financial markets, e-commerce giant Alibaba is considering listing its shares in Hong Kong.

**Body**

BEIJING — President Trump’s ***trade war*** with ***China*** has prompted a broad rethinking of how the two economies have become so intertwined, leading some manufacturers to trim supply chains in ***China*** and American authorities to   start cutting off crucial technology for Chinese companies.

Now another important area is getting a close look: financial markets.

Some ***trade*** experts and others urging the Trump administration to keep a hawkish stance are discussing whether the White House should curb ***China***’s access to Wall Street. Chinese companies have raised tens of billions of dollars through American financial markets in recent years.

Stephen K. Bannon, Mr. Trump’s former chief strategist, said there were continuing efforts inside and outside the administration to rethink ***China***’s role in American stock markets, in part because of a lack of transparency about the ultimate owners of Chinese companies.

“The New York Stock Exchange and Nasdaq are breaching their fiduciary responsibility to institutional investors, the pension funds of hardworking Americans,” Mr. Bannon said. “It’s outrageous. All of it should be shut down immediately.”

Adding fuel to the discussion, Alibaba, the Chinese e-commerce giant that held a hugely successful initial public offering in New York five years ago, is now considering also listing its shares in the semiautonomous Chinese city of Hong Kong, according to a person familiar with the matter. The person, who asked for anonymity because the discussions were not public, said that geopolitical worries were not the driving force for considering the listing.

As the ***United States*** ramps up other barriers to ***trade***, the outlook for the financial sector on both sides of the Pacific is starting to change, part of a broader decoupling between the two economies.

“There are growing calls on the ***U.S***. side for complete decoupling, which is causing Chinese enterprises to re-evaluate their reliance not just on ***U.S***. technology but also on other ***U.S***. resources, including financial markets,” said Andy Mok, a senior fellow at the Center for ***China*** and Globalization, a leading research group in Beijing.

***China*** has long considered Wall Street an ally.

In the late 1990s, Beijing appealed to senior financial executives to lobby the Clinton administration to allow it to join the World ***Trade*** Organization, the club of nations that sets global ***trade*** rules. Senior executives of major firms like Goldman Sachs and the Blackstone Group   often meet with top Chinese leaders. They have also acted as go-betweens, counseling Trump administration officials on how the ***trade war*** is being received both in ***China*** and on Wall Street.

Big banks see the fast-growing country as an important source of business, even if they have largely been blocked from competing in ***China***’s tightly controlled financial system. Chinese companies have raised tens of billions of dollars through American financial markets in recent years. Wall Street banks have earned big fees from advising Chinese businesses on initial public offerings and on   acquisitions of American businesses and real estate.

“***China*** is full of amazing entrepreneurs whom we look forward to welcoming,” said Robert H. McCooey Jr., a senior vice president of listing services at Nasdaq.

The Trump administration hasn’t announced any moves to cut off ***China***, and Chinese companies continue to enjoy access to American markets. Just two weeks ago, Luckin Coffee, a Chinese competitor to Starbucks, surged in its ***trading*** debut in New York, though its shares have since ***traded*** lower.

But skepticism is growing among some administration officials and legislators about the presence of Chinese companies on American capital markets and in major stock indexes.

In a letter in April, a bipartisan group of senators including Marco Rubio, a Republican from Florida, urged the administration to increase disclosure requirements for Chinese companies listed in the ***United States*** that pose national security risks or are complicit in human rights abuses.

The letter named HikVision, which the Trump administration is considering blocking from purchasing America components over its role in the surveillance and mass detention of Uighurs, a mostly Muslim ethnic minority. HikVision is a component of MSCI stock indexes, and its investors have included UBS, J. P. Morgan, and the public pension funds of teachers in California and New York.

“Americans would likely be very troubled, if not outraged, to learn that their retirement and other investment dollars are funding Chinese companies with links to the Chinese government’s security apparatus and malevolent behavior,” the letter read.

It’s not clear how much credence such ideas have with the president and his current advisers. But if Washington did act, ***China*** has its own way to strike back.

Chinese entities, mainly the country’s central bank and sovereign wealth fund, own at least $200 billion in shares in the ***United States***, by one estimate, giving Beijing a possible additional weapon should Chinese leaders decide to sell. ***China***’s economic policymakers are aware of that extreme option, people familiar with the policymaking said. They insisted on anonymity because of the political and diplomatic sensitivity of the issue.

Such a move could shake the American stock market, which Mr. Trump considers a barometer of his success. For many years, policymakers, economists and bankers have asked what might happen to the American economy should ***China***   suddenly dump much of the $1.3 trillion it holds in ***United States*** debt.

Selling stocks could be more potent than paring back bonds. Stock markets tend to respond to smaller sums of money than American government bonds do because the market for Treasury bills is simply so big.

***China*** is unlikely to dump shares quickly, said Mark Sobel, a former longtime Treasury official who is now the ***United States*** chairman of the London-based Official Monetary and Financial Institutions Forum. Doing so not only would upset the ***United States*** but also could mean selling shares at a loss during a temporary dip in prices, which would hurt the investment return on ***China***’s assets.

“In my experience, ***China***’s reserve managers have always acted in a professional manner and sought to promote financial stability,” Mr. Sobel wrote in an email.

In the past, Chinese government agencies have quietly and gradually sold part of their American stock holdings when they have needed extra dollars to help manage the value of the currency, said Brad Setser, an economist at the Council on Foreign Relations in New York.

Chinese firms that start changing their relationship with American financial markets now face questions over whether their moves are ***trade*** related.

Shanghai-based Semiconductor Manufacturing International Corporation, a computer chip maker ***traded*** mostly in Hong Kong, is shifting the ***trading*** of its American depositary shares from the New York Stock Exchange to the far less visible over-the-counter market. S.M.I.C., as it is known, attributed the decision to low ***trading*** volume in its shares in New York.

“S.M.I.C. has been considering this migration for a long time, and it has nothing to do with the ***trade war***” or with the trans-Pacific dispute over Huawei, a Chinese tech company, S.M.I.C. said in a statement in response to questions. “The migration requires a long preparation, and timing has coincided with the current ***trade*** rhetoric, which may lead to misconceptions.”

Alibaba has long discussed selling its shares in mainland ***China*** or Hong Kong, so it is not clear what role, if any, the ***trade war*** had in its considerations. Jack Ma, the co-founder of Alibaba, had said at a conference in January last year that he would consider whether to do another stock listing in Hong Kong.

For Alibaba, a Hong Kong share sale could allow more Chinese investors to put their money in a company that many of them use in their daily lives. Alibaba’s stepped-up discussions over listing in Hong Kong were reported earlier by Bloomberg.

With the ***trade war*** going on, Mr. Mok, at the Beijing research group, said Chinese companies were now more likely to think twice about depending on American financial markets.

“There is no desire on the Chinese side for decoupling,” he said, “but it is maybe a prudent management decision to reduce risk exposure.”

Follow Keith Bradsher and Ana Swanson on Twitter: @KeithBradsher and @AnaSwanson. Keith Bradsher reported from Beijing, and Ana Swanson from Washington. Edward Wong contributed reporting from Washington, and Paul Mozur from Shanghai.

PHOTO: Jack Ma, the Alibaba co-founder, at the New York Stock Exchange in 2014 as the company made its ***trading*** debut. Chinese companies have raised tens of billions of dollars through American financial markets in recent years. (PHOTOGRAPH BY Todd Heisler/The New York Times FOR THE NEW YORK TIMES)

**Related Articles**

* One Trump Victory: Companies Rethink ***China***

1. As ***Trade War*** Rages, ***China***’s Sway Over the ***U.S***. Fades

**Load-Date:** May 30, 2019

**End of Document**

**Acting Defense Chief Tries to Cool Hostilities With China as Trade War Heats Up**

The New York Times

May 31, 2019 Friday 22:45 EST

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**Section:** WORLD; asia

**Length:** 955 words

**Byline:** Helene Cooper

**Highlight:** Patrick Shanahan, acting ***U.S***. defense secretary, and his Chinese counterpart will both attempt to win over Asian nations this weekend at a security conference in Singapore.

**Body**

SINGAPORE — Acting Defense Secretary Patrick Shanahan sought to lower the temperature on the Trump administration’s stew of hostilities with ***China*** on Friday, saying it was imperative to look for ways for the two competing militaries to “create upside” in their relationship, even in the middle of a ***trade war***.

Mr. Shanahan barely mentioned ***China*** by name during a speech to a gathering of Asian military officials on Saturday, although he warned Beijing that “behavior that erodes other nations’ sovereignty and sows distrust of ***China***’s intentions” should stop, in a clear reference to ***China***’s militarization of disputed islands in the South ***China*** Sea.

“The ***United States*** does not seek conflict, but we know that having the capability to win ***wars*** is the best way to deter them,” Mr. Shanahan said. At the same time of Mr. Shanahan’s speech, the Pentagon released a report criticizing what it characterized as ***China***’s aggressive moves in the region.

In fact, the deep tensions between Washington and Beijing showed no signs of abating on Friday. ***China*** remained on track to impose retaliatory tariffs of 20 to 25 percent on a slew of American products starting Saturday. That move makes ***China*** a full combatant in the ***trade war*** launched by President Trump.

During a 20-minute meeting with his Chinese counterpart, Mr. Shanahan asked that the Chinese military work to enforce United Nations Security Council sanctions against North Korea. Mr. Shanahan’s spokesman, Col. Joe Buccino, said in a statement that the two men had “discussed ways to build military-to-military relations that reduce the risk of misunderstanding and miscalculation between our nations.”

Those are standard talking points for meetings between top officials who don’t have much to say to each other, and the Pentagon statement did not mention a list of contentious issues, including tariff increases, the fight over the Chinese technology giant Huawei, American weapons sales to Taiwan or ***China***’s militarization of the South ***China*** Sea.

In Beijing, a former top Chinese official denounced what he called the administration’s “bullying and America first” policy. According to Reuters, Dai Xianglong, a former chief of the Chinese central bank, told a seminar in Beijing that President Xi Jinping of ***China*** and Mr. Trump would find it “difficult” to make much progress in the ***trade*** fight when they meet in a few weeks.

Ahead of his speech at the annual Shangri-La Dialogue in Singapore, and just before he met with ***China***’s minister of defense, Wei Fenghe, Mr. Shanahan told reporters that he would call out bad behavior by ***China***.

He complained — as American officials routinely do — that ***China***’s installation of surface-to-air missiles and long runways for military aircraft on disputed islands in the South ***China*** Sea is “overkill.”

The Chinese defense minister will be making his own speech in Singapore on Sunday, so he gets to follow Mr. Shanahan. And he also was expected to complain about what ***China*** views as American expansionism on its doorstep.

After the meeting on Friday between Mr. Shanahan and Mr. Wei, American officials released a statement calling the session “constructive and productive.”

Mr. Shanahan, the statement said, “hopes to build on this evening’s discussion with future engagements.”

That’s the same thing Mr. Shanahan’s predecessor, Jim Mattis, said last October, when he met with Mr. Wei in the same room of the same Singapore hotel and posed for pictures with him in front of what looked to be the same potted plants. At that meeting, held on Oct. 18, 2018, Mr. Mattis even invited Mr. Wei to Washington for a visit.

But two months later, Mr. Mattis had resigned his post and now, five months after that, Mr. Wei was going through the same protocol with a new American defense secretary, albeit one who has not yet been confirmed.

Mr. Shanahan’s confirmation hearing is expected in June, but no date has yet been set. He mayface an uphill battle given concerns over his lack of military experience and his deep ties to Boeing, where he worked for 30 years.

Kori N. Schake, a former national security aide to President George W. Bush and deputy director-general for the International Institute for Strategic Studies, noted that for the past two years, when Mr. Mattis attended the same conference in Singapore, his speeches were followed by skeptical questions from audience members, which include Asian defense ministers wanting to know whether he spoke for Mr. Trump when he talked about allies in the region and great power competition.

Mr. Shanahan wanted to use his speech Saturday, which was in essence his Asia debut, to convince Indo-Pacific allies that their interests lie with the ***United States***, not ***China***. Defense officials billed the address as yet another “new” strategy for the region, meant to show how much the ***United States*** is focusing on Asia now after 18 years of fighting in the Middle East and Afghanistan.

Whether the Asian allies will believe him is unclear. Ms. Schake noted theTrump administration’s recent decision to send an additional 900 American troops to the Middle East to combat what the administration is describing as a rising Iranian threat. That makes it hard, she said, for Asian allies to accept that the ***United States*** is really ready to shift its military priority to great power competition with ***China*** in Asia.

PHOTO: Acting Defense Secretary Patrick Shanahan with his Chinese counterpart, Wei Fenghe, on Friday in Singapore. (PHOTOGRAPH BY Lolita Baldor/Associated Press FOR THE NEW YORK TIMES)

**Related Articles**

* As Huawei Loses Google, the ***U.S***.-***China*** Tech Cold ***War*** Gets Its Iron Curtain

1. ***China*** Faces New ‘Long March’ as ***Trade War*** Intensifies, Xi Jinping Says
2. Acting Defense Chief Says He Wouldn’t Have Hidden McCain Ship

**Load-Date:** June 1, 2019

**End of Document**

**China Steps Up Trade War and Plans Blacklist of U.S. Firms**

The New York Times

May 31, 2019 Friday 23:00 EST

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**Section:** BUSINESS

**Length:** 871 words

**Byline:** Alexandra Stevenson and Paul Mozur

**Highlight:** Without disclosing details, officials say they plan to retaliate against those who blockade Chinese companies, in an apparent response to Huawei’s problems.

**Body**

BEIJING — The Chinese government said on Friday that it was putting together an “unreliable entities list” of foreign companies and people, an apparent first step toward retaliating against the ***United States*** for denying vital American technology to Chinese companies.

***China***’s Ministry of Commerce said the list would contain foreign companies, individuals and organizations that “do not follow market rules, violate the spirit of contracts, blockade and stop supplying Chinese companies for noncommercial reasons, and seriously damage the legitimate rights and interests of Chinese companies.”

It did not give any details of which companies or entities it would include on the list, or what would happen to them. The ministry said that specific measures would be announced in the “near future.”

Still, the language echoes that of the ***United States*** government, which in recent months has placed Chinese companies on what it calls an “entity list” of firms that need special permission to buy American components and technology. Two weeks ago, the Trump administration placed Huawei, the Chinese maker of telecommunications gear, on the entity list, which could deny it access to microchips, software and other American-provided technology it needs to make and sell its products.

[Read more on how American companies are shifting supply chains for the long haul.]

Shortly afterward, some American technology companies, including Google, said they would stop supplying Huawei. The American government has since   granted Huawei a 90-day waiver, giving Chinese and American officials time to reach an agreement. The Trump administration is also said to be   considering putting Hikvision, a Chinese video surveillance company, on the list.

If Friday’s move is calculated to be a tit-for-tat strike back at American technology companies, Beijing will have ample targets.

Although major websites like Facebook, Twitter, and Google are already blocked in ***China***, and rules strictly control other businesses like online payments and cloud services, most American technology firms have a big presence in ***China***.

Both Google and Microsoft run sizable research and development operations in the country, and their Android and Windows operating systems are ubiquitous on Chinese smartphones and computers. Google and Facebook probably pull in billions of dollars in advertising revenue from Chinese companies.

[Read more on how Mr. Trump’s new tariff threat is roiling global markets.]

The vague announcement also opens the door to retaliation of other kinds, perhaps against individuals or companies that depend heavily on the Chinese market for selling their products. If ***China*** decided to target individuals specifically, it could raise questions for foreigners doing business in ***China***.

It could also give Beijing a way to punish American firms without forcing them to shut down operations in a way that would hurt ***China***’s economy or its long-term growth prospects.

Gao Feng, the Commerce Ministry’s spokesman, said in the statement that the list would be aimed at those who block supplies and “take other discriminatory measures.”

An entity would be added to the list, he added, when its activity “not only damages the legitimate rights and interests of Chinese enterprises, and endangers ***China***’s national security and interests, but also threatens the global industrial chain and supply chain security.”

But ***China*** must be careful in how it retaliates, since many American companies are already reconsidering their dependence on the Chinese market and Chinese suppliers. If neither side backs off, the brinkmanship could permanently pull apart the supply chains that entwine the countries’ economies.

Still, any move to shut down American technology companies’ operations in ***China*** could hurt Chinese companies and the country’s longer-term tech development. A shutdown of Microsoft’s and Google’s offices would mean that Chinese workers lose access to valuable training. Many of ***China***’s leading artificial intelligence entrepreneurs got their beginnings at Microsoft’s A.I. lab.

Forcing American companies out of ***China***’s electronics supply chain could have a major impact on Chinese manufacturers. It would also most likely hasten strategies by American technology firms to diversify their supply chains away from ***China***.

Yet if Beijing was willing to take that hit, many companies would struggle to immediately replicate production elsewhere. ***China***’s density of component makers and assembly factories is unmatched around the world.

“It’s a really high-risk way to go about it,” said Andrew Polk, a founder of Trivium, a consulting firm in Beijing. “They are effectively forcing companies to choose, and companies will probably choose the ***U.S***.”

Alexandra Stevenson reported from Beijing, and Paul Mozur from Shanghai. Elsie Chen and Ailin Tang contributed research.

PHOTO: A Huawei advertisement in Shanghai. The company was placed on an American blacklist two weeks ago. (PHOTOGRAPH BY Lam Yik Fei for The New York Times FOR THE NEW YORK TIMES)

**Related Articles**

* ***Trade War*** Starts Changing Manufacturers in Hard-to-Reverse Ways

1. Huawei Revs Up Its ***U.S***. Lawsuit, With the Media in Mind
2. Huawei Is a Target as Trump Moves to Ban Foreign Telecom Gear

**Load-Date:** June 1, 2019

**End of Document**

**As Trade War Rages, China’s Sway Over the U.S. Fades**

The New York Times

May 17, 2019 Friday 10:55 EST

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**Section:** BUSINESS

**Length:** 1626 words

**Byline:** Keith Bradsher

**Highlight:** Beijing once could count on allies in business and politics to help get its way. Now many of its old allies are staying on the sidelines.

**Body**

***China*** usually gets its way. In Washington, on Wall Street and in corporate boardrooms, Beijing has used the country’s size and promise for decades to quell opposition and reward those who helped its rise.

Those days may be coming to an end.

As it struggles with President Trump’s ***trade war***, a maturing and debt-laden ***China*** is discovering that it no longer has the same pull. Members of both political parties in the ***United States*** favor a tougher stance against Beijing. Some old business allies are standing on the sidelines or even cheering the Trump administration’s strong stands.

***China*** could still prevail on the ***trade war***’s major issues. But the conflict’s length and severity reflect the growing perception that the country no longer holds the promise that once enthralled politicians and businesses in the ***United States***.

Many American companies with large, profitable businesses in ***China*** do not want to pay expensive tariffs and worry that the ***United States*** is antagonizing the Chinese public, said Ker Gibbs, the president of the American Chamber of Commerce in Shanghai. But many of the same businesses also chafe at the numerous restrictions that ***China*** has long maintained on foreign companies.

“We’re looking at their expanding into global markets, and saying, ‘Wait a minute, why can’t we do that here?’” Mr. Gibbs said.

***China***’s economic slowdown, which could hinder growth globally, is a major reason its influence has ebbed. But there are other factors. The country’s heavy debts, built up over years of lending used to spur growth, limit its options. If it retaliates against the ***United States*** sharply by devaluing its currency or shutting factories crucial to global supply chains, the moves could ricochet and hurt its own newfound wealth.

Foreign businesses have found it less appealing to make or sell their products in ***China*** over the last several years because of heavy restrictions on foreign businesses, stronger local competitors and rising costs. Mr. Trump’s tariffs last year gave many businesses a final reason to look elsewhere.

Call it the ABC supply chain, as in “anywhere but ***China***.”

On Wednesday, Kelly A. Kramer, the chief financial officer of Cisco, the big telecom equipment supplier, told investors that the company had “greatly, greatly reduced” its exposure to ***China*** because of the tariffs.

Morey, a company near Chicago that makes rugged electronics for bulldozers and other outdoor equipment, reluctantly paid more for printed circuit boards made in ***China*** after Mr. Trump imposed 10 percent tariffs on $200 billion a year in Chinese imports last fall.

With those tariffs now rising to 25 percent, Morey executives have begun talking to suppliers in Taiwan, South Korea and Singapore.

“I was thinking this is a short-term issue that will go away,” said George Whittier, the company’s president and chief operating officer, “and I don’t think you can rationally think that any more.”

***China*** holds a lot of cards. It remains a huge profit source for Apple, Boeing, General Motors, Starbucks and other major corporations. It can use its substantial financial firepower and the government’s control over crucial economic levers to endure a protracted ***trade*** conflict, while state-run media outlets help stem discontent at home.

Chinese officials and experts say the country can stand firm against Western pressure. Even some advocates of more market-oriented policies say Beijing should just make its own decisions now instead of tying them to a ***trade*** pact with Washington.

“***China*** should focus on its own reform, which will eventually solve some current ***trade war*** contentious issues,” said Zhu Ning, a Tsinghua University economist.

Still, ***China*** has lost some of the swagger and appeal that once opened so many doors in Washington and on Wall Street.

***China*** has long used its tremendous size and growth potential as both carrot and stick. Companies that played by its rules could gain access to a market of more than one billion people who were becoming increasingly affluent and eager to spend. Companies that complained could be left out.

It worked. G.M. and other companies caved in to demands like being forced to take on local joint venture partners, knowing that they were training future competitors. General Electric sold one complete diesel locomotive from Erie, Pa., to ***China***, then taught the Chinese to build their own. Apple censors its App Store in ***China***. When Google protested censorship and hacking, it was mostly kicked out.

Businesses then helped make ***China***’s case in Washington. When ***China*** wanted to join the World ***Trade*** Organization, the global ***trade*** club, it enlisted Wall Street’s help. Businesses helped persuade   successive   American   presidents to refrain from punishing ***China*** for manipulating its currency, even as Beijing   manipulated its currency. They fought efforts to raise tariffs.

***China*** remains vital to many businesses, but the dynamic has shifted. It still grows at a pace that developed countries envy. But its economy has slowed significantly from rates that as recently as 2010 topped 10 percent a year. Since Xi Jinping took power in 2012, the government has taken a stronger hand in business, requiring foreign companies   to forge ties with the Communist Party and   demanding access to data.

Beijing has fewer ways to strike back against the ***United States*** now. Its tremendous success in nurturing its own homegrown industries, which has helped ***China***’s economy rise up the value chain, has reduced its imports of American goods, giving it fewer items to hit with tariffs.

A decade ago, ***China*** bought Jeeps made in Michigan by Chrysler, bulldozers and other construction equipment made in Illinois by Caterpillar and huge diesel engines made in Indiana by Cummins. Now Chrysler makes Jeeps in Changsha and Guangzhou. Caterpillar makes construction equipment in Xuzhou. And Cummins builds engines at factories in Beijing, Chongqing, Hefei, Liuzhou, Xi’an and Xiangyang.

“***China*** has been so effective at squeezing manufactured imports out of its market that it has really limited its options to retaliate,” said Brad Setser, a Treasury official in the Obama administration who is now an economist at the Council on Foreign Relations.

***China***’s imports from the ***United States*** now fall mostly into four big categories: Boeing aircraft from Washington State; semiconductors, mainly from Intel factories in Oregon; farm products and energy from the Great Plains and Texas; and German-brand sport utility vehicles from South Carolina and Alabama. Although ***China*** could still shake the American political system if any harsh retaliation hurt economic growth in the ***United States***, it has fewer opportunities to target electoral swing states and hurt Mr. Trump’s chances of re-election next year.

Slapping tariffs on those industries could also have big drawbacks. ***China*** needs those chips for its technology upgrades. Targeting Boeing planes would shift more Chinese business to Airbus, giving the European aircraft maker more leverage in negotiations with Beijing. On agriculture, ***China*** still does not grow enough soybeans to meet its needs, so higher tariffs on American crops might simply mean higher food prices down the line.

***China*** has also shown surprising vulnerabilities, like its dependence on American semiconductor technology and software. Last year, when the ***United States*** briefly prohibited American companies from selling technology to the Chinese telecommunications giant ZTE for violating sanctions against Iran and North Korea, ZTE ground to a halt.

“The ***trade*** friction has also been a cold shower that has made us see our structural shortcomings more clearly,” said a front-page commentary in People’s Daily on Monday that bore a pen name used to signal authoritative positions on international relations.

***China*** has options besides tariffs, but they have disadvantages as well.

It could sell a large chunk of the $1.3 trillion in ***United States*** Treasury debt that it holds. That could temporarily push up American interest rates. But it would saddle ***China*** with large losses. Beijing would have to find someplace else to park the money. Its previous sales, undertaken mainly to shore up the country’s currency in 2015 and early 2016, did not affect the bond market much.

Another option would be for ***China*** to let its currency slide in value against the dollar, making its goods cheaper abroad and offsetting American tariffs. Doing that could prompt the Trump administration to raise its tariffs even higher. It might also tempt other countries to devalue their currencies, setting off a potentially costly currency ***war***. And a Chinese devaluation could cause Chinese families and households to send their own savings out of the country.

***China*** could crack down on American-owned factories in ***China*** or on those crucial to the supply chains of American companies. But that could lead still more multinational companies to consider leaving the country.

The dilemma for ***China*** is that the longer the ***trade war*** lasts, the more companies may decide to invest elsewhere. For now, domestic politics seem more important in ***China***, with the leadership and the general public reacting angrily to what is portrayed in the country as peremptory American demands.

“We have the confidence and ability to withstand any external risks and impact,” Geng Shuang, the Foreign Ministry spokesman, said on Thursday.

Chris Buckley contributed reporting. Luz Ding and Elsie Chen contributed research.

Chris Buckley contributed reporting. Luz Ding and Elsie Chen contributed research.

PHOTO: A Chinese automotive assembly line in Beilun in Zhejiang Province, ***China***. ***China***’s economic slowdown, which could hinder growth globally, is a major reason that Beijing’s influence has ebbed. (PHOTOGRAPH BY Bryan Denton for The New York Times FOR THE NEW YORK TIMES)

**Load-Date:** May 21, 2019

**End of Document**

**Trump Gives Farmers $16 Billion in Aid Amid Prolonged China Trade War**

The New York Times

May 23, 2019 Thursday 09:34 EST

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**Section:** US; politics

**Length:** 1710 words

**Byline:** Ana Swanson

**Highlight:** The Trump administration announced an aid package for farmers on Thursday to mollify an important political constituency hurt by a ***trade*** clash with ***China***.

**Body**

WASHINGTON — President Trump on Thursday unveiled a $16 billion bailout for farmers hurt by his ***trade war*** with Beijing, signaling a protracted fight ahead that is already prompting some American companies to shift business away from ***China***.

Mr. Trump, flanked by farmers and ranchers in cowboy hats during remarks at the White House, said ***China*** had “taken advantage” of the ***United States*** for far too long and vowed to protect an industry that has been “used as a vehicle” by Beijing to hurt America’s economy.

“Farmers have been attacked by ***China***,” Mr. Trump said, adding that if the ***United States*** is in a ***trade war***, “we’re winning it big.”

Global markets tumbled on Thursday as investors began coming to terms with the idea that Mr. Trump’s ***trade war*** is here to stay.

Benchmark indexes in ***China***, Germany and France all dropped, with the S&P 500 falling 1.2 percent. American crude oil prices were down more than 5 percent, amid growing concern that the ***trade war*** would start to drag on global economic demand. The yield on the 10-year Treasury note fell to 2.29 percent at 3 p.m., according to Bloomberg data. That was its lowest closing level this year and a sign that investors were expecting lower levels of growth and inflation.

Hopes for a quick resolution to the ***China*** ***trade*** fight have faded, with both countries hardening their positions after a ***trade*** deal collapsed this month. Treasury Secretary Steven Mnuchin said on Wednesday that no additional meetings with Beijing were scheduled and that he was encouraging American firms to reorient their supply chains and source their products elsewhere.

Progress toward a ***trade*** agreement between the ***United States*** and ***China*** collapsed after American negotiators accused Beijing of reneging on terms it had previously committed to. Significant differences remain over how tariffs should be rolled back between the countries, and whether the negotiated provisions must be enshrined in Chinese law.

While both sides initially suggested they would continue talking, Beijing has also begun bracing for a long ***trade*** fight. In a defiant statement this week, ***China***’s president, Xi Jinping, called for the Chinese people to begin a modern “long march,” invoking a time of hardship from the country’s history, which many ***China*** watchers viewed as a hardening of Beijing’s ***trade*** stance.

“I am growing more and more skeptical that there is a place where the two sides can come to a deal,” said Edward Alden, a fellow at the Council on Foreign Relations. “If I look at the positions the two sides have taken at the moment, I do not see a path to a deal.”

Mr. Trump on Thursday once again suggested that he was happy to keep his ***trade*** fight going indefinitely.

“I remain hopeful that at some point we’ll get together with ***China***,” he said. “If it happens, great. If it doesn’t happen, that’s fine. That’s absolutely fine.”

More companies have been pulling back from doing business with Chinese firms, especially multinationals that provided services to Huawei, the telecommunications equipment giant. The Trump administration announced last week that it would blacklist Huawei over national security concerns, prompting Google and   mobile carriers to say they would no longer do business with it. The benchmark index of American semiconductor stocks fell 1.7 percent, as investors continued to grapple with the administration’s efforts to restrict sales to Huawei.

On Thursday, the president called Huawei “very dangerous” but said it was “possible” that an arrangement involving the company could be included in a ***China*** ***trade*** deal.

“If we made a deal, I can imagine Huawei being included in some form or some part of a ***trade*** deal,” he said.

More restrictions on dealing with Chinese tech companies could come soon. The New York Times reported on Tuesday that the Trump administration was considering another ban on American companies supplying components to Hikvision, a Chinese surveillance camera maker that has been criticized for playing a role in the Chinese government’s monitoring and repression of Uighurs, a mostly Muslim ethnic minority.

The crackdown on Chinese technology, coupled with Mr. Trump’s decision to raise tariffs on $200 billion worth of goods and begin the process to tax another $300 billion, has exacerbated tensions with Beijing. The Chinese government has accused the ***United States*** of bullying ***China*** and vowed to further retaliate on American products, particularly agricultural goods.

In a note on Wednesday, analysts from Nomura Global Markets Research said their baseline scenario was that Mr. Trump would put a 25 percent tariff on all Chinese exports to the ***United States*** by the end of 2019, most likely after he is scheduled to meet with Mr. Xi at the Group of 20 summit meeting in late June.

[Read more about the fallout in financial markets on Thursday.]

Mr. Trump has been fighting several ***trade wars*** at once, wielding tariffs against metals from Europe, Japan, Canada and Mexico as well as goods from ***China***. In response, ***trading*** partners have hit back at American farmers, imposing punishing tariffs on items such as peanut butter, soybeans and orange juice.

Over the last week, the Trump administration has moved to resolve or delay ***trade*** conflicts on other fronts, to better focus its efforts on Beijing. While Mr. Trump has insisted any pain will be short-lived and worth the price, administration officials have grown concerned that the president could lose the support of farmers, an important political constituency, ahead of the 2020 election.

***China***’s tariffs against products like soybeans and beef and a recent move to cancel a major pork order have hit swing states, including Iowa, Ohio and Wisconsin, especially hard.

“Farmers are becoming increasingly anxious over their future financial performance,” said James Mintert, the director of Purdue University’s Center for Commercial Agriculture and the principal investigator in a survey of 400 American farmers.

The survey — by Purdue University and the CME Group, a global markets company — showed that sentiment plunged in April, stemming from concerns about worsening tensions with ***China***. Only 28 percent of farmers surveyed said they believed a soybean dispute with ***China*** would be resolved by July 1, down from 45 percent in March, while 74 percent said that now was a “bad time” to make big farm investments.

Those worries helped spur Mr. Trump last week to suddenly drop steel and aluminum tariffs on Canada and Mexico, which agreed in turn to withdraw stiff levies on American farm goods.

On Thursday, the Agriculture Department said it would provide up to $16 billion in aid to farmers hurt by ***trade*** retaliation. The amount “is in line with the estimated impacts of unjustified retaliatory tariffs on ***U.S***. agricultural goods and other ***trade*** disruptions,” the department said in a statement. The financial support came after the administration handed out $12 billion in emergency relief for farmers last year.

The new program will make $14.5 billion in direct payments to producers, channeled through the Commodity Credit Corporation, a program that helps shore up American farmers by buying their crops. The payments will be made to agricultural producers for a wide range of products, from soybeans and cotton to chickpeas and cherries, in up to three tranches, beginning in late July or early August.

The government will also put in place a $1.4 billion program to purchase surplus commodities affected by the ***trade war*** and distribute them to food banks, schools and other programs for the poor, as well as put another $100 million toward developing new export markets for American farmers.

In his remarks on Thursday, the president said that ***China*** would foot the bill for the program by paying hundreds of billions of dollars in tariffs to the ***United States*** government. Economists have disputed that, saying the administration has no way to determine who ultimately pays the cost of the tariffs — Chinese businesses, American businesses or American consumers — but that the cost is falling heavily on those in the ***United States***.

The Federal Reserve Bank of New York said on Thursday that Mr. Trump’s tariffs will cost the average American household $831 annually.

Despite the economic pain from his ***trade war***, many farmers continue to support Mr. Trump. But some are not happy about the financial bailout, saying they would prefer freer markets rather than subsidies and tariffs.

“It’s still just a Band-Aid,” said Bret Davis, a fourth-generation soybean farmer in Delaware, Ohio. He said he had received roughly $150,000 of bailout money last year, but estimated that his losses due to the ***trade war*** were almost $250,000.

The ***trade*** clash has pushed ***China***, which formerly bought about one-third of American soybeans, to purchase from other markets instead and caused soybean prices in the ***United States*** to slump. At the current market price, Mr. Davis said, “I cannot produce a bean and make a dime on it.”

“I would lose money on every acre I plant,” he added.

Brody Stapel, the president of the Edge Dairy Farmer Cooperative in Green Bay, Wis., said on Thursday that farmers appreciated the financial assistance, but recognized that it would provide only partial and short-term relief. “We much prefer ***trade*** over aid,” he said.

Republican lawmakers were more supportive. Senator Kevin Cramer, Republican of North Dakota, said he was taken completely by surprise when Mr. Trump signaled this month that he would allocate the new farm money — and was optimistic the president would steer more money to farmers if enough Republicans called him directly to make the request.

“It’s a good start,” Mr. Cramer said on Thursday. “If we need more later, we will go through the fight again. We got $16 billion, but maybe we’ll need $20 billion.”

Glenn Thrush, Alan Rappeport and Matt Phillips contributed reporting.

PHOTO: President Trump has tried to mollify farmers hurt by retaliatory tariffs with generous aid packages issued over the past year. (PHOTOGRAPH BY Eamon Queeney for The New York Times FOR THE NEW YORK TIMES)

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* Trump Lifts Metal Tariffs and Delays Auto Levies, Limiting Global ***Trade*** Fight

1. Trump’s Nafta Revisions Offer Modest Economic Benefits, Report Finds
2. Trump Administration Could Blacklist ***China***’s Hikvision, a Surveillance Firm

**Load-Date:** May 25, 2019

**End of Document**

**As Trade War Spreads to Mexico, Companies Lose a Safe Harbor**

The New York Times

June 1, 2019 Saturday 15:48 EST

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**Section:** BUSINESS; economy

**Length:** 1882 words

**Byline:** Ben Casselman

**Highlight:** ***Trade*** tensions led American companies to shift operations to Mexico from ***China***. President Trump’s latest tariff threat has upended that strategy.

**Body**

When ***trade*** tensions with ***China*** flared last year, many companies sought refuge in a country with a long, stable relationship with the ***United States***: Mexico.

Now, that alternative for production and materials may also be in jeopardy with President Trump’s threat to impose escalating tariffs on imports from Mexico, aimed at forcing action on illegal immigration.

In the short term, the tariffs would mean lower profits for American importers and higher prices for American consumers on everything from avocados to Volkswagens. In the long run, they could force companies to reconsider the continent-spanning supply chains that have made North America one of the world’s most interconnected economies. That disruption, experts warn, could be far more damaging to the ***United States*** economy than the cost of tariffs themselves.

The ***United States*** imported more than $345 billion in goods from Mexico last year, and shipped $265 billion the other way. But if anything, those numbers understate the interdependence. American refiners process crude oil from Mexico, then sell it back as gasoline. Automakers ship parts back and forth repeatedly during manufacturing. About 30 percent of the content of Mexican exports originated in the ***United States***, according to a recent study.

“Our ties to Mexico are in many ways much more immediate than ***China*** and in some ways much more powerful,” said Pete Guarraia, who leads supply chain consulting for Bain. “I don’t think there’s much you could do to mitigate the effects because the changes required would be so substantial.”

Mr. Trump has frequently criticized Mexico and the American companies that relocate production there. But his ***trade*** policies have largely focused on ***China***, a target of successive rounds of tariffs on billions of dollars in imports.

American companies have responded by moving production and supply chains out of ***China***, in some cases to Mexico, which so far this year has displaced ***China*** as the ***United States***’ top ***trading*** partner. The attraction of doing so only increased when the ***United States***, Mexico and Canada reached a deal last fall to replace the North American Free ***Trade*** Agreement.

Now, those plans have been thrown into turmoil.

“Mexico was the place that people were looking to move to,” said Joseph Fitzgerald, a partner in Deloitte’s supply-chain practice. “Now it’s, ‘Gosh, we just got through one wave of supply chain strategy and structural change and now we need to start a new round.’”

BD, a medical technology company, said last month that it was moving some of its manufacturing to Mexico from ***China*** in part because of the Trump administration’s tariffs. Troy Kirkpatrick, a BD spokesman, said Friday that the company was still in the process of making the shift, involving diagnostic devices and other products, and was assessing the latest tariff announcement.

Mr. Trump said in a Twitter post on Thursday evening that he would impose a 5 percent tariff on Mexican imports on June 10, and ratchet it up to 25 percent by October if the immigration issues were not resolved. If the tariffs materialize, consumers could feel them almost immediately, most likely starting with the price of fresh fruits and vegetables — a competitive market with slim margins where distributors would have little choice but to pass on costs.

“As a consumer, that was my first thought,” said Emily Blanchard, an economist at the Tuck School of Business at Dartmouth College. “Those are my avocados and strawberries. What are you doing?”

For other products, the reverberations could be more gradual. Companies may initially absorb some of the costs to avoid losing business, particularly on higher-margin items, or ones where they face competition from domestic producers. But economic research shows that consumers eventually bear the brunt of tariffs. The impact could be greater in the case of ***trade*** with Mexico because so many imports from there contain parts or materials from American factories.

“We’re taxing ourselves on our own goods,” said Katheryn Russ, an economist at the University of California, Davis.

Economists said the direct effects of a tariff of 5 percent or even 10 percent would probably be small, especially with a strong economy and low inflation. The larger threat, they said, was the disruption they could cause for automakers and others who have come to rely on supply chains that seamlessly cross international boundaries. Those supply chains will not fray overnight, said Brian Dunch, a ***trade*** expert at PricewaterhouseCoopers. But over time, they could break down, particularly if companies decide they cannot trust ***trade*** rules to be consistent from one year to the next.

“It’s the cumulative effect of all this uncertainty,” Mr. Dunch said. “You’ll see supply chains Balkanize.”

Auto industry disruption

No industry better symbolizes the integrated North American economy than the automakers. And no industry stands to lose more if that integration breaks down.

General Motors has three Mexican plants that make some of its most important models, including the highly profitable Silverado and Sierra pickup trucks and the new Chevrolet Blazer sport-utility vehicle. G.M. and Fiat Chrysler rely on Mexico for about a quarter of their North American production, and Ford for 10 percent. Some foreign automakers are even more reliant on Mexico. Volkswagen, for example, makes Golfs and Jettas there for the ***United States*** market, and almost half of the cars Nissan makes in North America are built in Mexico.

Tariffs could also disrupt production in some auto plants north of the border because manufacturers operate complex cross-border supply chains. Many parts and components used in Mexican plants come from the ***United States***, and vice versa.

“It’s safe to say that in terms of auto manufacturing, the ***U.S***. and Mexico are not ***trading*** with each other so much as they are building the same products together,” said Kristin Dziczek, vice president for industry, labor and economics at the Center for Automotive Research in Ann Arbor, Mich.

Tariffs, “would significantly raise the cost of building cars in the ***U.S***. and burden supply chains that have been built up over decades,” she said. “The industry doesn’t have piles of cash laying around to build up new production capacity in the ***United States***.” NEAL E. BOUDETTE

Pain at the pump

Tariffs could also mean higher prices at the pump.

Imports of Mexican oil have been in decline in recent years, but the ***United States*** still purchases more than 700,000 barrels of crude a day from Mexico, 8 percent of total imports. A 5 percent tariff would add $3 a barrel — a cost that experts said was likely to be passed on to consumers in prices for gasoline, diesel and jet fuel.

“It’s the American driver who is going to suffer the consequences,” said Bruce S. Appelbaum, chairman of Mosaic Resources, a Houston consulting firm serving oil and gas investors.

Tariffs would pose a particular challenge for American refineries on the Gulf Coast that have been tooled to process heavy crude from Mexico, Venezuela and Canada. Adding to the challenge: Venezuelan oil imports have been shut off by Trump administration sanctions.

Mexico buys more than a million barrels of American petroleum products a day, providing as much as $20 billion in revenue to American-based energy companies annually. Those sales could be threatened if Mexico retaliates with its own tariffs, although doing so would be costly: Mexico benefits from the low cost of American energy products.

The natural gas ***trade*** will also be affected. About 20 pipelines send up to five billion cubic feet of American gas a day to Mexico, with more flowing in liquefied form by tanker. A shortfall in gas sales to Mexico would depress gas prices, but it could also mean a slowdown in pipeline construction and the loss of construction jobs.

“This is a symbiotic relationship he is throwing a monkey wrench at,” Steven Pruett, chief executive of Elevation Resources, a West Texas oil company, said of Mr. Trump. “It’s very disruptive to business and planning.” CLIFFORD KRAUSS

Higher grocery bills

The ***United States*** imported nearly $28 billion in food and drink from Mexico last year, including more than two-fifths of its total imports of fruits and vegetables. Tariffs on those goods are likely to show up in higher prices in produce sections and grocery shelves within weeks.

American farmers face the risk of retaliatory tariffs from Mexico — again. It was just two weeks ago that Mexico and Canada agreed to lift tariffs on American agricultural products that they had imposed in response to the administration’s tariffs on steel and aluminum imports. Now American farmers are facing the prospect of a renewed ***trade war***.

“It’s very disappointing because we just got the tariffs removed,” said Michael Nepveux, an economist at the American Farm Bureau Federation, “so it’s very concerning to see things heading in the direction that they’re heading.”

President Andrés Manuel López Obrador of Mexico has so far demurred on pushing the confrontation further. But the possibility of retaliation remains, and any Mexican tariffs could be damaging.

Agricultural and food exports to Mexico totaled $19 billion in 2018, according to the ***United States*** Department of Agriculture. Of the top five exports — which include corn, soybeans, beef and dairy products — pork and pork products were most affected by the previous round of Mexico’s retaliatory efforts. During the first quarter of this year, for example, pork exports across the southern border dropped by $109 million, compared with the same three-month period in 2018.

“This is hitting agriculture once again at a very vulnerable time,” said Todd Hultman, a lead analyst at DTN, an agriculture news and data service. ***China***, for example, the largest buyer of American soybeans, has virtually halted purchases amid heightening tensions. PATRICIA COHEN

Medical devices in peril

Mr. Trump’s tariff announcement sent a jolt through medical device makers, which in recent years have built facilities in places like Tijuana that produce items like pacemakers, artificial respirators and intravenous bags.

Last year, the ***United States*** imported medical equipment from Mexico worth nearly $8 billion, according to government ***trade*** statistics.

Blair Childs, a senior vice president for public affairs at Premier, a company that buys supplies for hospitals and other health care providers, said many medical items were kept off the list of products that were subject to the first set of tariffs on imports from ***China***. But now the list of Chinese products is expanding, meaning medical products from both ***China*** and Mexico could be hit with new levies.

“We’ve been scrambling to try and figure out what might this mean,” Mr. Childs said. “We’re completely focused on trying to avoid price increases.” PETER EAVIS

PHOTO: A shipment of vehicles from the Volkswagen plant in Puebla, Mexico, last year. VW makes Golfs and Jettas in Mexico for the ***United States*** market. (PHOTOGRAPH BY Jose Castanares/Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

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* Trump’s Tariff Threat Sends Mexico, Lawmakers and Businesses Scrambling

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2. Things Were Going Great for Wall Street. Then the ***Trade War*** Heated Up.
3. How Trump’s ***Trade War*** Is Being Fought Around the World

**Load-Date:** June 3, 2019

**End of Document**

**China, Stepping Up Trade War, Plans a Blacklist of U.S. Firms**

The New York Times

June 1, 2019 Saturday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 4

**Length:** 793 words

**Byline:** By ALEXANDRA STEVENSON and PAUL MOZUR; Alexandra Stevenson reported from Beijing, and Paul Mozur from Shanghai. Elsie Chen and Ailin Tang contributed research.

**Body**

BEIJING -- The Chinese government said on Friday that it was putting together an ''unreliable entities list'' of foreign companies and people, an apparent first step toward retaliating against the ***United States*** for denying vital American technology to Chinese companies.

***China***'s Ministry of Commerce said the list would contain foreign companies, individuals and organizations that ''do not follow market rules, violate the spirit of contracts, blockade and stop supplying Chinese companies for noncommercial reasons, and seriously damage the legitimate rights and interests of Chinese companies.''

It did not give any details of which companies or entities it would include on the list, or what would happen to them. The ministry said that specific measures would be announced in the ''near future.''

Still, the language echoes that of the ***United States*** government, which in recent months has placed Chinese companies on what it calls an ''entity list'' of firms that need special permission to buy American components and technology. Two weeks ago, the Trump administration placed Huawei, the Chinese maker of telecommunications gear, on the entity list, which could deny it access to microchips, software and other American-provided technology it needs to make and sell its products.

[Read more on how American companies are shifting supply chains for the long haul.]

Shortly afterward, some American technology companies, including Google, said they would stop supplying Huawei. The American government has since granted Huawei a 90-day waiver, giving Chinese and American officials time to reach an agreement. The Trump administration is also said to be considering putting Hikvision, a Chinese video surveillance company, on the list.

If Friday's move is calculated to be a tit-for-tat strike back at American technology companies, Beijing will have ample targets.

Although major websites like Facebook, Twitter, and Google are already blocked in ***China***, and rules strictly control other businesses like online payments and cloud services, most American technology firms have a big presence in ***China***.

Both Google and Microsoft run sizable research and development operations in the country, and their Android and Windows operating systems are ubiquitous on Chinese smartphones and computers. Google and Facebook probably pull in billions of dollars in advertising revenue from Chinese companies.

[Read more on how Mr. Trump's new tariff threat is roiling global markets.]

The vague announcement also opens the door to retaliation of other kinds, perhaps against individuals or companies that depend heavily on the Chinese market for selling their products. If ***China*** decided to target individuals specifically, it could raise questions for foreigners doing business in ***China***.

It could also give Beijing a way to punish American firms without forcing them to shut down operations in a way that would hurt ***China***'s economy or its long-term growth prospects.

Gao Feng, the Commerce Ministry's spokesman, said in the statement that the list would be aimed at those who block supplies and ''take other discriminatory measures.''

An entity would be added to the list, he added, when its activity ''not only damages the legitimate rights and interests of Chinese enterprises, and endangers ***China***'s national security and interests, but also threatens the global industrial chain and supply chain security.''

But ***China*** must be careful in how it retaliates, since many American companies are already reconsidering their dependence on the Chinese market and Chinese suppliers. If neither side backs off, the brinkmanship could permanently pull apart the supply chains that entwine the countries' economies.

Still, any move to shut down American technology companies' operations in ***China*** could hurt Chinese companies and the country's longer-term tech development. A shutdown of Microsoft's and Google's offices would mean that Chinese workers lose access to valuable training. Many of ***China***'s leading artificial intelligence entrepreneurs got their beginnings at Microsoft's A.I. lab.

Forcing American companies out of ***China***'s electronics supply chain could have a major impact on Chinese manufacturers. It would also most likely hasten strategies by American technology firms to diversify their supply chains away from ***China***.

Yet if Beijing was willing to take that hit, many companies would struggle to immediately replicate production elsewhere. ***China***'s density of component makers and assembly factories is unmatched around the world.

''It's a really high-risk way to go about it,'' said Andrew Polk, a founder of Trivium, a consulting firm in Beijing. ''They are effectively forcing companies to choose, and companies will probably choose the ***U.S***.''

https://www.nytimes.com/2019/05/31/business/***china***-list-us-huawei-retaliate.html

**Graphic**

PHOTO: A base station 5G antenna at a Huawei factory in Dongguan, ***China***. (PHOTOGRAPH BY JASON LEE/REUTERS)

**Load-Date:** June 1, 2019

**End of Document**

**China Faces New ‘Long March’ as Trade War Intensifies, Xi Jinping Says**

The New York Times

May 21, 2019 Tuesday 22:42 EST

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**Section:** WORLD; asia

**Length:** 1241 words

**Byline:** Alexandra Stevenson

**Highlight:** The Chinese leader invoked a time of hardship before success in Communist Party history, at a time when the economy and consumers face other challenges.

**Body**

BEIJING — President Xi Jinping of ***China*** has called for the Chinese people to begin a modern “long march,” invoking a time of hardship from the country’s history as it braces for a protracted ***trade war*** with the ***United States***.

Mr. Xi’s call, made on Monday, referred to the Long March, a grueling 4,000-mile, one-year journey undertaken by Communist Party forces in 1934 as they fled the Nationalist army under Chiang Kai-shek. From there, they regrouped and eventually took control of ***China*** in 1949, making the Long March one of the party’s foundational legends.

The comments appear intended to stir the spirit of the Chinese people as the Trump administration continues to press ***China*** on ***trade***. But they also seem to acknowledge that the Chinese public could face difficult times ahead. The tariffs come as Beijing tries to lift the economy out of a slowdown, and as a variety of unrelated factors raise the prices of basic food items like pork and fruit for the average Chinese shopper.

Speaking at the site of the start of the Long March in Jiangxi Province, Mr. Xi told a crowd of cheering locals that “now there is a new long march, and we should make a new start.”

He did not mention the ***trade war*** directly, and Mr. Xi has used the term “the new Long March” in speeches before to exhort officials, military officials or ordinary citizens to follow his policies. But the visit, broadcast on state-run television on Tuesday, came as tensions flare between the world’s two biggest economies. Among the officials with Mr. Xi was Liu He, his chief economic adviser and top ***trade*** negotiator.

On Wednesday, Mr. Xi told another audience in Jiangxi that the country “must be conscious of the long-term and complex nature of various unfavorable factors at home and abroad, and properly prepare for the various difficult situations.”

The ***trade war*** shows little sign of letting up. In the latest move, the Trump administration is considering placing a Chinese company called Hikvision on a list that would limit its ability to procure American technology like chips and software to meet its needs. The company, which provides equipment   for ***China***’s growing surveillance state, said in a statement on Wednesday that it “has never in the past done any business that requires us to violate human rights.”

At a daily news briefing on Wednesday, Lu Kang, a spokesman for the Chinese Foreign Ministry, said, “***China*** opposes the ***U.S***. practice of abusing state power and arbitrarily discrediting and suppressing foreign enterprises, including Chinese enterprises.”

In one of the first gestures hinting at a potential opening salvo, Mr. Xi on Monday visited a rare earths mine in the city of Ganzhou, which some observers saw as an attempt to remind Mr. Trump of the leverage that ***China*** has when it comes to certain resources. Rare earths are found in many of the electronics that the world uses every day, and ***China*** is the largest source. ***China*** has used its control of rare earths to exert pressure before, most notably in 2010 when it halted all exports to Japan for two months over a territorial dispute.

Mr. Xi later called on the industry to continue to “intensify efforts” to develop rare earths, calling them a “strategic resource.” At a media briefing on Wednesday, officials told reporters not to read too much into the visit, adding that it was a routine visit.

The Chinese state media has ratcheted up nationalistic rhetoric in the past few days, comparing the ***trade war*** to the Korean ***War***, during which Chinese troops were in direct combat with American forces. Over the weekend, ***China***’s national movie channel, CCTV-6, ran back-to-back films about the Korean ***War***, saying that the footage was “echoing present times.”

The central point of those films is that “there’s no equal negotiation without fighting,” Hu Xijin, the editor of Global Times, a newspaper owned by the Communist Party, wrote on Twitter over the weekend.

***China*** in the past has successfully rallied its people to target businesses owned by Japanese and South Korean companies during disputes with those countries. With the ***trade war*** with the ***United States***, ***China*** has to move more carefully. American products are often made in Chinese factories, and ***China*** needs its consumers to keep spending as it tries to turn around its growth slump.

Chinese consumers also have more immediate concerns. Even as the economic slowdown appeared to be stabilizing, certain living costs have risen steeply.

A vicious African swine fever that swept across ***China*** has led to more than a million pigs being culled, driving up the price of pork. A steep increase in the price of vegetables and fruit has led many people to complain online that they no longer have “fruit freedom” — the ability to buy as much fruit as they like.

“Everyone has personally felt a rise in prices,” said Zhang Lifan, a historian and former businessman.

“Normal people will have to bear the consequences of the Chinese ***trade war***. There is no way to fight this, and the new Long March is not sustainable,” Mr. Zhang said.

For people like Xu Jifeng, who works for an American telecommunications company in Beijing, the back and forth between ***China*** and the ***United States*** has little bearing on his day-to-day life. He said he would most likely choose a Huawei phone over an Apple phone the next time he needs to upgrade. But he was more interested in talking about the rising cost of produce.

Mr. Xu, 44, said the price of a watermelon has gone up by more than a dollar.

“I think this reflects the bad overall state of the economy,” Mr. Xu said. “The government says it’s just temporary and that they will keep it under control.”

“But coming at the same time as these ***China***-***U.S***. ***trade*** frictions, I think fruit prices must be showing the effects.”

In April, the price of pork jumped 14 percent compared with a year earlier, while the broader food consumer price inflation rose 6.1 percent, according to government statistics. By the end of last week, the average price of a basket of fruit had hit a nearly five-year high of $1.10 a kilogram, according to official statistics.

So many people online were talking about the rising costs of fruit that #fruitfreedom became a top trending topic on Weibo, ***China***’s most popular social media site.

The National Bureau of Statistics blamed the weather, and said that the price increase was short-term. “The price increase of fresh fruits will not continue to be high,” a spokeswoman for the bureau said.

People have responded online by posting photographs of fruit with commentary about how much less they can afford. One woman complained that her usual haul of fruit from the supermarket was costing her nearly as much as she would pay for a new lipstick.

One person wrote on Weibo, “Now the price of fruit is really more expensive than meat. From now on, when I eat apples, I don’t dare to peel the skin, not even spit out the seeds.”

Another asked “Where is fruit freedom? All I can achieve is cold water freedom.”

Elsie Chen, Raymond Zhong and Claire Fu contributed reporting.

PHOTO: President Xi Jinping of ***China***, center, in Jiangxi Province on Monday. His domestic tour is seen as an attempt to rally the nation as ***trade*** tensions with the ***United States*** escalate. (PHOTOGRAPH BY Xinhua, via Getty Images FOR THE NEW YORK TIMES)

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* As ***Trade War*** Rages, ***China***’s Sway Over the ***U.S***. Fades

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**Load-Date:** May 23, 2019

**End of Document**

**Trade War Undercuts China's Sway In the U.S.**

The New York Times

May 18, 2019 Saturday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 1

**Length:** 1581 words

**Byline:** By KEITH BRADSHER; Chris Buckley contributed reporting. Luz Ding and Elsie Chen contributed research.

**Body**

***China*** usually gets its way. In Washington, on Wall Street and in corporate boardrooms, Beijing has used the country's size and promise for decades to quell opposition and reward those who helped its rise.

Those days may be coming to an end.

As it struggles with President Trump's ***trade war***, a maturing and debt-laden ***China*** is discovering that it no longer has the same pull. Members of both political parties in the ***United States*** favor a tougher stance against Beijing. Some old business allies are standing on the sidelines or even cheering the Trump administration's strong stands.

***China*** could still prevail on the ***trade war***'s major issues. But the conflict's length and severity reflect the growing perception that the country no longer holds the promise that once enthralled politicians and businesses in the ***United States***.

Many American companies with large, profitable businesses in ***China*** do not want to pay expensive tariffs and worry that the ***United States*** is antagonizing the Chinese public, said Ker Gibbs, the president of the American Chamber of Commerce in Shanghai. But many of the same businesses also chafe at the numerous restrictions that ***China*** has long maintained on foreign companies.

''We're looking at their expanding into global markets, and saying, 'Wait a minute, why can't we do that here?''' Mr. Gibbs said.

***China***'s economic slowdown, which could hinder growth globally, is a major reason its influence has ebbed. But there are other factors. The country's heavy debts, built up over years of lending used to spur growth, limit its options. If it retaliates against the ***United States*** sharply by devaluing its currency or shutting factories crucial to global supply chains, the moves could ricochet and hurt its own newfound wealth.

Foreign businesses have found it less appealing to make or sell their products in ***China*** over the last several years because of heavy restrictions on foreign businesses, stronger local competitors and rising costs. Mr. Trump's tariffs last year gave many businesses a final reason to look elsewhere.

Call it the ABC supply chain, as in ''anywhere but ***China***.''

On Wednesday, Kelly A. Kramer, the chief financial officer of Cisco, the big telecom equipment supplier, told investors that the company had ''greatly, greatly reduced'' its exposure to ***China*** because of the tariffs.

Morey, a company near Chicago that makes rugged electronics for bulldozers and other outdoor equipment, reluctantly paid more for printed circuit boards made in ***China*** after Mr. Trump imposed 10 percent tariffs on $200 billion a year in Chinese imports last fall.

With those tariffs now rising to 25 percent, Morey executives have begun talking to suppliers in Taiwan, South Korea and Singapore.

''I was thinking this is a short-term issue that will go away,'' said George Whittier, the company's president and chief operating officer, ''and I don't think you can rationally think that any more.''

***China*** holds a lot of cards. It remains a huge profit source for Apple, Boeing, General Motors, Starbucks and other major corporations. It can use its substantial financial firepower and the government's control over crucial economic levers to endure a protracted ***trade*** conflict, while state-run media outlets help stem discontent at home.

Chinese officials and experts say the country can stand firm against Western pressure. Even some advocates of more market-oriented policies say Beijing should just make its own decisions now instead of tying them to a ***trade*** pact with Washington.

''***China*** should focus on its own reform, which will eventually solve some current ***trade war*** contentious issues,'' said Zhu Ning, a Tsinghua University economist.

Still, ***China*** has lost some of the swagger and appeal that once opened so many doors in Washington and on Wall Street.

***China*** has long used its tremendous size and growth potential as both carrot and stick. Companies that played by its rules could gain access to a market of more than one billion people who were becoming increasingly affluent and eager to spend. Companies that complained could be left out.

It worked. G.M. and other companies caved in to demands like being forced to take on local joint venture partners, knowing that they were training future competitors. General Electric sold one complete diesel locomotive from Erie, Pa., to ***China***, then taught the Chinese to build their own. Apple censors its App Store in ***China***. When Google protested censorship and hacking, it was mostly kicked out.

Businesses then helped make ***China***'s case in Washington. When ***China*** wanted to join the World ***Trade*** Organization, the global ***trade*** club, it enlisted Wall Street's help. Businesses helped persuade successive American presidents to refrain from punishing ***China*** for manipulating its currency, even as Beijing manipulated its currency. They fought efforts to raise tariffs.

***China*** remains vital to many businesses, but the dynamic has shifted. It still grows at a pace that developed countries envy. But its economy has slowed significantly from rates that as recently as 2010 topped 10 percent a year. Since Xi Jinping took power in 2012, the government has taken a stronger hand in business, requiring foreign companies to forge ties with the Communist Party and demanding access to data.

Beijing has fewer ways to strike back against the ***United States*** now. Its tremendous success in nurturing its own homegrown industries, which has helped ***China***'s economy rise up the value chain, has reduced its imports of American goods, giving it fewer items to hit with tariffs.

A decade ago, ***China*** bought Jeeps made in Michigan by Chrysler, bulldozers and other construction equipment made in Illinois by Caterpillar and huge diesel engines made in Indiana by Cummins. Now Chrysler makes Jeeps in Changsha and Guangzhou. Caterpillar makes construction equipment in Xuzhou. And Cummins builds engines at factories in Beijing, Chongqing, Hefei, Liuzhou, Xi'an and Xiangyang.

''***China*** has been so effective at squeezing manufactured imports out of its market that it has really limited its options to retaliate,'' said Brad Setser, a Treasury official in the Obama administration who is now an economist at the Council on Foreign Relations.

***China***'s imports from the ***United States*** now fall mostly into four big categories: Boeing aircraft from Washington State; semiconductors, mainly from Intel factories in Oregon; farm products and energy from the Great Plains and Texas; and German-brand sport utility vehicles from South Carolina and Alabama. Although ***China*** could still shake the American political system if any harsh retaliation hurt economic growth in the ***United States***, it has fewer opportunities to target electoral swing states and hurt Mr. Trump's chances of re-election next year.

Slapping tariffs on those industries could also have big drawbacks. ***China*** needs those chips for its technology upgrades. Targeting Boeing planes would shift more Chinese business to Airbus, giving the European aircraft maker more leverage in negotiations with Beijing. On agriculture, ***China*** still does not grow enough soybeans to meet its needs, so higher tariffs on American crops might simply mean higher food prices down the line.

***China*** has also shown surprising vulnerabilities, like its dependence on American semiconductor technology and software. Last year, when the ***United States*** briefly prohibited American companies from selling technology to the Chinese telecommunications giant ZTE for violating sanctions against Iran and North Korea, ZTE ground to a halt.

''The ***trade*** friction has also been a cold shower that has made us see our structural shortcomings more clearly,'' said a front-page commentary in People's Daily on Monday that bore a pen name used to signal authoritative positions on international relations.

***China*** has options besides tariffs, but they have disadvantages as well.

It could sell a large chunk of the $1.3 trillion in ***United States*** Treasury debt that it holds. That could temporarily push up American interest rates. But it would saddle ***China*** with large losses. Beijing would have to find someplace else to park the money. Its previous sales, undertaken mainly to shore up the country's currency in 2015 and early 2016, did not affect the bond market much.

Another option would be for ***China*** to let its currency slide in value against the dollar, making its goods cheaper abroad and offsetting American tariffs. Doing that could prompt the Trump administration to raise its tariffs even higher. It might also tempt other countries to devalue their currencies, setting off a potentially costly currency ***war***. And a Chinese devaluation could cause Chinese families and households to send their own savings out of the country.

***China*** could crack down on American-owned factories in ***China*** or on those crucial to the supply chains of American companies. But that could lead still more multinational companies to consider leaving the country.

The dilemma for ***China*** is that the longer the ***trade war*** lasts, the more companies may decide to invest elsewhere. For now, domestic politics seem more important in ***China***, with the leadership and the general public reacting angrily to what is portrayed in the country as peremptory American demands.

''We have the confidence and ability to withstand any external risks and impact,'' Geng Shuang, the Foreign Ministry spokesman, said on Thursday.

Chris Buckley contributed reporting. Luz Ding and Elsie Chen contributed research.

https://www.nytimes.com/2019/05/17/business/***china***-***trade***-influence.html

**Graphic**

PHOTO: An automotive assembly line in Beilun, ***China***. The country's squeeze on imports has limited its host of tariff options. (PHOTOGRAPH BY BRYAN DENTON FOR THE NEW YORK TIMES) (B4)

**Load-Date:** May 18, 2019

**End of Document**

**Stocks Rebound as U.S.-China Trade War Enters New Stage**

The New York Times

May 14, 2019 Tuesday 00:36 EST

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**Section:** BUSINESS

**Length:** 880 words

**Byline:** Matt Phillips

**Highlight:** Global investors grew calmer after Beijing’s retaliatory tariffs shook markets, but sharp rhetoric suggested the uncertainty was far from over.

**Body**

Stocks jumped on Tuesday, rebounding from their biggest loss in more than four months and giving investors a reprieve from the waves of selling that have characterized ***trading*** so far in May.

Investors are trying to adjust to the ratcheting up of ***trade*** tension between the ***United States*** and ***China***, and assess the impact of the continuing dispute on the global economy, corporate profits and consumer spending. It is an abrupt change for traders who, as recently as last month, were anticipating that the two sides were close to reaching a deal.

On Monday, the S&P 500 suffered its steepest drop since early January, after Beijing said it would raise tariffs on American-made goods in retaliation for a similar move from the ***United States***.

Stocks on Tuesday rebounded from that plunge. The S&P rose 0.8 percent, while European markets were also higher. Asian stock markets had ended the day slightly lower.

[Read more about the reasons investors have been rattled by the return of ***trade*** tension.]

Still, the S&P 500 has dropped 3.8 percent so far in May, and even amid Tuesday’s recovery there were signs that investors continue to worry about the costs of the prolonging ***trade*** fight. Retail stocks were among the worst performers of the day, and Ralph Lauren suffered one of the steepest drops at 3.7 percent, despite posting better-than-expected quarterly earnings results.

In part, the retail slump reflects the fact that the next round of tariffs that the Trump administration is now considering imposing on Chinese imports includes a range of consumer products, from shoes to clothing to smartphones. Taxes on those products could hurt either consumer spending or retail profits if companies try to absorb the higher import costs.

In a conference call with analysts after the release of the company’s quarterly results, Jane Nielsen, Ralph Lauren’s chief financial officer, said that the company was “taking a more cautious approach to inventories, especially in light of the dynamic ***trade*** environment.”

According to JPMorgan Chase analysts, roughly one-third of Ralph Lauren’s products are sourced from ***China***.

Most economists think that the direct impact of the tariff fight between ***China*** and the ***United States*** will be limited. For example, Barclays economists say that if tariffs are indeed extended by the administration, that could lower the level of gross domestic product by as much as 0.3 percentage points over the long term.

But such tidy estimates mask a range of uncertainties. The costs to consumers — who are set to bear the brunt of the next round of American tariffs on Chinese goods — could be considerably higher than the overall impact on the economy.

Also, economic impact estimates focus tightly on the direct effect of the tariffs themselves and shed no light on indirect factors such as a potential decline in consumer and corporate confidence, or a downturn in financial markets, all of which could also weigh on growth.

A small cut in growth might not seem like a major concern, given the considerable momentum the American economy appears to have, but most economists expect the pace of economic growth to slow to below 2 percent in 2020, according to consensus economic estimates compiled by FactSet, a data provider.

“The more you put tariffs on, the harder it is for everyone to get out of the way,” said Michael Gapen, an economist at Barclays. “If we’re all right and growth is slowing down toward 2” percent, he said, “then this starts to matter a lot.”

On Tuesday, investors seemed suddenly less concerned, even with little in the way of positive developments on the ***trade*** front.

President Trump, who has long accused ***China*** of unfair ***trade*** practices in justifying his push for tariffs, reiterated that argument while speaking to reporters outside the White House on Tuesday morning. He continued to express confidence that the administration would make a favorable ***trade*** deal.

“I think it’s going to turn out extremely well,” Mr. Trump said. “We’re in a very strong position.”

He played down the conflict as a “little squabble with ***China***,” and denied that talks between the countries had ended.

But public comments from Beijing also suggested that the uncertainty for investors was far from over.

“***China*** does not want or wish for a ***trade war***, but it is by no means afraid of one,” Geng Shuang, a spokesman for the Chinese Foreign Ministry, said at a news briefing. “If someone brings the ***war*** to our doorstep, we will fight it to the end.”

Still, the tone across financial markets was positive.

The recovery on Wall Street was broad, with energy companies, semiconductor makers and other tech and industrial firms leading the American market higher. The price of several commodities, which had also been hit by worsening ***trade*** tensions on Monday, recovered too. Soybeans, a key American export to ***China***, rose. Prices for copper, an industrial metal whose prices are considered good gauges of expectations for Chinese economic growth, also climbed.

PHOTO: (PHOTOGRAPH BY The New York Times FOR THE NEW YORK TIMES)

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* With Higher Tariffs, ***China*** Retaliates Against the ***U.S***.

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**Load-Date:** May 16, 2019

**End of Document**

**Alibaba Reports Slower Growth as U.S.-China Trade War Intensifies**

The New York Times

May 15, 2019 Wednesday 08:52 EST

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**Section:** TECHNOLOGY

**Length:** 814 words

**Byline:** Raymond Zhong

**Highlight:** The e-commerce firm became a giant by catering to ***China***’s emerging middle class. But these are anxious times for Chinese consumers and businesses.

**Body**

One of the world’s leading internet giants appears to be feeling the effects of ***China***’s economic slowdown and the ***trade war*** with the ***United States***.

The Alibaba Group, ***China***’s largest e-commerce company, said on Wednesday that revenue increased by 51 percent in the March quarter from the same period last year. That topped Wall Street’s expectations, and was a pickup from the quarter before. But it was still the company’s second-slowest pace of revenue expansion since early 2016.

For the full year that ended March 31, revenue also grew by more than half. The company said, however, that the increase was partly the result of adding several recently acquired businesses, such as the takeout delivery service Ele.me, to its sales computations. Without those, it said, full-year sales would have increased by just under two-fifths, the slowest growth in three years.

Alibaba also said the number of customers on its Chinese retail marketplaces for the full year that ended in March had grown to more than 650 million, an increase of over 100 million.

***China***’s economy has slowed since the tariff fight with the ***United States*** began last year. Diplomacy with Washington   has frayed. Alibaba’s enormous size makes the company a closely watched bellwether for consumer and business sentiment in ***China***, even if it’s an obstacle to finding new ways to make money.

Alibaba’s scale and breadth may also put it in a better position than many other Chinese businesses to weather the present choppiness.

With services from commerce and food delivery to payments and travel booking now under its umbrella, Alibaba has built such a vast ecosystem of interconnected products and platforms that its hold on Chinese consumers and merchants is almost unassailable, said David Dai, an analyst at Sanford C. Bernstein in Hong Kong.

Alibaba is “over all in a much stronger position as compared to any other internet or e-commerce company in ***China***,” Mr. Dai said.

During a conference call on Wednesday, the company’s executive vice chairman, Joseph C. Tsai, urged analysts to look beyond what he called “the elephant in the room”: ***China***’s economic confrontation with the ***United States***.

More important for Alibaba, Mr. Tsai said, is the long-term increase in consumer spending by ***China***’s middle class. The company would also benefit, he said, if ***China*** agreed to import more American goods as part of a ***trade*** settlement, because Alibaba is already a partner to global brands that cater to ***China***’s growing ranks of shopaholics.

“Those are the more significant drivers of our business, as opposed to quarter-to-quarter G.D.P. or industrial production,” Mr. Tsai said.

Yet in a season of high anxiety about the ***trade war*** and the global economy, ***China***’s entire tech sector is feeling the pressure.

Leading companies have laid off workers. Start-ups, including some that Alibaba has invested in,   are struggling. Coders are   protesting long hours and unpaid overtime — a sign, industry observers say, that the years of breakneck growth and boundless optimism for Chinese tech companies are past.

Alibaba has said it will not lay off any employees this year. But the company has not been immune to strain. On Wednesday, Alibaba’s chief executive, Daniel Zhang, said the company would continue to hold off on charging merchants more to advertise on its shopping sites, despite the harm it would cause to revenue growth.

Such ads, along with other services that help merchants reach customers, represent the biggest part of Alibaba’s sales, and nearly all of its profit. Unlike Amazon, Alibaba does not pocket proceeds from merchandise sales on its platforms. It makes money by charging third-party sellers to use its digital shelves and signboards.

Alibaba has said it will avoid ramping up ad sales until it has collected more data about whether new personalized ads in its shopping app are successfully persuading customers to hand over more of their money.

But Alibaba executives have also said the company does not want to add to its merchants’ expenses at a time when many of them are already jittery about the economy.

Instead of trying to make more money by charging more for ads, Mr. Zhang said Wednesday, the company plans to invest in enticing more people, particularly those who live in ***China***’s smaller cities and towns, into conducting their lives within Alibaba’s consumer universe. More than two-thirds of the new users on Alibaba’s Chinese shopping platforms this past year lived outside the country’s megacities, the company said.

PHOTO: The Alibaba Group’s headquarters in Hangzhou, ***China***. The e-commerce giant’s scale and breadth may help it weather a ***trade war***. (PHOTOGRAPH BY Aly Song/Reuters FOR THE NEW YORK TIMES)

**Related Articles**

* Alibaba, an Icon of ***China***’s Growth, Now Reflects Its Slowdown

1. Alibaba’s Singles Day Sales Top $30 Billion. The Party May Not Last.
2. Michael Evans of Alibaba on Singles Day and Olympic Rowing

**Load-Date:** May 17, 2019

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**U.S.-China Trade War: The Consequences**

The New York Times

May 14, 2019 Tuesday, Late Edition - Final

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**Section:** Section A; Column 0; Editorial Desk; Pg. 22; LETTERS

**Length:** 393 words

**Body**

To the Editor:

Re ''Tariffs on ***China*** Exact Cost for 'Both Sides''' (front page, May 13):

Although the escalating ***trade war*** pits the world's two largest economic powers against each other, President Trump's chief economic adviser, Larry Kudlow, says the economic consequences of the tariffs will be ''so small'' that it's ''worthwhile doing.''

The stock market's plunge is offering a differing opinion that the consequences are not so small or worthwhile.

William GoldmanPalos Verdes Estates, Calif.

To the Editor:

Even Larry Kudlow, President Trump's top economic adviser, agrees that both the ***United States*** and ***China*** will bear burdens because of our president's latest ***trade war*** escalation. It has already begun, as ***China*** has raised tariffs on $60 billion worth of American goods, and Mr. Trump is asking for an additional $15 billion in subsidies for farmers and others who will be most harmed by the new Chinese tariffs.

Donald Trump is obsessed with winning. Every issue for him is a zero-sum game: Somebody wins, and somebody loses. But in this case, nobody wins, and everybody loses.

***Trade*** has been an essential part of our foreign policy forever, and Mr. Trump, as he has with everything else he touches, has trashed ***trade*** policy and thereby harmed the American people, especially those supporters who have backed him up until now. Mr. Trump doesn't get that his ***trade war*** policies will cost him dearly in 2020, but for this writer and voter, that is just fine.

Henry A. LowensteinNew York

To the Editor:

Re ''Trump's Tariff Is a Tax on Americans'' (editorial, May 11):

President Trump's tariffs are actually spurring economic growth and moving supply chains out of ***China*** to neighboring countries considered friendly to the ***United States***. ***China*** is not our friend, and the tariffs are forcing companies to re-establish supply chains. New manufacturing plants are sprouting up in America, and existing manufacturing plants are being expanded. There is a multiplier effect to this new capital expenditure that is keeping our economy strong and growing.

Just as old economic models such as those of John Maynard Keynes, Robert Solow and William Phillips had to be rethought, so does this blind assumption that all ***trade*** is good, even if one side is being taken advantage of. Now economists need to adjust their models.

Arthur MannLancaster, Pa.

https://www.nytimes.com/2019/05/13/opinion/letters/us-***china***-***trade***.html

**Load-Date:** May 14, 2019

**End of Document**

**U.S.-China Trade War: The Consequences; letters**

The New York Times

May 13, 2019 Monday 00:02 EST

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**Section:** OPINION; letters

**Length:** 422 words

**Highlight:** Readers debate how the battle over tariffs will affect the ***U.S***. economy.

**Body**

To the Editor:

Re “Tariffs on ***China*** Exact Cost for ‘Both Sides’” (front page, May 13):

Although the escalating ***trade war*** pits the world’s two largest economic powers against each other, President Trump’s chief economic adviser, Larry Kudlow, says the economic consequences of the tariffs will be “so small” that it’s “worthwhile doing.”

The stock market’s plunge is offering a differing opinion that the consequences are not so small or worthwhile.

William GoldmanPalos Verdes Estates, Calif.

To the Editor:

Even Larry Kudlow, President Trump’s top economic adviser, agrees that both the ***United States*** and ***China*** will bear burdens because of our president’s latest ***trade war*** escalation. It has already begun, as ***China*** has raised tariffs on $60   billion   worth of American goods, and Mr. Trump is asking for an additional $15 billion in subsidies for farmers and others who will be most harmed by the new Chinese tariffs.

Donald Trump is obsessed with winning. Every issue for him is a zero-sum game: Somebody wins, and somebody loses. But in this case, nobody wins, and everybody loses.

***Trade*** has been an essential part of our foreign policy forever, and Mr. Trump, as he has with everything else he touches, has trashed ***trade*** policy and thereby harmed the American people, especially those supporters who have backed him up until now. Mr. Trump doesn’t get that his ***trade war*** policies will cost him dearly in 2020, but for this writer and voter, that is just fine.

Henry A. LowensteinNew York

To the Editor:

Re “Trump’s Tariff Is a Tax on Americans” (editorial, May 11):

President Trump’s tariffs are actually spurring economic growth and moving supply chains out of ***China*** to neighboring countries considered friendly to the ***United States***. ***China*** is not our friend, and the tariffs are forcing companies to re-establish supply chains. New manufacturing plants are sprouting up in America, and existing manufacturing plants are being expanded. There is a multiplier effect to this new capital expenditure that is keeping our economy strong and growing.

Just as old economic models such as those of John Maynard Keynes, Robert Solow and William Phillips had to be rethought, so does this blind assumption that all ***trade*** is good, even if one side is being taken advantage of. Now economists need to adjust their models.

Arthur MannLancaster, Pa.

PHOTO: President Trump’s confidence in the strength of the American economy is fueling his decision to escalate his ***trade*** fight with ***China***. (PHOTOGRAPH BY Tom Brenner for The New York Times FOR THE NEW YORK TIMES)

**Load-Date:** May 15, 2019

**End of Document**

**U.S. Renews Trade War Against China as Talks End Without Any Deal**

The New York Times

May 11, 2019 Saturday, Late Edition - Final

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**Section:** Section A; Column 0; Foreign Desk; Pg. 1

**Length:** 1742 words

**Byline:** By ALAN RAPPEPORT and ANA SWANSON; Mitch Smith contributed reporting from Chicago.

**Body**

WASHINGTON -- ***Trade*** talks between ***China*** and the ***United States*** ended on Friday without a deal as President Trump raised tariffs on $200 billion worth of Chinese imports and signaled he was prepared for a prolonged economic fight.

Mr. Trump, who only weeks ago predicted a signing ceremony for an ''epic'' ***trade*** deal with President Xi Jinping of ***China***, reclaimed his stance of threatening Beijing and insisting his approach would help the American economy. In a flurry of tweets on Friday, Mr. Trump warned that he would tax nearly all of ***China***'s imports if the country continued to backtrack on a ***trade*** deal.

''Tariffs will make our Country MUCH STRONGER, not weaker. Just sit back and watch!'' Mr. Trump said on Friday morning, adding that the Chinese ''should not renegotiate deals with the ***U.S***. at the last minute.''

While both sides indicated there would be future discussions, the toughened stance thrust the world's two largest economies back into a ***trade war*** that one week ago had seemed on the cusp of ending. Mr. Trump and his advisers were surprised by what they saw as ***China***'s attempt to renege on parts of an emerging ***trade*** deal, and two days of talks this week did nothing to resolve those concerns. Mr. Trump is now moving ahead with plans to impose 25 percent tariffs on all remaining Chinese imports. Those new tariffs could go into effect in a matter of weeks.

In a statement Friday evening, the ***United States*** ***trade*** representative said Mr. Trump had ''ordered us to begin the process of raising tariffs on essentially all remaining imports from ***China***, which are valued at approximately $300 billion.''

On Friday afternoon, Mr. Trump suggested that the ball was in Beijing's court, saying that ''the ***United States*** has imposed Tariffs on ***China***, which may or may not be removed depending on what happens with respect to future negotiations!''

Both sides had agreed to meet again in Washington on Thursday and Friday, but the talks were brief and focused mostly on the roots of the recent impasse. By early afternoon on Friday, the meeting had concluded and no further face-to-face negotiations were scheduled. Mr. Trump called the discussions ''candid and constructive'' and ***China***'s vice premier, Liu He, said the talks went ''fairly well.'' An administration official said it was possible that the negotiators could reconvene in June in Beijing, while Mr. Liu told ***China*** Central Television that the two sides would meet again.

''Negotiations have not broken down,'' Mr. Liu said on Friday, while noting that ***China*** was unwilling to make concessions on ''principle issues.''

Stock markets fell in early morning ***trading***, with the S&P 500 down more than 1 percent but regained ground after Mr. Trump's comments.

It remains unclear whether the two countries can salvage a ***trade*** agreement that is complicated by political dynamics on both sides of the Pacific. Mr. Trump, who has promised to be tough on ***China***, is eager to avoid being seen as signing a weak deal that does not take advantage of the leverage the ***United States*** has created with its tariffs. But Mr. Xi is also facing pressure from hard-liners in ***China***, who do not want to acquiesce to the ***United States***, particularly Washington's demands that ***China*** make changes to its laws.

On Friday, the ***trade*** dispute appeared to be lurching toward an all-out economic ***war***. ***China*** has threatened to retaliate with its own ''countermeasures,'' which include ending purchases of American farm goods and establishing other nontariff barriers for companies trying to gain access to the Chinese market.

Mr. Trump continued to insist that his tough approach would benefit the ***United States*** economy, particularly farmers, who have faced retaliation from ***China*** as a result of the ***trade war***. But the president suggested he would once again try to insulate farmers, many of whom support his presidency, from additional pain through another round of financial support. The administration previously created a $12 billion aid program to help compensate farmers for ***trade***-related losses.

Chinese officials said the decision to come to the ***United States*** after Mr. Trump's tariff threat was intended to show that they were serious about continuing discussions. But it is unclear whether ***China*** is willing to make the changes that the Trump administration is demanding, including codifying much of the emerging agreement into law. Mr. Trump's advisers want to ensure ***China*** does not violate an agreement that is aimed at giving American companies greater access to ***China***'s market and ensuring protections for their technology and ***trade*** secrets.

''I come here facing pressure,'' Mr. Liu said on Thursday in an interview with ***China*** Central Television in Washington. ''That expresses ***China***'s greatest sincerity. And we want to resolve some of the differences we face honestly, confidently and rationally. I think there is hope.''

***China*** has yet to specify the countermeasures it plans to take but the administration signaled this week that it expected farmers to once again bear the brunt of any retaliation.

Mr. Trump suggested on Friday that the ***United States*** would use the tariff money it collected to buy American farm products, which it would then ship to ''poor & starving countries in the form of humanitarian assistance. In the meantime we will continue to negotiate with ***China*** in the hopes that they do not again try to redo deal!''

Other administration officials suggested some type of aid program was in the works but did not expand on Mr. Trump's idea.

''Make no mistake about it, we have already had preliminary discussions in the White House for additional support for farmers if this impasse with ***China*** continues,'' Vice President Mike Pence said in remarks on Thursday in Minnesota.

Sonny Perdue, the agriculture secretary, said on Friday that he had spoken to Mr. Trump, who directed him to develop a new plan to support farmers. Mr. Perdue said on Twitter that Mr. Trump ''loves his farmers and will not let them down!''

Economists have criticized aid to farmers as less effective than opening up overseas markets. They have also almost uniformly rejected the president's arguments that tariffs are good for the ***United States***, saying that these taxes reduce economic activity by raising prices for consumers.

The ***United States*** and ***China*** had been nearing a ***trade*** deal that would lift tariffs, open the Chinese market to American companies and strengthen ***China***'s intellectual property protections. But discussions fell apart last weekend, when ***China*** called for substantial changes to the negotiating text that both countries had been using as a blueprint for a sweeping ***trade*** pact. American officials said that ***China*** claimed that provisions of the deal would be in violation of Chinese laws -- which could not be easily changed -- and that the ***United States*** was demanding too much and giving too little.

Myron Brilliant, the head of international affairs for the ***U.S***. Chamber of Commerce, said the business community was ''deeply concerned about recent suggestions that ***China*** is backing away from progress made to date.''

''Prolonging ***trade*** tensions and the escalation of tariffs are in neither country's interest,'' he said.

But businesses large and small were also concerned about the toll that higher tariffs would take on their sales and profits. The tariffs, which went into effect at 12:01 a.m. on Friday, will apply only to goods that leave ***China*** after that time, essentially giving several weeks' extension for products that are already on ships on the water. But without a quick resolution, businesses will face higher costs for a range of products they import from ***China***.

''We are disappointed that the ***U.S***. and ***China*** were unable to reach a deal in time to avoid another escalation of tariffs,'' said Naomi Wilson, senior director of Asia policy for ITI, a lobbying group for the technology sector. ''This specific tariff increase will affect every day telecommunications equipment like modems and routers that help Americans connect to the internet and with each other.''

Still, some economists said that the higher rate should not inflict too much pain on the broader ***United States*** economy in the near term.

''Even if the dispute escalates, with Trump following through on his threat to extend the 25 percent tariff to all of ***China***'s imports, the impacts on ***U.S***. real G.D.P. and inflation would still be modest,'' Andrew Hunter, a senior ***United States*** economist at Capital Economics, wrote in a note to clients.

Current and former Trump administration officials noted that negotiations between the ***United States*** and ***China*** had stalled before and then been revived by Mr. Trump, who has developed a relationship with Mr. Xi.

Michael Pillsbury, a ***China*** scholar at the Hudson Institute who advises the Trump administration on ***trade***, said that the apparent collapse of the talks was a sign that hard-liners are winning the debate in ***China*** and pressuring Mr. Xi not to acquiesce to Mr. Trump.

''There is information coming out of Beijing that this is part of a larger move by the hard-liners to persuade Mr. Xi to change a number of policies and to get tougher,'' he said.

While Mr. Trump appears to be gambling with the ***United States*** economy, confronting ***China*** is one issue where Democrats and many Republicans have been encouraging him to remain assertive in hopes that ***China*** will make significant changes to its economic policies.

The Republican National Committee on Friday defended Mr. Trump against criticism that he had been unable to close the deal with ***China***.

''While others have acknowledged ***China***'s ***trade*** cheating for years and done nothing, President Trump is determined to not let ***China*** off the hook until it ends its destabilizing practices,'' the committee said in a statement.

In recent days, Mr. Trump has mocked Democrats and potential 2020 opponents, suggesting that ***China*** hopes to wait out his presidency and face a weaker negotiator.

Democrats have largely been quiet about Mr. Trump's approach to ***China***, but some have said that his confrontational stance has squandered an opportunity to bring about the changes that he seeks.

''The question is how do you use ***U.S***. leadership,'' said Jack Lew, who served as Treasury secretary under President Barack Obama. ''Do you use it to try to force a major counterpart to capitulate and do it in a humiliating way? Or do you use your moral leadership, which has driven the process forward in the past.''

https://www.nytimes.com/2019/05/10/us/politics/trump-***china***-***trade***.html

**Graphic**

PHOTO: A container ship in eastern ***China*** on Wednesday. New American tariffs on ***China*** could go into effect in a matter of weeks. (PHOTOGRAPH BY CHINATOPIX, VIA ASSOCIATED PRESS) (A9)

**Load-Date:** May 11, 2019

**End of Document**

**Larry Kudlow Breaks With Trump, Saying ‘Both Sides Will Pay’ in Trade War With China**

The New York Times

May 12, 2019 Sunday 02:37 EST

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**Section:** US; politics

**Length:** 1070 words

**Byline:** Mark Landler

**Highlight:** Larry Kudlow’s acknowledgment was merely a recognition of Economics 101. But it flew in the face of one of President Trump’s favorite arguments: that ***trade wars*** are easy to win.

**Body**

WASHINGTON — President Trump’s chief economic adviser said on Sunday that American consumers would bear a burden from the escalating ***trade war*** with ***China***, contradicting Mr. Trump’s claim that his tariffs were a multibillion-dollar, one-way payment by ***China*** to the ***United States*** Treasury.

The adviser, Larry Kudlow, made his comments two days after negotiations for a ***trade*** deal with ***China*** broke off and Mr. Trump followed through on a threat to raise tariffs on $200 billion worth of Chinese exports.

“In fact, both sides will pay,” Mr. Kudlow said in an interview on Fox News. “Both sides will pay in these things.”

Mr. Kudlow’s acknowledgment was merely a recognition of Economics 101. But it flew in the face of one of the president’s favorite arguments: that ***trade wars*** are easy to win, and that the pain falls disproportionately on America’s ***trading*** partners, which he accuses of having exploited the ***United States*** for years through predatory ***trade*** practices.

After months of pressing urgently for a deal with ***China***, Mr. Trump abruptly shifted course in the past week, stung by what he viewed as its attempt to renege on key parts of a draft agreement. The president declared he was ready to prolong the standoff with Beijing because the cost of a ***trade war*** is much higher for the Chinese, with their huge numbers of exports to the ***United States***, than it is for Americans.

“Talks with ***China*** continue in a very congenial manner,” Mr. Trump said Friday on Twitter. “There is absolutely no need to rush — as Tariffs are NOW being paid to the ***United States*** by ***China*** of 25% on 250 Billion Dollars worth of goods & products. These massive payments go directly to the Treasury of the ***U.S***.”

He went even further in a subsequent tweet, claiming that tariffs would “bring in FAR MORE wealth to our Country than even a phenomenal deal of the traditional kind” — a statement that seemed to undercut his administration’s contention that ***China*** has robbed American companies of billions of dollars through coercive practices like the forced transfer of technology and unfair licensing agreements.

There is no doubt that ***China*** is being buffeted by the tariffs, which could soon apply to virtually everything it exports to the ***United States***. Mr. Kudlow said economic growth in ***China*** would slow down as its exports diminished. He argued that the effect on the American economy would be modest — only a 0.2 percent reduction in growth — even if Mr. Trump extended tariffs across the board, as he has threatened to do.

“You got to do what you got to do,” Mr. Kudlow said. “In my judgment, the economic consequences are so small but the possible improvement in ***trade***, and exports, and open market for the ***United States*** — this is worthwhile doing.”

The Chinese government said on Sunday that the door to resolving the impasse was always open, but that it would not yield on matters of principle, according to state news media. There are no winners in a ***trade war***, The People’s Daily newspaper said in a commentary carried by the official Xinhua News Agency on Sunday. ***China*** does not want to fight, the newspaper said, but it is not afraid to do so.

While economists differ on how much the ***trade war*** will crimp economic growth, most agree that the cost of tariffs is passed on to consumers in the form of higher prices on everything, including lighting fixtures and art supplies. Among the items covered by the administration’s latest increase in tariffs to 25 percent: computers, toilet paper, dog collars, Christmas tree lights and mattress supports.

“Trump is dragging a dangerous misconception into a critical moment in his standoff with the Chinese,” Chad Bown, an expert on ***trade*** at the Peterson Institute for International Economics, said last week. “And American businesses and consumers stand to pay the price.”

Mr. Kudlow held open the prospect of progress: He said that Mr. Trump was likely to meet President Xi Jinping of ***China*** at the Group of 20 summit meeting next month in Osaka, Japan.

It was hard to tell if Mr. Trump’s hard line was merely a negotiating tactic. But as the 2020 election campaign begins, he is showing clear signs that he views standing firm as a winning political strategy.

At a rally last week in Florida, he criticized the current Democratic front-runner, former Vice President Joseph R. Biden Jr., for being weak in his dealings with foreign leaders, and ridiculed the prospect of Pete Buttigieg, the 37-year-old mayor of South Bend, Ind., negotiating with the Chinese president.

Former aides have also warned Mr. Trump against signing a watered-down agreement, saying that it could become fodder for Democrats, particularly progressives like Senator Bernie Sanders, independent of Vermont, who has staked out a position on ***China*** ***trade*** as hawkish as that of Mr. Trump.

For his part, the president has argued that ***China***’s decision to pull back from an agreement last week reflected Beijing’s calculation that it could extract a better deal from a Democratic president.

“I think that ***China*** felt they were being beaten so badly in the recent negotiation that they may as well wait around for the next election, 2020, to see if they could get lucky & have a Democrat win,” Mr. Trump tweeted on Saturday, “in which case they would continue to rip-off the USA for $500 Billion a year.”

“The only problem,” Mr. Trump added, “is that they know I am going to win (best economy & employment numbers in ***U.S***. history, & much more), and the deal will become far worse for them if it has to be negotiated in my second term. Would be wise for them to act now, but love collecting BIG TARIFFS!”

The daylight between Mr. Kudlow and his boss on tariffs is not unusual in this administration. There are also fissures between the president and his national security team on how to deal with adversaries like Iran and North Korea. But the resulting muddle in the administration’s messages has fueled criticism from former officials that this White House does not have a coherent plan for dealing with ***China***.

“The Chinese have an advantage because they have a strategy and we don’t,” Robert M. Gates, who served as defense secretary to Presidents George W. Bush and Barack Obama, said Sunday on the CBS News program “Face the Nation.”

PHOTO: Larry Kudlow, President Trump’s chief economic adviser, said that Mr. Trump was likely to meet with ***China***’s president next month. (PHOTOGRAPH BY Sarah Silbiger/The New York Times FOR THE NEW YORK TIMES)

**Load-Date:** May 14, 2019

**End of Document**

**Chip Makers Are Punished as the Trade War Drags On**

The New York Times

May 23, 2019 Thursday 00:09 EST

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**Section:** BUSINESS; dealbook

**Length:** 484 words

**Byline:** Stephen Grocer

**Highlight:** Shares of Qualcomm, Nvidia and other American chip makers have tumbled as the companies find themselves at the center of the dispute between the ***U.S***. and ***China***.

**Body**

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American chip makers have found themselves at the center of the ***trade war*** between the ***United States*** and ***China***. It hasn’t been pleasant.

The Philadelphia semiconductor index, the closely watched index of 30 semiconductor companies, has fallen about 16 percent in May, its worst monthly showing since the financial crisis, as the growing dispute takes a toll on companies reliant on ***China*** for business. Shares of Qualcomm, Micron, Nvidia and Broadcom are all down by even more. By comparison, the S&P 500 is down about 4 percent.

President Trump, emboldened by the strength of the ***United States*** economy, has escalated his fightwith Beijing in recent weeks. He   raised tariffs on Chinese goods and   restricted American firms from selling components and technology to Huawei. ***China***, in turn, raised tariffs of its own and has shown no signs of backing down.

***China*** accounted for 35 percent of global semiconductor sales, according to Evercore ISI. Huawei, alone, spent $11 billion buying components and other supplies from American companies last year, said Joe Kelly, a Huawei spokesman.

But by Monday, after the Trump administration’s blacklisting of Huawei, major American semiconductor makers such as Qualcomm, Intel and Broadcom had started to step back from their dealings with the Chinese company.

Even before the latest escalation, the semiconductor makers were feeling the impact of the ***trade war*** as well as a slowing global economy. Profits for chip makers in the S&P 500 fell 21 percent during the first quarter, among the worst showings by any industry group within the index, according to FactSet.

Over the past year, the performance of semiconductor shares, perhaps more than any other group of stocks, has been tied to the fate of the ***trade war*** between the world’s two largest economies.

The Philadelphia semiconductor index in October fell 13.7 percent after Mr. Trump ratcheted up his ***trade*** fight with Beijing. The index finished the year down nearly 8 percent.

But as the ***trade*** tensions cooled during the first few months of this year and a deal appeared near, shares of chip makers soared. By late April, the semiconductor index was up 37 percent to a record high, while the S&P 500 had gained about 17 percent.

That rally in chip stocks also highlighted a simple reality: While they are likely to continue to be buffeted by the ups and downs of the ***trade*** negotiations, semiconductors increasingly power the products and technology that are crucial to our daily lives and future, from the chips in iPhones and the latest-generation cellular networks to self-driving cars and artificial intelligence.

For now, though, shares of these companies seem like investors’ favorite ***trade-war*** punching bag.

PHOTO: (PHOTOGRAPH BY S&P Global Market Intelligence FOR THE NEW YORK TIMES)

**Load-Date:** May 25, 2019

**End of Document**

**Trump’s Trade War Escalation Will Exact Economic Pain, Adviser Says**

The New York Times

May 12, 2019 Sunday 11:18 EST

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**Section:** US; politics

**Length:** 1898 words

**Byline:** Jeanna Smialek, Jim Tankersley and Mark Landler

**Highlight:** President Trump’s decision to renew his ***trade war*** with ***China*** could inflict lasting damage on the American economy, but the ultimate impact depends on how far the president takes the fight.

**Body**

WASHINGTON — President Trump’s chief economic adviser said on Sunday that American consumers would bear some pain from the escalating ***trade war*** with ***China***, contradicting Mr. Trump’s claim that his tariffs are a multibillion-dollar, mostly one-way payment by ***China*** to the American Treasury.

The comments from Larry Kudlow, the director of the National Economic Council, came after the 11th round of ***trade*** negotiations broke off without a deal, prompting Mr. Trump to raise tariffs on $200 billion worth of Chinese products and begin a process to impose levies on nearly every product ***China*** exports to the ***United States***.

“In fact, both sides will pay,” Mr. Kudlow said on “Fox News Sunday.” “Both sides will suffer on this.”

Mr. Kudlow’s acknowledgment of economic pain, while widely shared by economists, contradicted the president’s view that ***trade wars*** are easy to win and that the burden falls disproportionately on America’s ***trading*** partners.   Mr. Trump again asserted on Monday that there was “no reason” that American consumers would pay the tariffs.

Both Mr. Kudlow and the president say that a protracted ***trade war*** will ultimately be in the ***United States***’ financial interest. Mr. Kudlow said that any pain would be worth the price if it forced ***China*** to treat American companies more fairly.

“You’ve got to do what you got to do,” Mr. Kudlow said. “We have had unfair ***trading*** practices all these years and so in my judgment, the economic consequences are so small that the possible improvement in ***trade*** and exports and open markets for the ***United States***, this is worthwhile doing.”

Financial markets reflected the potential for pain. Asian and European stocks were mostly lower early on Monday, and futures markets suggested Wall Street would open down, too.

Negotiations between the countries broke down last week after administration officials accused the Chinese of backtracking on several key provisions of a proposed deal, including agreeing to codify changes in Chinese law. Administration officials insist the talks have been constructive, and say they will continue; Mr. Kudlow said that could possibly include a meeting next month between Mr. Trump and President Xi Jinping of ***China*** at the Group of 20 summit meeting in Osaka, Japan. But Mr. Trump has muddied that message with tweets suggesting he would be happy to leave tariffs in place indefinitely.

Mr. Trump’s confidence in the strength of the American economy is fueling his decision to escalate the ***trade*** fight. But it is an economic gamble, one that could inflict lasting damage depending on how far Mr. Trump is willing to take his battle and what it produces in the end.

In a tweet on Sunday, Mr. Trump said the ***United States*** was “right where we want to be with ***China***,” adding that the ***United States*** “will be taking in Tens of Billions of Dollars in Tariffs from ***China***.”

Economists differ on how much the ***trade war*** will crimp economic growth, but most agree that the cost of tariffs is passed on to businesses or consumers in the form of higher prices on everything, including lighting fixtures and art supplies. Among the items covered by the administration’s latest increase in tariffs to 25 percent: computers, toilet paper, dog collars, Christmas tree lights and mattress supports.

The new tariff will not knock the American economy into recession, forecasters say, but it will hurt economic growth — and could do so drastically — if Mr. Trump follows through with his plan to place the tariff on all imports from ***China***.

The ***United States*** imported $540 billion worth of goods from ***China*** in 2018, according to government statistics.

“Trump is dragging a dangerous misconception into a critical moment in his standoff with the Chinese,” Chad Bown, an expert on ***trade*** at the Peterson Institute for International Economics, said last week. “And American businesses and consumers stand to pay the price.”

Tariffs enacted last year reduced the inflation-adjusted income of American consumers by $4.4 billion each month by November, according to one study. That loss, which arose both from the tariff and from more expensive or foregone imports, breaks out to about $419 per household over a year. The latest round of increases will push the per-household cost above $800, said David Weinstein, a Columbia University economist and a co-author on the research.

Mr. Trump and his advisers insist his approach will ultimately pay off for the American economy — either by prodding ***China*** to open its markets and treat American firms more fairly, or by encouraging companies to shift manufacturing to the ***United States*** to avoid tariffs.

But the decision to prolong the ***trade war*** could upend economic projections that showed robust hiring, growth and investment this year, in part because of fading concerns about a protracted ***trade*** fight. And it could defy steady predictions by administration economists that Mr. Trump’s ***trade*** policy will help increase growth in 2019 to 3.2 percent — well above what most other forecasters expect.

“There is absolutely no question that these tariffs, if imposed and sustained, increase the probability of a recession,” Rob Martin, a former Fed section chief who is now an executive director at UBS, said of a potential escalation. “It makes you more vulnerable.”

Mr. Martin and his colleagues estimate that Mr. Trump’s latest increase could shave 0.25 to 0.35 percentage points off gross domestic product over six months. If the remainder of ***China***’s products get hit with a 25 percent tariff, it could shave up to another full percentage point from G.D.P.

“If we move into that next tranche of tariffs, we’re in 100 percent uncharted territory,” Mr. Martin said. The products in that category are about two-thirds consumer goods and for many — which could include toys, bicycles and iPhones — it could be hard to find quick substitutes.

A prolonged ***trade war*** could inflict damage on ***China***’s economy. Economic growth in ***China*** slowed in the second half of last year, in part because tariffs hurt business confidence. Since then, the Chinese government has poured billions of dollars into the financial system and pressed state-run banks into service extending credit.

Officials said last month that the economy grew 6.4 percent in the first quarter of the year, matching the pace from the previous quarter.

But Mr. Trump is clearly banking on a protracted fight to shift the economic calculus, warning ***China*** in a tweet that “a deal will become far worse for them if it has to be negotiated in my second term.”

While Mr. Trump is confident in his approach, his decision to add new ***trade*** barriers with ***China*** — in the form of higher tariffs — has confounded analysts and some business groups that have otherwise praised his handling of the economy.

Analysts at the Tax Foundation, a Washington think tank that forecast a large increase to economic growth from the tax cuts Mr. Trump signed in 2017, now say that the tariffs the president has put in place or threatened — and the effects of Chinese retaliatory tariffs on American exporters — would more than cancel out all the economic benefits of the tax law.

“The tariffs, if allowed to continue, will mute the economic benefits of tax reform,” said Nicole M. Kaeding, a Tax Foundation economist — particularly for low- and middle-income consumers who will be stuck paying higher prices. “Economists argue about many things, but the impact of tariffs on the economy is not debated. They are harmful.”

Many of those groups say growth would be even stronger this year if Mr. Trump had reached a deal with ***China*** and averted a prolonged government shutdown. They blame Mr. Trump’s fundamental misunderstanding of tariffs — which he believes are lifting the economy — for driving the country into a danger zone.

Analysts at Goldman Sachs said in a research note that further escalation of the ***trade war*** could reduce growth by nearly half a percentage point this year, and that “if ***trade*** tensions sparked a major sell-off in the equity market, the growth impact could worsen considerably.”

Stocks swooned last week but had begun to rebound by Friday afternoon. Financial conditions have tightened, but remain well below levels seen late last year.

“So far, ***U.S***. markets don’t express a lot of concern — I think everybody expects a deal,” said Roberto Perli, an economist at Cornerstone Macro. “The risk is that time passes, nothing happens and the market realizes — maybe we were too optimistic.”

Mr. Trump has expressed satisfaction with “big beautiful tariffs” that he said were producing “billions of dollars” for America.

“I am very happy with over $100 Billion a year in Tariffs filling ***U.S***. coffers…great for ***U.S***., not good for ***China***,” Mr. Trump said on Twitter last week.

Of the $419-per-household cost of last year’s tariffs, most of the hit — $286 — came from the levy itself. Because the American government collected that money, it was able to redistribute it, including through a $12 billion program of farm subsidies. But that could change as the ***trade war*** persists.

“It’s pretty likely that the tariff revenue is going to fall,” Mr. Weinstein of Columbia University said, as firms find themselves unable to shoulder the higher rates and stop importing from ***China***. “We’re going to see a lot of supply chains shifting around.”

That means Chinese companies will also lose out as businesses buy more American-made goods or continue turning to other low-cost producers outside ***China***, like Vietnam and Malaysia.

Mr. Trump’s shift on tariffs appears to have surprised Fed officials, who had been expecting the ***trade*** dispute to calm down. This month, the Fed chairman, Jerome H. Powell, told reporters at a news conference that risks to growth from ***trade*** policy had “moderated somewhat,” citing “reports of progress in the ***trade*** talks between the ***United States*** and ***China***.”

It is unlikely that Mr. Powell and his colleagues will react quickly to the higher tariffs and renewed ***trade war***. The Fed will most likely judge any inflation that comes from ***trade*** policy as temporary, and may want to see economic growth weakening before acting on it through a rate cut or other measures.

“The Fed is unlikely to act immediately, in part because it is unclear whether this drama will end in a deal, an all-out ***trade war*** or something in between,” said Krishna Guha, head of the Global Policy and Central Bank Strategy team at advisory firm Evercore ISI.

If the central bank does react, it is more likely that it would cut rates to offset the economic pain. Raphael Bostic, the president of the Federal Reserve Bank of Atlanta, said at a National Association for Business Economics conference last week that the tariff increase could prompt a rate cut if higher costs cause consumers to pull back, “depending on the severity of the response.”

Mr. Guha concurred, saying that the Fed would not hesitate to react if there were signs of a real risk to economic growth. Instead, it will most likely “cut rates on insurance grounds, in particular given weak inflation.”

PHOTO: President Trump’s confidence in the strength of the American economy is fueling his decision to escalate his ***trade*** fight with ***China***. (PHOTOGRAPH BY Tom Brenner for The New York Times FOR THE NEW YORK TIMES)

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**Load-Date:** May 14, 2019

**End of Document**

**Why Markets Aren’t Sweating the U.S.-China Trade War Much: The ‘Trump Put’**

The New York Times

May 8, 2019 Wednesday 16:33 EST

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**Section:** UPSHOT

**Length:** 802 words

**Byline:** Neil Irwin

**Highlight:** The president has tended to back off whenever markets and the economy have looked soft.

**Body**

The real question is not why the stock market is down this week. It is why it is down so little.

After all, the world’s two largest economies have seemed to be hurtling toward a major escalation of their ***trade war***. American officials have complained that Chinese negotiators have been playing a bait-and-switch, backing away from concessions they had agreed to.

President Trump said the ***United States*** would raise its tariffs on $200 billion of Chinese imports to 25 percent from 10 percent on Friday, and begin taxing the remaining $325 billion of goods at that rate “shortly.” For a while, it was unclear whether negotiations would resume at all this week.

If ***trade*** talks did disintegrate, even with the arrival of high-level Chinese officials in Washington, the economy would be in danger of experiencing a meaningful downturn and potentially a recession. Economists at Moody’s Analytics, for example, expect it would subtract 1.8 percentage points from G.D.P. growth and cause unemployment to rise.

It would particularly hammer the financial results of some of the prominent American companies that either import Chinese goods or rely on the country as a major export market.

Yet the Standard & Poor’s 500 index was down only 2.1 percent in the first two ***trading*** days of the week, and little changed in Wednesday’s ***trading*** as of midday. The index has given up only about a month’s worth of gains; markets were lower as recently as early April.

The answer lies in a few words: the Trump Put.

A “put” is a type of option security that lets people put a floor under their losses. If you buy stock for $50 a share and also a put with a $40 strike price, you are protected from losing more than $10 per share.

In his 28 months in office, Mr. Trump has created a sense in markets that he will play that role for the economy as a whole. His administration has followed through on some of his threats — applying tariffs on many steel and aluminum imports, the existing tariffs on Chinese imports that Mr. Trump threatened to expand on Sunday — but has backed off whenever markets and the economy have looked soft.

The prime example is late last year, with financial markets falling and the risk of recession rising. The emergence of constructive negotiations between American and Chinese officials — in particular after a Feb. 22 Oval Office meeting — was one factor in a rally that has driven stocks up 15 percent so far in 2019. The Federal Reserve’s decision to back off plans for interest rate increases, as well as successful Chinese efforts to stimulate its economy, were other major factors.

If you’re trying to bet on where markets will be six months or a year from now, there are a few things you know. The president of the ***United States*** cares a lot about what happens to the stock market, as his tweets make plain. He will be running for re-election in 18 months. He enjoys making big, bold promises, many of which don’t materialize.

That adds up to a conviction that nothing really bad will happen — that the administration will strike some kind of deal, even if it does little to address long-term economic tensions between the ***United States*** and ***China***.

The only problem is that the existence of the Trump Put creates a funny circular system.

President Trump is more confident in taking an aggressive negotiating stand because the stock market is up a lot this year and the American economy is looking solid. The perception of a Trump Put means that markets don’t fall very much even with that tougher negotiating stand. But that, in turn, means a weaker signal to the president and his inner circle that there would be negative consequences if they followed through with the president’s Twitter threats to place tariffs on all Chinese imports.

With ***China***’s vice premier, Liu He, set to come to Washington for two days of talks, there is plenty of incentive for both sides to reach a deal.

But the existence of the Trump Put seems to increase the odds of a miscalculation. The danger would be greater if the relatively muted market response to the threats of escalation caused Trump administration negotiators to believe his line that the ***United States*** economy was doing well because of tariffs (as Mr. Trump has tweeted) and not despite them (as almost all mainstream economists believe).

If that miscalculation happens and the Trump Put turns out to be less reliable than it appeared, we will most likely find ourselves in a more damaging sort of global ***trade war*** than anything we’ve seen up to this point.

And that, in turn, could make the turbulence in markets this week seem downright quaint.

PHOTO: A woman grabbed a statue outside a bank in Beijing this week. Investors in ***China*** have been concerned by a breakdown in ***trade*** talks with the ***United States***. (PHOTOGRAPH BY Andy Wong/Associated Press FOR THE NEW YORK TIMES)

**Load-Date:** May 9, 2019

**End of Document**

**Why the U.S.-China Trade War Could Be Long and Painful: No Offramps**

The New York Times

May 14, 2019 Tuesday 00:09 EST

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**Section:** UPSHOT

**Length:** 946 words

**Byline:** Neil Irwin

**Highlight:** There’s a shrinking supply of the ‘constructive ambiguity’ that would let each side present a deal as a win.

**Body**

Just two weeks ago, the ***United States*** and ***China*** seemed to be gliding toward a ***trade*** deal meant to resolve tensions between the world’s two largest economies.

But the breakdown in talks since — the ***United States*** raised tariffs to 25 percent on $200 billion of Chinese imports, for example, and is threatening to tax an additional $300 billion — worries people who study international economic diplomacy.

That’s because both the ***United States*** and ***China*** seem to be digging into their positions in ways that will be hard to resolve with the mutual face-saving that typically turns high-stakes negotiations into deals.

To use a common negotiating metaphor, it is not clear what the offramps might be that would allow a de-escalation and prevent a major ***trade war*** that would prove costly to both nations.

In effect, President Trump appears to view continuing tension with ***China*** as good for him politically and has said, contrary to the view of mainstream economists, that tariffs are a reason for the ***United States***’ recent economic good fortune.

***China***’s leaders may not reveal their thinking in real time on Twitter, but they have signaled that many of the concessions the ***United States*** wants would require ***China*** to sacrifice core parts of its economic strategy and national sovereignty — in particular its ambitions to lead in the high-tech industries of the future.

“Each side has dug itself into some fairly deep holes such that it will be difficult to emerge from,” said Douglas Rediker, chairman of International Capital Strategies and a former ***U.S***. representative to the International Monetary Fund. As is often the case in negotiations, the pathway to a deal may rest in a “constructive ambiguity” that both sides can present to their domestic audiences as a win.

“Do I believe there’s enough room to find common ground?” Mr. Rediker said. “Yes, but only based on this ambiguity that doesn’t necessarily resolve the issues in one party’s favor or another.”

Both sides have taken subtle steps to allow time for last-ditch efforts. ***China*** sent a senior negotiator to Washington last week despite the breakdown in talks, and it delayed the start of its retaliatory tariffs on American imports until June 1. The ***United States*** applied the newest wave of higher tariffs based on when ships containing the affected goods arrive, adding a few weeks in which a reversal could be hammered out.

And President Trump and President Xi Jinping of ***China*** could meet at the G20 summit in late June in Osaka, Japan, which would be an opportunity for de-escalation at the highest levels.

But open lines of communication and time to work won’t by themselves solve the problem of how to finesse some mutually agreeable deal, particularly given that both countries view this negotiation as resetting their economic relationship in ways that would have long-lasting consequences.

Add in Mr. Trump’s tendency to view every negotiation through a zero-sum prism, and it may be hard to find a pathway for both parties to go home able to proclaim victory.

When the negotiations seemed to be going well a few weeks ago, “I thought we were going toward constructive ambiguity,” said Mary E. Lovely, an economist and ***trade*** expert at Syracuse University’s Maxwell School.

The ***United States*** is demanding that ***China*** codify rules into law to protect American companies (and their technology) that do business in ***China***. Chinese negotiators now reject that possibility; American officials said they had agreed to those provisions.

“It looks like there was a level of specificity that ***China*** wasn’t willing to accept and a level of ambiguity that the Trump administration wasn’t willing to accept,” Ms. Lovely said. “It looks like the Chinese are firm that there are some areas where they are not willing to go, that they see as disrespectful.”

If the escalation now being signaled by both sides goes into force, Americans will face higher prices for a wide range of goods, and certain American manufacturers will face less demand for their products. Already, American farmers are suffering amid reduced Chinese demand for soybeans and other products. The Chinese manufacturing sector is hurting as well — and is likely to suffer further if tariffs reduce American demand for their products or drive relocation of production to other countries.

Ultimately the question becomes how much of that pain each side will be willing to endure, and whether the two nations’ leaders feel a sense of urgency to each help the other save face domestically.

Things can change quickly. In a different sphere, for example, Mr. Trump went from threatening North Korea with nuclear annihilation to acting as if they were old friends practically overnight.

But given where things stand, it may take that kind of surprising reset between two top leaders, built on personal relationships, rather than the slow grind of hammering out an agreement that is more typical of economic diplomacy.

“The off-ramps are tricky here because the president believes this is good policy, and the Chinese are loath to cave on it,” said Jay Shambaugh, a professor of international economics at George Washington University and director of the Hamilton Project at the Brookings Institution. “It’s not abundantly clear how you climb down without any damage.”

The question for the weeks and months ahead is how much damage each side will tolerate before rethinking some of those basic assumptions and deciding that they don’t want to dig in quite so hard, after all.

PHOTO: President Trump and ***China***’s president, Xi Jinping, at a meeting in Beijing in 2017. This time, both leaders seem headed toward confrontation. (PHOTOGRAPH BY Damir Sagolj/Reuters FOR THE NEW YORK TIMES)

**Load-Date:** May 17, 2019

**End of Document**

**Markets Dip Amid Trade War Jitters**

The New York Times

May 23, 2019 Thursday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 2

**Length:** 782 words

**Byline:** By THE ASSOCIATED PRESS

**Body**

Stocks closed lower on Wall Street on Wednesday, pulled down by mixed corporate earnings from big retailers and lingering uncertainty over the ***trade*** feud between the ***United States*** and ***China***.

Lowe's and Nordstrom were among the biggest decliners in the S&P 500 index after the retailers reported quarterly results that fell short of Wall Street's expectations. Target bucked the trend, surging after its latest results topped analysts' forecasts.

Chip makers and other technology stocks also pulled the market lower, continuing a pattern of volatile ***trading*** as investors reacted to developments in the ***trade*** dispute. Energy stocks fell along with the price of crude oil. Small company stocks declined more than the rest of the market.

The sell-off outweighed gains by health care companies, household goods makers and other sectors, reversing some of the market's gains from a day earlier.

The S&P 500 fell 8.09 points, or 0.3 percent, to 2,856.27. The Dow Jones industrial average lost 100.72 points, or 0.4 percent, to 25,776.61. The Nasdaq composite index slid 34.88 points, or 0.5 percent, to 7,750.84. The Russell 2000 index of small company stocks gave up 13.62 points, or 0.9 percent, to 1,531.63. Major stock indexes in Europe closed mixed.

Bond prices rose, dragging the yield on the 10-year Treasury to 2.38 percent from 2.43 percent Tuesday.

Heightened tensions over ***trade*** have stuck the market in a rut for the past two weeks. The major ***U.S***. indexes are all down more than 3 percent in May, although they are holding on to gains for the year of 10 to 16 percent.

The turbulent stretch of ***trading*** this month has been a change from the relative calm that dominated markets earlier this year, when a ***trade*** agreement appeared in the works.

The ***U.S***. has imposed 25 percent tariffs on $250 billion in Chinese imports and is planning to target another $300 billion, a move that would cover everything ***China*** ships to the ***United States***. ***China*** has retaliated against $110 billion in ***U.S***. products.

Treasury Secretary Steven Mnuchin and the ***United States*** ***trade*** representative, Robert Lighthizer, wrapped up an 11th round of talks with Chinese counterparts this month without reaching an agreement. More talks have yet to be scheduled.

The ***trade war*** remains a wild card hanging over the market, said Jason Pride, chief investment officer of private wealth for Glenmede. The economy is in the late stages of a decade-long expansion, and investors are questioning how much longer it can last. ''Everybody is looking over their shoulders trying to figure out when this cycle will end,'' he said.

Qualcomm and Apple drove the slide in technology stocks on Wednesday. Qualcomm plunged 10.9 percent after a federal judge's ruling against the chip maker in an antitrust case. Several other chip makers also fell, including Micron Technology, 2.6 percent; Intel, 1 percent; and Broadcom, 2.2 percent.

Tech stocks were swinging between gains and losses this week after the ***United States*** proposed restrictions on technology sales to Chinese companies and then granted a 90-day grace period.

The home improvement retailer Lowe's downgraded its outlook for the year after a weak first quarter. Its shares tumbled 11.8 percent, its biggest single-day decline in more than 28 years. The results come a day after a rival, Home Depot, reported solid first-quarter financial results.

Nordstrom skidded 9.2 percent a day after it reported disappointing financial results. The company also cut its annual sales forecast.

Target had its best day since late 2017 after a surge in online sales lifted its first-quarter profit far above Wall Street forecasts. Target has been aggressively expanding its online shopping options, including same-day services and in-store pickups. Its shares vaulted 7.8 percent.

Energy stocks fell after energy futures closed broadly lower. Halliburton lost 3.3 percent, and Schlumberger slid 2.9 percent.

Energy futures finished lower. Benchmark ***United States*** crude dropped 2.7 percent, settling at $61.42 per barrel, after the Energy Department reported a large increase in crude supplies for last week. Brent crude, the international standard, closed 1.6 percent lower at $70.99 per barrel.

Wholesale gasoline slid 1.4 percent to $1.99 per gallon. Heating oil gave up 1.5 percent to $2.05 per gallon. Natural gas fell 2.7 percent to $2.54 per 1,000 cubic feet.

Gold inched up to $1,273.60 per ounce and silver to $14.41 per ounce, and copper slid to $2.69 per pound.

The dollar fell to 110.36 Japanese yen from 110.50 yen on Tuesday. The euro closed at $1.1151 from $1.1160.

This is a more complete version of the story than the one that appeared in print.

**Graphic**

CHART: The S&P 500 Index: Position of the S&P 500 index at 1-minute intervals on Wednesday. (Source: Refinitiv)

**Load-Date:** May 23, 2019

**End of Document**

**China's Propaganda Adds Its Take on Trade War**

The New York Times

May 15, 2019 Wednesday, Late Edition - Final

Copyright 2019 The New York Times Company

**Section:** Section A; Column 0; Foreign Desk; Pg. 7

**Length:** 609 words

**Byline:** By JAVIER C. HERNÁNDEZ

**Body**

BEIJING -- The ***trade*** dispute between the ***United States*** and ***China*** is escalating -- and so is the ***war*** of words between the two countries.

Nationalism has surged in ***China*** in recent days as the government seeks to portray ***China*** as a victim of American bullying. With ***trade*** talks stalled, Chinese commentators have taken aim at President Trump and vowed to resist American demands. Here's a look at what is being said on social media and state news outlets.

Allowable Anger

The sign hangs outside a restaurant in ***China***, informing the public that Americans must pay an extra 25 percent fee to dine. ''If there is any inconvenience,'' the sign says, ''please consult the ***U.S***. Embassy!''

A photo of the sign was one of many anti-American memes circulating on Chinese sites this week. The government has allowed the outpouring of criticism in part because it directs attention away from ***China***'s handling of the ***trade*** talks, experts said.

''They realize they have to let the anger be unleashed, otherwise this could be a social disruption for the regime,'' said Yu Jie, a fellow at Chatham House, a research institution in London.

President Xi Jinping now faces pressure to deliver a deal.

***China*** on Monday announced plans to raise tariffs on nearly $60 billion worth of American goods, including beer and wine. Some have urged Mr. Xi and the ruling Communist Party to take more severe actions, such as imposing boycotts on American goods or selling ***United States*** Treasuries. Analysts said the economic tensions are likely to last for years.

''There seems to be a wide consensus within the party that this ***trade war*** is going to be long,'' Dr. Yu said. ''Now it's just a question of how to manage public opinion.''

Taking on Trump

President Trump's efforts to taunt and threaten ***China*** in recent days have left many Chinese citizens incensed. Mr. Trump last week raised tariffs on $200 billion worth of Chinese goods, and he has repeatedly blamed the Chinese for the collapse of ***trade*** negotiations.

While the state-run news media in ***China*** have largely avoided attacking Mr. Trump by name, internet users have been less generous. They have circulated cartoons like one titled ''Giant Baby Trump'' to highlight what they describe as the president's mercurial tendencies.

''Trump's behavior will only hurt the innocent, damaging the global economy and causing destruction to both sides,'' a user wrote on Weibo, a Chinese social media site similar to Twitter.

Stoking Nationalism

Since the start of the ***trade*** dispute last year, Chinese leaders have tried to keep nationalism in check to avoid upsetting the ***trade*** talks. But this week, the government seemed to give it free rein.

The internet was awash in propaganda slogans, like the one above, which declares in part, ''Don't even think about bullying!'' Commentators have drawn comparisons between the current ***trade*** dispute and ***China***'s humiliation at the hands of foreign powers during the colonial era.

One of the most widely watched videos in ***China*** on Tuesday was a commentary by an anchor for ***China*** Central Television, the state broadcaster. The anchor, Kang Hui, above, dismissed the ***trade*** dispute as a blip in ***China***'s 5,000-year history and said the country would ''fight until the world is made new.''

Victor Shih, an associate professor at the University of California, San Diego, said the video was a warning to the ***United States*** as well as an attempt to caution the Chinese public about tumultuous times ahead.

''***China*** is being very upfront about some of the potential turmoil and telling its public to get ready for it,'' he said.

Albee Zhang, Zoe Mou and Xiuzhong Wang contributed research.

https://www.nytimes.com/2019/05/14/world/asia/***china***-propaganda-***trade***.html

**Graphic**

PHOTO: Chinese social media sites spread an image of a restaurant banner declaring that American customers must pay an extra 25 percent. (PHOTOGRAPH BY WEIBO)

**Load-Date:** May 15, 2019

**End of Document**

**Mnuchin Presses Retailers On Plans Amid Trade War**

The New York Times

May 23, 2019 Thursday, Late Edition - Final

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**Section:** Section A; Column 0; National Desk; Pg. 20

**Length:** 1080 words

**Byline:** By ALAN RAPPEPORT

**Body**

WASHINGTON -- Treasury Secretary Steven Mnuchin said on Wednesday that he was personally questioning some of America's largest companies about their plans for weathering the Trump administration's ***trade war*** with ***China***, including encouraging firms to reorient their supply chains and source their products elsewhere.

The discussions come as the ***trade*** dispute between the ***United States*** and ***China*** shows no signs of abating and suggests that the Trump administration is digging in for a protracted battle that could inflict substantial pain on consumers. President Trump recently raised tariffs on $200 billion worth of Chinese goods and has started the process to tax nearly all Chinese imports into the ***United States***.

At a House Financial Services Committee hearing on Wednesday, Mr. Mnuchin said he spoke to the chief financial officer of Walmart -- which recently warned that customers would see higher prices on furniture, clothing and accessories because of the duties on Chinese imports -- about how the company plans to proceed.

''I can tell you I am monitoring the situation very carefully,'' Mr. Mnuchin said, adding that he spoke to the Walmart executive this week to ''specifically understand from Walmart what things they can source from other areas and what items they can't.''

Companies have already been diversifying their supply chains away from ***China*** and accelerated those plans in the past year as Mr. Trump ramped up tariffs on Chinese imports. The president has not been shy about telling companies that they would be better off making their products in the ***United States*** or about berating them publicly for relocating manufacturing abroad.

The outreach by Mr. Mnuchin, one of Mr. Trump's closest economic advisers, underscores how sensitive the Trump administration is to the prospect of retailers raising prices and blaming the president's tariffs as the election cycle draws near.

''The Trump administration seems to be sending a signal that American companies should prepare for continued ***U.S***. economic and ***trade*** hostilities with ***China***,'' said Eswar Prasad, the former head of the International Monetary Fund's ***China*** division. ''It is certainly an unconventional approach to try to limit the negative economic consequences of the ***trade*** frictions with ***China*** by jawboning American firms to restructure their supply chains and tamp down price hikes.''

Retailers have been pushing back hard against the tariffs, expressing concern that their customers are in the tariffs' cross hairs.

Target warned on Wednesday that tariffs would lead to ''higher prices on everyday products for American families'' and said that it was also working on contingency plans.

Walmart has said that it is working on strategies to mitigate the pain of the tariffs to keep prices low. A Walmart spokesman said that it was not unusual for the company to be in touch with White House officials.

''We're viewed by Republican and Democratic administrations as an important bellwether of the economy and the health of the American consumer,'' he said, ''so it's not uncommon that current and past administrations would reach out reach out to us on important issues like this.''

Retail analysts suggested that despite such efforts, companies cannot necessarily adjust their business plans as quickly as the ***trade*** winds blow.

''It is not something that can be changed overnight,'' said Christopher Mandeville, an analyst at Jefferies. ''Having said that, management has been aware of tariff risk for some time now, where, in circumstances that allow for it, they could shift sourcing to nearby countries in Southeast Asia.''

Mr. Mnuchin said that his ''expectation is a lot of this business will be moved from ***China***'' and that there will be only a small number of items where tariffs are passed on to consumers.

While Mr. Mnuchin has privately cautioned against tariffs, on Wednesday he argued that depreciation of ***China***'s currency could blunt some of the effects of the tariffs by making Chinese products cheaper to buy. He also said that it was yet not certain that the next round of tariffs would be imposed, noting that Mr. Trump and President Xi Jinping of ***China*** will most likely meet at the G-20 summit meeting next month in Japan.

However, Mr. Mnuchin was far less optimistic about a deal than he was just a month ago.

''We were beginning to send out the date for the two presidents to meet and have a signing ceremony,'' he said. ''Unfortunately, ***China*** has taken a big step backward.''

In addition to ***China***, lawmakers peppered Mr. Mnuchin with questions about Treasury's refusal to turn over Mr. Trump's tax returns in light of a draft legal Internal Revenue Service memo concluding that he must release the returns to Congress. Mr. Mnuchin insisted that he disagreed with the findings and said that he was trying to determine who in the I.R.S. wrote the memo and whether it was a legitimate document.

''I don't know if it's genuine or someone made it up,'' he said, adding that he was not made aware of its existence before this week.

''The memo is marked draft; it is not a final memo,'' Mr. Mnuchin said. ''There is no smoking gun here.''

The draft memo, which was written by unnamed agency staff members, determined that the I.R.S. had no choice but to honor congressional requests for Mr. Trump's tax returns unless he invoked executive privilege to protect them. The memo's existence was first reported by The Washington Post.

Mr. Mnuchin said he believed the memo does not address the concerns that his legal team expressed when it rejected the request. Mr. Mnuchin has refused to comply with the Democrats' requests, saying they lacked a ''legitimate legislative purpose.''

Mr. Mnuchin reiterated that he had followed the guidance of lawyers from his department and the Justice Department who determined that the Treasury should not release the returns.

Mr. Mnuchin said that it would be ''unlawful'' for him to fulfill the congressional request, and he rejected the suggestion that he was breaking the law by not turning over the tax returns.

''I've been advised I am not violating the law,'' Mr. Mnuchin said.

While he questioned the memo's authenticity, Mr. Mnuchin said that he would review its contents and take its reasoning into account. It was clear that he did not anticipate that it would change the department's view, and the secretary seemed most interested in figuring out who wrote it.

''We will try to get to the bottom of it,'' he said.

https://www.nytimes.com/2019/05/22/us/politics/irs-trump-tax-returns.html

**Graphic**

PHOTO: Steven Mnuchin, Treasury secretary, during a meeting of the House Financial Services Committee. (PHOTOGRAPH BY HILARY SWIFT FOR THE NEW YORK TIMES)

**Load-Date:** May 23, 2019

**End of Document**

**Trump’s Trade War Threat Poses Problems for China and Investors**

The New York Times

May 6, 2019 Monday 04:20 EST

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**Section:** BUSINESS

**Length:** 1297 words

**Byline:** Keith Bradsher and Ana Swanson

**Highlight:** Amid uncertainly over ***trade*** talks set to take place this week, economists and investors worry that new tariffs would stop ***China***’s economic recovery.

**Body**

The prospect of a wider ***trade war*** between the ***United States*** and ***China*** sent global financial markets whipsawing on Monday and could force Beijing to make difficult decisions if it hopes to preserve its nascent economic recovery.

President Trump upended what appeared to be steady progress toward reaching a ***trade*** pact after he threatened on Sunday to impose still more tariffs on Chinese-made goods unless Beijing moved closer to a deal. Liu He, the Chinese vice premier overseeing economic policy and Beijing’s lead ***trade*** negotiator, had been   set to travel to Washington for talks scheduled for Wednesday that were widely seen as the potential last round before reaching a ***trade*** deal.

Mr. Liu’s plans were unclear as of Monday. At a daily news conference on Monday, Geng Shuang, a spokesman for ***China***’s Foreign Ministry, said a team of Chinese ***trade*** negotiators was still planning a trip to Washington. Still, Mr. Geng declined to say when the visit might take place or whether Mr. Liu would be on it.

Earlier on Monday in ***China***, people familiar with the talks said officials were considering whether Mr. Liu should keep his plans to visit Washington. The people spoke on the condition of anonymity because they were not authorized to speak publicly.

The uncertainty sent global markets reeling on Monday. Chinese shares fell more than 6 percent before recovering a modest amount of ground, while Hong Kong’s stock market fell 2.9 percent. In the ***United States***, the S&P 500 dropped by about half a percent. Major markets in Europe were also lower.

The threats pose a major problem for Xi Jinping, ***China***’s top leader, who had been counting on a ***trade*** deal to keep ***China***’s growth engine humming. Broad differences still separate the two sides on many issues, and Mr. Trump’s tweeted threat on Sunday indicated that the ***United States*** may be less willing to accept compromises than some of his senior aides had previously seemed to suggest.

***China***’s economic growth began to slow last year as Beijing tried to tame   the country’s overreliance on lending. Mr. Trump’s initial tariffs last year hurt Chinese manufacturers and consumer confidence, worsening the slowdown. ***China***’s economic slowdown   limited Mr. Xi’s options to retaliate against American tariffs and put pressure on him to reach a deal.

In recent months, thanks in part to new lending, ***China***’s slowdown appeared to stabilize. The prospect of a ***trade*** deal also increased consumer and investor confidence and led many economists to estimate ***China***’s growth would improve.

New tariffs could derail that progress. Through Twitter, Mr. Trump warned on Sunday that he would increase tariffs on $200 billion in Chinese goods at the end of this week and “shortly” impose levies on $325 billion of additional imports.

“If tariffs are hiked this Friday and new tariffs come soon after that the biggest negative impact will likely occur in the next few months,” Tao Wang, an economist specializing in ***China*** at UBS, said in a research note.

She estimated that a full-blown ***trade war*** with the ***United States*** could cut ***China***’s economic growth rate by 1.6 to two percentage points over the next 12 months. That would be a considerable cut: Last year, ***China***’s economy grew 6.6 percent, according to official figures, and the government has sent an official target of 6 percent to 6.5 percent this year.

Illustrating the sensitivity of the problem for ***China***’s leaders, Chinese media was mostly silent on Mr. Trump’s threat, in a sign of tight censorship. Still, pictures of graphs showing ***China***’s stock market plunge and veiled references to Mr. Trump were rife on Chinese social media. One popular meme compared Mr. Trump to Thanos, the villain in the blockbuster “Avengers: Endgame” film, saying the American president could kill half of ***China***’s investors with a snap of his fingers.

Mr. Xi will face internal difficulties in coping with Mr. Trump’s aggressive threat. He risks weakening his position if he is seen as giving in to American demands, especially in areas where many people in ***China*** feel the country has to make progress, such as in technology, if it wants to keep growing at a healthy pace.

In fact, Chinese internal politics may be at the root of the sudden hitch in the ***trade*** talks.

The Trump administration has reacted much more strongly than the Chinese government expected it to, an issue that came up in negotiations last week in Beijing between senior Chinese and American officials, the people familiar with the ***trade*** talks said. That was when Chinese negotiators said any concessions in the ***trade*** agreement would need to be done through regulatory and administrative actions by the Chinese government, and not cemented in place through actual changes in Chinese law through the country’s legislature.

Foreign critics have long derided ***China***’s legislature, the National People’s Congress, as a rubber stamp for the Communist Party. Bills backed by top leaders are approved by overwhelming majorities, often with only a handful of votes against them. But top leaders also do a lot of back-room maneuvering before any bill is introduced. Sometimes the maneuvering goes on for years without a consensus being reached. The congress also meets only once a year, making it difficult to get legislation approved quickly.

The National People’s Congress has a body of top leaders, called the standing committee, that has fairly broad powers and meets roughly every two months through the rest of the year. Still, major bills are supposed to be approved by the entire legislature.

James Zimmerman, a partner in the Beijing office of the Perkins Coie law firm, said ***China***’s State Council, its cabinet, could make the necessary changes on its own. However, handling legal changes quietly through the State Council would make them less visible to provincial and local officials in ***China***. The ***United States*** has tried to force through changes in how all levels of government in ***China*** handle questions like forced technology transfers and export subsidies, not just the national government in Beijing.

Already, the National People’s Congress in March enacted a new foreign investment law that changed many rules for overseas companies doing business in the country. Doing legislative changes then, before the ***trade*** talks had ended, was widely seen as a face-saving move by ***China***. But foreign business groups   criticized the new law from the start as inadequate.

Outside the ***trade*** talks, Beijing has taken other steps to bolster the economy.

Premier Li Keqiang in March pushed through the legislature a tax cut for manufacturers that is likely to particularly help sectors that may be involved in exporting to the ***United States***. Some Chinese companies have already been offering discounts to American corporate buyers to offset part or all of the cost of President Trump’s tariffs. ***China***’s central bank announced on Monday morning that it was adjusting bank rules to make it easier for small and medium-size banks to lend more money to the country’s private sector.

There is little else that Beijing can do in the meantime to mollify its people and businesses or the broader markets.

“It’s a huge uncertainty,” Hao Hong, the chief strategist at the Bank of Communications’ international operations, said, “and there’s no model that allows you to estimate your risk.”

Follow Keith Bradsher and Ana Swanson on Twitter: @KeithBradsher and @AnaSwanson. Ailin Tang contributed research.

PHOTO: President Trump meeting with President Xi Jinping and Chinese business leaders in Beijing in 2017. (PHOTOGRAPH BY Doug Mills/The New York Times FOR THE NEW YORK TIMES)

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* ***China*** Law Responds to ***U.S***. Investment Demands. Critics Say It’s Not Enough.

1. Trump Threatens ***China*** With More Tariffs Ahead of Final ***Trade*** Talks
2. Stocks Fall as Trump Threatens New Tariffs on ***China***

**Load-Date:** May 8, 2019

**End of Document**

**Fear of Intensifying Trade War Ricochets Through Economy**

The New York Times

May 7, 2019 Tuesday 11:13 EST

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**Section:** BUSINESS

**Length:** 1312 words

**Byline:** Matt Phillips, Ana Swanson and Alan Rappeport

**Highlight:** Stocks fell for a second day after the Trump administration repeated its pledge to raise tariffs on Chinese imports this week. Business owners braced for fallout.

**Body**

Fears of an escalating ***trade war*** between the ***United States*** and ***China*** ricocheted through the American economy on Tuesday, sending stocks down sharply and prompting businesses large and small to brace for fallout.

For months, investors and companies had been lulled into a sense of security that the world’s two largest economies appeared to be getting closer to a deal to resolve their battle. That calm was shattered this week when the Trump administration threatened to impose a new round of tariffs on hundreds of billions of dollars of Chinese products.

A delegation of Chinese leaders is preparing to travel to Washington for talks later this week, and Trump administration officials pledged to try to get ***trade*** negotiations back on track. But it is unclear whether the two sides can defuse the newest tensions.

After financial markets closed on Monday, Treasury Secretary Steven Mnuchin and Robert Lighthizer, the ***United States*** ***trade*** representative, emphasized that President Trump’s threats were not idle.

The market reaction was swift. On Tuesday, the S&P 500 index dropped 1.65 percent, its second straight daily decline. The sour mood continued early Wednesday in Asia, as markets in ***China***, Japan and Hong Kong ***traded*** down 1 percent or more.

That spoiled what had been a jubilant mood in the markets. In the first four months of 2019, the S&P 500 soared 17.5 percent, the index’s best start to a year since 1987. Investors shook off concerns that the global economy was slowing, that the Federal Reserve would raise interest rates and that the ***trade*** battle between the ***United States*** and ***China*** would drag on.

“We had all of those more or less resolved,” said Evan Brown, a markets strategist at UBS Asset Management. “We had the Fed become a lot more dovish. We had growth stabilize. And we had what everyone thought was the ***trade war*** moving toward a healing phase.”

Some experts said the market’s hot streak this year, along with consistently robust data about the health of the ***United States*** economy, might be emboldening Mr. Trump to ratchet up the ***trade*** dispute with ***China***.

“He’s never had better cards dealt to him to push ***China*** hard than right now,” said Michael Purves, chief global strategist at the brokerage firm Weeden & Company. “There’s clearly the risk that he’s going to push this into Friday and beyond.”

Talks are racing against a deadline. The Trump administration is threatening to raise the tariff on roughly $200 billion of Chinese imports to 25 percent, from 10 percent, on Friday.

The administration doubled down after Chinese negotiators walked back commitments, including how the deal would be enforced. They particularly objected to how Mr. Trump’s advisers wanted to codify it, people familiar with the talks said.

The administration wanted the text of the agreement to specify that some of changes that ***China*** had promised would be made in Chinese law. But Chinese negotiators insisted that the changes would be carried out through regulatory and administrative actions by the Chinese government, and not cemented in place through legislation in the National People’s Congress.

In a briefing on Tuesday, a Chinese government spokesman did not directly address the American accusations, but said that raising tariffs would not resolve any problems and that ***China*** was continuing to negotiate in good faith.

The growing friction led investors and business owners to steel themselves for greater turbulence. On Tuesday, investors battered shares of companies that rely directly or indirectly on international ***trade*** and the Chinese economy.

Caterpillar and Deere, industrial equipment makers with large markets in ***China***, dropped 2.3 percent and 1.5 percent. Boeing, one of the ***United States***’ largest exporters, dropped about 4 percent. Shares of semiconductor companies sank more than 2 percent.

In ***China***, share prices plunged as much as 6 percent on Monday after Mr. Trump’s initial threat. They recovered only a small part of those losses on Tuesday.

Brock Silvers, the chief executive of Kaiyuan Capital, an investment management and advisory firm in Shanghai, said there was little optimism that Vice Premier Liu He, who will lead ***China***’s delegation to the ***United States*** this week, could persuade the Trump administration to delay the latest increase in tariffs, at least initially.

“Markets had expected a quick agreement, and now seem shocked by the possibility of a prolonged economic conflict,” Mr. Silvers said.

A parade of ***United States*** ***trade*** associations sounded alarm bells this week that a new round of tariffs risked disrupting their industries, harming the economy and raising prices for consumers.

The auto industry, for example, is worried that tariffs will make imported car parts more expensive, and that ***China*** will put retaliatory tariffs on American-made cars sold in ***China***, said John Bozzella, the president of Global Automakers, which represents international car companies.

“Our concern is, as we go back into a phase of tit-for-tat tariffs, that the auto industry would face some significant pain,” Mr. Bozzella said.

Tariffs would also hurt the chemicals industry, which depends on ***China*** for several chemicals that are not available anywhere else and are critical to American manufacturing, said Cal Dooley, the president of the American Chemistry Council.

“The risks of continuing to use tariffs as a negotiating tactic with ***China*** are simply too high — and any potential benefits still unclear,” Mr. Dooley said.

Stephen K. Bannon, Mr. Trump’s former chief strategist, praised the president on Tuesday for daring to anger big companies by standing up to ***China***.

“This is the biggest move of his presidency — to break ranks with other administrations and confront ***China***’s economic ***war*** with America,” Mr. Bannon said.

But not just giant industries could be walloped by a new round of tariffs on Chinese products.

Tiffany Williams, owner of the Luggage Shop of Lubbock in Texas, was already hurting this year from the first phase of duties. They led to a roughly 10 percent increase in the price of the travel bags and accessories that her store sells. Ms. Williams had responded by raising her prices. That, she said, led some customers to shy away from buying high-end bags — which now cost more than $400 each, up from about $370 — and instead buy cheaper luggage.

This week, Ms. Williams said, she started getting calls from wholesalers warning that prices will go up again if Mr. Trump makes good on his threat to increase tariffs on Chinese imports.

“It’s very concerning,” said Ms. Williams, whose grandfather opened the shop in 1951. “It will change what consumers are ready to buy from us.” As she waits to assess the damage, she said, she is holding off on hiring more workers.

Delta Children in New York, which sells cribs that it imports from ***China***, swallowed most of the costs stemming from the first round of tariffs, the company's president, Joe Shamie, said. He said he had increased prices to retailers by only about 3 percent.

A new round of tariffs? “We can’t absorb them,” said Mr. Shamie, who described his company as the world’s largest seller of cribs. “Our prices will go up drastically.”

The average price of a crib is between $200 and $250, but prices will top $300 if the higher tariffs are enacted, most likely leading some families to forgo buying a new crib, he said.

Delta Children employs 350 workers. If crib sales decline because of the tariffs, Mr. Shamie said, he will have to consider layoffs.

Keith Bradsher contributed reporting.

PHOTO: For months, investors and companies expected a ***trade*** deal with ***China***. Their calm was shattered this week, and stocks fell on Tuesday. (PHOTOGRAPH BY Spencer Platt/Getty Images FOR THE NEW YORK TIMES)

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**Load-Date:** May 10, 2019

**End of Document**

**Lack of Face-Saving Options Could Drag Out a Trade War**

The New York Times

May 15, 2019 Wednesday, Late Edition - Final

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**Section:** Section A; Column 0; Foreign Desk; Pg. 9

**Length:** 921 words

**Byline:** By NEIL IRWIN

**Body**

Just two weeks ago, the ***United States*** and ***China*** seemed to be gliding toward a ***trade*** deal meant to resolve tensions between the world's two largest economies.

But the breakdown in talks since -- the ***United States*** raised tariffs to 25 percent on $200 billion of Chinese imports, for example, and is threatening to tax an additional $300 billion -- worries people who study international economic diplomacy.

That's because both the ***United States*** and ***China*** seem to be digging into their positions in ways that will be hard to resolve with the mutual face-saving that typically turns high-stakes negotiations into deals.

To use a common negotiating metaphor, it is not clear what the offramps might be that would allow a de-escalation and prevent a major ***trade war*** that would prove costly to both nations.

In effect, President Trump appears to view continuing tension with ***China*** as good for him politically and has said, contrary to the view of mainstream economists, that tariffs are a reason for the ***United States***' recent economic good fortune.

***China***'s leaders may not reveal their thinking in real time on Twitter, but they have signaled that many of the concessions the ***United States*** wants would require ***China*** to sacrifice core parts of its economic strategy and national sovereignty -- in particular its ambitions to lead in the high-tech industries of the future.

''Each side has dug itself into some fairly deep holes such that it will be difficult to emerge from,'' said Douglas Rediker, chairman of International Capital Strategies and a former ***U.S***. representative to the International Monetary Fund. As is often the case in negotiations, the pathway to a deal may rest in a ''constructive ambiguity'' that both sides can present to their domestic audiences as a win.

''Do I believe there's enough room to find common ground?'' Mr. Rediker said. ''Yes, but only based on this ambiguity that doesn't necessarily resolve the issues in one party's favor or another.''

Both sides have taken subtle steps to allow time for last-ditch efforts. ***China*** sent a senior negotiator to Washington last week despite the breakdown in talks, and it delayed the start of its retaliatory tariffs on American imports until June 1. The ***United States*** applied the newest wave of higher tariffs based on when ships containing the affected goods arrive, adding a few weeks in which a reversal could be hammered out.

And President Trump and President Xi Jinping of ***China*** could meet at the G20 summit in late June in Osaka, Japan, which would be an opportunity for de-escalation at the highest levels.

But open lines of communication and time to work won't by themselves solve the problem of how to finesse some mutually agreeable deal, particularly given that both countries view this negotiation as resetting their economic relationship in ways that would have long-lasting consequences.

Add in Mr. Trump's tendency to view every negotiation through a zero-sum prism, and it may be hard to find a pathway for both parties to go home able to proclaim victory.

When the negotiations seemed to be going well a few weeks ago, ''I thought we were going toward constructive ambiguity,'' said Mary E. Lovely, an economist and ***trade*** expert at Syracuse University's Maxwell School.

The ***United States*** is demanding that ***China*** codify rules into law to protect American companies (and their technology) that do business in ***China***. Chinese negotiators now reject that possibility; American officials said they had agreed to those provisions.

''It looks like there was a level of specificity that ***China*** wasn't willing to accept and a level of ambiguity that the Trump administration wasn't willing to accept,'' Ms. Lovely said. ''It looks like the Chinese are firm that there are some areas where they are not willing to go, that they see as disrespectful.''

If the escalation now being signaled by both sides goes into force, Americans will face higher prices for a wide range of goods, and certain American manufacturers will face less demand for their products. Already, American farmers are suffering amid reduced Chinese demand for soybeans and other products. The Chinese manufacturing sector is hurting as well -- and is likely to suffer further if tariffs reduce American demand for their products or drive relocation of production to other countries.

Ultimately the question becomes how much of that pain each side will be willing to endure, and whether the two nations' leaders feel a sense of urgency to each help the other save face domestically.

Things can change quickly. In a different sphere, for example, Mr. Trump went from threatening North Korea with nuclear annihilation to acting as if they were old friends practically overnight.

But given where things stand, it may take that kind of surprising reset between two top leaders, built on personal relationships, rather than the slow grind of hammering out an agreement that is more typical of economic diplomacy.

''The off-ramps are tricky here because the president believes this is good policy, and the Chinese are loath to cave on it,'' said Jay Shambaugh, a professor of international economics at George Washington University and director of the Hamilton Project at the Brookings Institution. ''It's not abundantly clear how you climb down without any damage.''

The question for the weeks and months ahead is how much damage each side will tolerate before rethinking some of those basic assumptions and deciding that they don't want to dig in quite so hard, after all.

https://www.nytimes.com/2019/05/14/upshot/us-***china***-***trade-war***.html

**Load-Date:** May 15, 2019

**End of Document**

**Wall Street’s Slump Continues Over Trade War Concerns**

The New York Times

May 8, 2019 Wednesday 16:45 EST

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**Section:** BUSINESS

**Length:** 350 words

**Byline:** Matt Phillips

**Highlight:** The sell-off has been driven by a sudden shift in tone surrounding the ***trade*** talks between the world’s two largest economies, ***China*** and the ***United States***.

**Body**

Wall Street added to a recent losing streak on Wednesday, as global markets remained pessimistic about the ***trade*** negotiations this week between the ***United States*** and ***China***.

The S&P 500 closed down 0.2 percent, after a 1.7 percent drop on Tuesday. The 2.3 percent decline this week for the broad index puts it on track for its worst weekly performance this year.

The selling has been driven by a sudden shift in tone surrounding the ***trade*** talks between the world’s two largest economies, and on Wednesday, President Trump continued to be combative on the topic and taunted the Chinese government on Twitter.

He also took to Twitter on Wednesday to say that “***China*** has just informed us” that officials “are now coming to the ***U.S***. to make a deal,” though the statement did little to bolster investor sentiment.

Analysts say a period of cooling off was probably overdue for the stock market.

After the best start to a year for stocks since 1987, investors continue to sit on hefty gains. The S&P 500 is up almost 15 percent for 2019, even after the drop this week, which began after Mr. Trump threatened on Sunday to increase tariffs on $200 billion of Chinese goods to pressure Beijing to agree to a deal.

Before the president’s latest salvos, the ***United States*** and ***China*** appeared to be in the final stages of negotiation to resolve the ***trade war*** that began last year.

But hopes faded after Mr. Trump’s threat to increase tariffs was echoed on Monday by Trump administration officials, who accused Chinese negotiators of backpedaling on their commitments. A Chinese spokesman said on Tuesday that ***China*** was “sincere” in continuing talks.

The CAC 40 index in Paris rose 0.4 percent, and the DAX in Germany climbed 0.7 percent. Shares in Asia declined, led by Japan, where the Nikkei 225 fell 1.5 percent. The Shanghai composite in ***China*** fell 1.1 percent.

PHOTO: (PHOTOGRAPH BY The New York Times FOR THE NEW YORK TIMES)

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1. Trump Advisers Accuse ***China*** of Reneging on ***Trade*** Commitments
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**Load-Date:** May 9, 2019

**End of Document**

**As Trump Moves to End Trade War With China, Business Asks: Was It Worth It?**

The New York Times

March 5, 2019 Tuesday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 1

**Length:** 1498 words

**Byline:** By ANA SWANSON and JIM TANKERSLEY; Alan Rappeport contributed reporting.

**Body**

WASHINGTON -- The pain of President Trump's ***trade war*** with ***China*** may soon be over, but American businesses and farmers are left wondering whether it was worth the trouble.

Negotiations with the Chinese are continuing, and Mr. Trump could still secure more concessions to balance out a ***trading*** relationship he has long criticized as unfair. But details of the emerging deal paint a familiar picture of Beijing making vague promises to change its economic practices that could be easy to delay and difficult to enforce.

While previous administrations have tried to cajole ***China*** into changing its behavior, Mr. Trump has used a blunt instrument: deploying punishing tariffs to win concessions. That has given the ***United States*** a remarkable amount of leverage, but it has also taken a heavy toll on farmers, automakers, manufacturers and other businesses with exposure to ***China***. Those businesses have faced higher costs, reduced access to the Chinese market and retaliation, including tariffs on American goods. Some farmers have permanently lost customers and contracts in ***China***, while the profits -- and share prices -- of multinational businesses have taken a significant hit.

Now, with the ***United States*** poised to roll back most of its tariffs as the two countries close in on a final agreement, the question is whether the costs of Mr. Trump's deal-making outweigh the benefits.

''Can we go back to the pretariff days? Yes, we can,'' said Derek Scissors, a resident scholar at the American Enterprise Institute. ''Have we moved the bar since the beginning of the Trump administration? The answer is no.''

Over the past several weeks, American and Chinese negotiators have been in almost constant contact over phone and video conferencing to hammer out the terms of a deal. ***China*** has agreed to drop the retaliatory tariffs it imposed to counter Mr. Trump's levies on $250 billion worth of Chinese goods and to provide greater access to its markets for cars, beef, chemicals and other products.

Beijing has pledged to have Chinese companies purchase hundreds of billions of dollars worth of liquefied natural gas, soybeans and other goods over a number of years to appease Mr. Trump's focus on the bilateral ***trade*** deficit. ***China*** is also rewriting some of its laws and regulations to better protect foreign intellectual property, ban the forced transfer of foreign technology to Chinese business partners and codify equal treatment of foreign companies.

In return, ***China*** wants Mr. Trump to drop all the tariffs he imposed over the past year, which have begun to hamper the Chinese economy. While any final decision will fall to the president, people familiar with the negotiations say the ***United States*** is willing to scrap tariffs on at least $200 billion worth of goods, if not all.

The tariff détente would help large and small companies that have struggled under the weight of 10 percent and 25 percent levies, but the ***trade war*** has already come at a cost. Several recent studies have shown modest but growing damage to the ***United States*** economy from the ***trade war***, including the retaliatory tariffs other countries have leveled against American exports.

And contrary to Mr. Trump's claim that the Chinese are paying the tariffs, several studies show they are being passed on to American consumers in the form of higher prices on imported goods.

Mr. Trump's tariffs ''were almost completely passed through into ***U.S***. domestic prices,'' the economists Mary Amiti of the Federal Reserve Bank of New York, Stephen J. Redding of Princeton University and David Weinstein of Columbia University wrote in a paper released late last week, ''so that the entire incidence of the tariffs fell on domestic consumers and importers up to now, with no impact so far on the prices received by foreign exporters.''

The economists concluded that tariffs had already reduced incomes in the ***United States*** by nearly $7 billion, and that the total cost to the economy had been even larger, because of price increases. By the end of last year, they estimate, the tariffs were costing consumers and importers a total of nearly $4.5 billion a month.

That effect is relatively small for a $20.5 trillion economy, but the researchers expect it to expand if the tariffs persist, as companies reroute supply chains to avoid tariffs in the ***United States*** and abroad.

Researchers from the Federal Reserve Bank of San Francisco estimated last week that Mr. Trump's tariffs on imports from ***China*** have raised consumer price inflation by 0.1 percent in the ***United States***. Researchers from the New York Fed estimate that the ***China*** tariffs -- along with tariffs on steel, aluminum, washing machines and solar panels -- boosted consumer prices by about a third of a percent last year.

Another study, from the researchers Ned Hill and Fran Stewart at Ohio State University, found that the economic drag from tariffs had at least partially offset stimulus from Mr. Trump's signature tax cuts. Rising ***trade*** uncertainty has chilled business investment growth: The researchers surveyed nearly 500 Ohio manufacturers and found that two-thirds of them said they were hurt by tariffs.

A survey from economists at the Federal Reserve Bank of Atlanta, the University of Chicago and Stanford University in January concluded that tariffs reduced business investment in the ***United States*** by 1.2 percent -- or $32.5 billion -- in 2018.

That price might be worth it, business groups and ***China*** analysts say, if the administration makes a deal that substantively transforms Chinese industrial policy and gives American companies fair and reciprocal access to the Chinese market.

''We oppose the use of tariffs, period,'' said Myron Brilliant, the executive vice president and head of international affairs at the ***U.S***. Chamber of Commerce. ''But we are at the same time supportive of this administration trying to get a deal that is not just consequential for today but will have lasting impact on the relationship and put the ***U.S***.-***China*** relationship on a better track.''

''Absent a deal, I think everyone loses,'' he added.

But the deal under discussion, which could be wrapped up by late March, appears likely to fall short of the high expectations the Trump administration initially set and the significant changes critics say are needed to counter years of unfair economic behavior by ***China***.

***China*** promised to make its economy more market-oriented when it joined the World ***Trade*** Organization in 2001, and it has reiterated those promises many times since then, including in 2013.

Yet today the state has an even heavier hand in the economy than a decade ago, said Nicholas Lardy, a senior fellow at the Peterson Institute for International Economics. The ruling Communist Party can influence private companies at will, and foreign companies face a variety of forms of discrimination that advantage Chinese firms.

Now, ***China*** is offering changes to its laws, including a significant rewrite of a law governing foreign investment. This is a necessary first step, Mr. Lardy said, but rewriting the laws may not do much good when the party is fundamentally above the law.

''Talking about rule of law and protecting property rights is one thing, but actually following through on it is a very difficult thing for a system where the party has been so deeply embedded for a long time and the rule of law is secondary,'' Mr. Lardy said.

***China*** experts say certain provisions of the deal, including the administration's plan for airing disputes through an extensive series of meetings at various levels of government, sound similar to past economic dialogues during the administrations of George W. Bush and Barack Obama.

''We won't know until we see what the deal looks like, but it's feeling eerily familiar,'' said Scott Kennedy, a ***China*** scholar at the Center for Strategic and International Studies.

Critics of the evolving deal have also said it suffers from a lack of specificity on certain provisions that ***China*** uses to systematically block foreign companies. For example, ***China*** is pledging not to discriminate against foreign companies when it sets new standards for technological equipment. And it is promising not to selectively use its antitrust laws against foreign companies or subsidize certain high-tech industries. But the deal under discussion does not provide a specific list of subsidies that would be curtailed or ended, so the Chinese may just be able to rebrand them and evade the letter of the agreement.

Getting ***China*** to commit to changes on these issues would be a herculean task for any administration, Mr. Kennedy said. But the effort has been made harder by Mr. Trump's rush for a deal and his desire to act unilaterally rather than with other countries.

''It's difficult no matter what,'' Mr. Kennedy said. ''We tried multilateralism and patient integration, and that didn't go smoothly either.''

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https://www.nytimes.com/2019/03/04/us/politics/trump-***china***-tariffs-***trade***-deal.html

**Graphic**

PHOTO: Tariffs on products like washing machines have increased prices in the ***U.S***. (PHOTOGRAPH BY TED SHAFFREY/ASSOCIATED PRESS) (B4)

**Load-Date:** March 5, 2019

**End of Document**

**If There’s a U.S.-China Trade War, China May Have Some ‘Unconventional Weapons’**

The New York Times

April 5, 2018 Thursday 09:01 EST

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**Section:** UPSHOT

**Length:** 1413 words

**Byline:** Neil Irwin

**Highlight:** There are ways to make life harder for American companies in ***China*** that need not be formal, or widely publicized.

**Body**

So far in the ***trade*** skirmish between the ***United States*** and ***China***, there has been a reassuring sense of restrained, tit-for-tat reciprocity.

But if this spirals into a bigger conflict between the world’s two biggest economies, it’s worth keeping something in mind: In a ***trade war***, the usual rules of commerce may not apply.

That is doubly true in a potential ***trade war*** with ***China***, for several reasons.

Because the country exports far more in goods to the ***United States*** than it imports, ***China*** simply doesn’t have as much room to keep up with escalating American tariffs, especially given the Chinese government’s desire to cushion its citizens from higher prices for food staples.

Moreover, ***China*** has in the past proved willing to use a wide range of government powers to achieve commercial objectives — from campaigns against out-of-favor companies in state media to selective, stepped-up regulatory enforcement. And if things really get nasty, the ***United States*** and ***China*** are financially intertwined in ways that ***China*** could seek to exploit — though not without creating risks for a country holding $1.2 trillion in ***United States*** Treasury bonds.

“One of the very important tools that the Chinese have is the ability to make life difficult for a large number of American businesses,” said Eswar Prasad, an economist at Cornell University who studies Chinese economic relations. “They have all of these unconventional weapons that are not covered by traditional ***trading*** rules that could be potent weapons in actually fighting a ***trade war***.”

The details of what ***China*** might do are speculative. Thus far, ***China***’s government has reacted to new tariff actions by the Trump administration with relatively restrained words and promises of proportional responses to the American government’s actions.

The Americans put tariffs on steel and aluminum; ***China*** responds by taxing American pork. The Trump administration’s plans to tax $50 billion worth of Chinese imports is met with threats by the Chinese to subject $50 billion worth of American products to the same.

Those tariffs won’t even go into effect until after a comment period, setting up a potentially long period of lobbying and negotiation that could rein in their scope or even delay them indefinitely.

But just because matters have been calibrated thus far doesn’t mean they will stay that way. American financial markets have been swinging wildly in recent weeks as investors revise their predictions for what might come next.

The Tough Math of Tit-for-Tat

As President Trump often notes, the ***United States*** does run a large ***trade*** deficit with ***China*** — especially if you look only at goods, and don’t count the value of services. That means that if ***China*** seeks to match tariffs on goods — a classic tit-for-tat approach — ***China*** runs out of “tats” pretty quickly.

In 2017, the ***United States*** imported $506 billion in goods from ***China*** while exporting only $131 billion in goods to ***China***, according to data from the Bureau of Economic Analysis.

“It mathematically means that ***China*** can’t match the ***U.S***. dollar for dollar,” said Brad Setser, a senior fellow at the Council on Foreign Relations. And that’s before you account for the Chinese government’s reluctance to put tariffs on goods that might carry some political or strategic cost.

For example, in its planned retaliatory tariffs, the Chinese government included narrow-body aircraft but not wide-body aircraft. This makes sense strategically, Mr. Setser argued, because only two companies in the world make wide-body planes: Boeing and Airbus. If ***China*** put a tariff on planes from the American Boeing but not the European Airbus, it would lose leverage with Airbus with which to extract favorable prices and access to cutting-edge technology.

***China*** has already imposed tariffs on the easy stuff: luxury goods like American wine and liquor, and agricultural goods that are considered luxuries within ***China***, like almonds and pistachios. It is unlikely there will be uprisings in the streets of Shanghai if Kentucky bourbon gets more expensive.

But in the latest round, ***China*** has said it will raise tariffs on American soybeans. That is likely to cause President Trump political problems in farm states, but it also risks raising food costs within ***China***. It’s a fair bet, then, that ***China*** views remaining options as even more problematic for the prices of staple goods or the country’s industrial strategy.

In other words, for ***China*** the low-hanging fruit is gone. If this ***trade*** battle continues to escalate, ***China*** will have to bear a greater cost.

Commercial Guerrilla Warfare

That reality could push ***China*** to seek other buttons to press. And while there is no recent precedent of a ***trade war*** to draw from, the Chinese government’s actions in other types of disputes offer a potential road map.

For one thing, American companies do significant business in ***China*** that doesn’t show up in ***trade*** data. When Apple assembles an iPhone in Zhengzhou and sells it in Shanghai, that doesn’t count as international ***trade***, though the profits accrue to the benefit of a California-based company. The Chinese government has any number of tools to try to weaken that business if it wishes. It could decide that phones made by a foreign company are a national security threat, or shut down plants because of minor regulatory problems.

“That’s the kind of thing they could reduce dramatically if they wanted to,” said Nicholas Lardy, a senior fellow at the Peterson Institute for International Economics. “To their credit, they have not hinted that this is on their agenda, and they seem to be sticking to this idea that their response will be reciprocal and not escalatory. But they have plenty of other options.”

Making life difficult for American companies in ***China*** as retaliation in a ***trade war*** need not be formal and widely publicized. American automakers who make cars in ***China*** might find their local joint-venture partners squeezing them out. Regional governments might send safety inspectors to plants of American companies so often as to disrupt production.

There are more public options, too. For example, in 2013, Chinese state media accused Jaguar Land Rover and Audi of overcharging buyers for car parts, which analysts viewed as part of a campaign to pressure those automakers to locate more manufacturing in ***China***.

Bruising in the Bond Market?

For years, American politicians have fretted about ***China***’s role as the ***United States***’ largest creditor; the nation has accumulated a huge stockpile of Treasury bonds over the last 20 years.

Could ***China*** use its role as No. 1 lender to exert pressure in a ***trade war***?

It would be a risky maneuver, in which ***China*** itself would potentially have much to lose. But it can’t be ruled out.

If ***China*** were to suddenly unload some of its holdings, or even signal an intention to buy fewer dollar assets in the future, that would probably cause long-term interest rates in the ***United States*** to rise, at least temporarily. And this would cause some pain in the ***United States***, as borrowing costs — whether for the federal government or individual home buyers — would rise.

But it would also drive down the value of ***China***’s existing bond portfolio, meaning ***China*** could lose billions. And it would tend to push down the value of the dollar relative to other currencies, which would actually help the ***United States*** attain more advantageous ***trade*** terms.

Even after all that, bond prices would most likely readjust over time as other buyers took advantage of the rise in interest rates. In the medium term, the performance of the ***United States*** economy and actions of the Federal Reserve do more to determine bond prices than the decisions of a single buyer or seller, even one as large as ***China***.

That doesn’t mean there isn’t room to cause some near-term pain and disruption. “The Chinese have some leverage to rattle ***U.S***. bond markets, even if the threat of substantive action is not very credible,” Mr. Prasad said.

Given that a ***trade war*** with such a major ***trading*** partner is without precedent in modern times, we don’t really know what it would look like. But it’s a safe bet that Chinese officials are already thinking through their options in case that is where the latest round of economic saber rattling ultimately leads.

PHOTO: Unloading imported soybeans at a port in Nantong, Jiangsu Province, ***China***, on Wednesday. ***China*** has said it will raise tariffs on American soybeans, among other products. (PHOTOGRAPH BY Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

**Load-Date:** April 25, 2018

**End of Document**

**Stocks Rise After U.S. and China Agree to Halt Escalation of Trade War**

The New York Times

December 2, 2018 Sunday 23:44 EST

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**Section:** BUSINESS

**Length:** 674 words

**Byline:** Matthew Phillips

**Highlight:** Despite a deal between President Trump and President Xi Jinping, concerns that the peace may not last tempered investor enthusiasm.

**Body**

Stocks rose on Wall Street Monday after President Trump and President Xi Jinping agreed to a temporary truce in the ***trade war*** between the ***United States*** and ***China***.

The S&amp;P 500-stock index climbed 1.1 percent, notching its fifth gain in the last six ***trading*** sessions. Major Asian and European equity markets also posted solid increases.

Exporting giants like Boeing, Caterpillar and Deere pulled the export-reliant S&amp;P 500 industrial sector higher. Semiconductor makers, which have been hurt by the ***trade war***’s potential to disrupt their widespread production networks in Asia, also rose, as did tech giants such as Apple, which climbed more than 3 percent.

Still, market gains were tempered by doubts that the fragile cease-fire — essentially a 90-day postponement of additional American tariffs on Chinese imports — would put the dispute between the world’s two largest economies to rest permanently.

“Just because they have a truce for three months doesn’t mean this thing is going away,” said Jurrien Timmer, director of global macro at the asset manager Fidelity Investments in Boston.

Other markets responded in kind to the ***trade*** truce, which was reached Saturday in Buenos Aires. Soybeans rose on commodities markets on the prospect that ***China*** could begin to buy American crops again. ***China***’s currency, the renminbi, strengthened against the ***United States*** dollar.

The détente, forged by Mr. Trump and Mr. Xi over a dinner, merely postpones a larger reckoning over ***trade***. Under the deal, the ***United States*** will postpone an increase in tariffs that was set to be imposed Jan. 1, and it sets a March 1 deadline for the countries to reach a more extensive pact.

The deal leaves in place American tariffs on $250 billion in Chinese goods and the retaliatory measures enacted by Beijing. It is unclear whether the countries can resolve such thorny questions as the Chinese government’s support for sensitive industries and protections for American-created intellectual property.

Still, the relatively good outcome of the meeting between Mr. Xi and Mr. Trump adds to the sense of relief for investors. A range of worries — about the Federal Reserve’s plans to continue raising interest rates, the impact of the midterm elections in the ***United States***, the ***trade war*** and signs of slowing global growth — weighed on stocks in October and November. After it peaked on Sept. 20, the stock market’s gains for the year melted away as the S&amp;P 500 slumped more than 10 percent through Nov. 23.

In recent weeks, several developments had also helped allay those concerns. Last week, the Fed chairman, Jerome H. Powell, sparked a market rally when he said interest rates were “just below” a range of estimates for the neutral level, meaning the Fed was nearing the point where it would not be tapping on the brakes or pressing on the gas on the economy. His statements raised investor hopes that the Fed might not lift interest rates as high as previously thought.

Meanwhile, the third-quarter earnings season has shown corporate profits remained strong.

The midterm elections on Nov. 6 went largely as expected, with Democrats taking control of the House of Representatives and Republicans retaining control of the Senate.

“What were the worry points? Earnings and sales, the election, ***China***, interest rates,” said Richard Nackenson, a portfolio manager at the asset management firm Neuberger Berman. “Wow, guess what? It’s all been mitigated.”

Mr. Nackenson stressed, however, that the market’s worries had not been resolved. Investors remain aware that the conflict between ***China*** and the ***United States*** is far from resolved, and stock market enthusiasm may be fleeting.

“We see it obviously as a positive that there is a pause in the ***trade war*** talk,” said Richard Weiss, chief investment officer for multi-asset strategies at American Century Investments. “But it could reignite at any moment.”

PHOTO: (PHOTOGRAPH BY FOR THE NEW YORK TIMES)

**Related Articles**

* ***U.S***.-***China*** ***Trade*** Truce Gives Both Sides Political Breathing Room

1. ***U.S***. and ***China*** Call Truce in ***Trade War***

**Load-Date:** December 4, 2018

**End of Document**

**Wall St. Closes Lower, as a U.S.-China Trade War Looms**

The New York Times

March 24, 2018 Saturday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 5

**Length:** 867 words

**Byline:** By JACK EWING and ALEXANDRA STEVENSON; Jack Ewing reported from Frankfurt, and Alexandra Stevenson from Hong Kong. Cao Li contributed research from Hong Kong.

Follow Jack Ewing and Alexandra Stevenson on Twitter: @JackEwingNYT and @jotted.

**Body**

Stocks on Wall Street closed lower on Friday, ending the worst week for the Standard & Poor's 500-stock index in two years, as investors weighed a brewing ***trade war*** between ***China*** and the ***United States*** that could hobble an otherwise healthy global economy.

Markets in New York tumbled through the afternoon. The Standard & Poor's 500-stock index closed 2 percent lower, and the Dow Jones industrial average lost about 1.8 percent. The Nasdaq composite -- hurt by falling share prices in a number of technology companies -- lost about 2.4 percent.

Fears of a ***trade war*** -- fueled by tariffs announced by President Trump and in Beijing -- caused markets worldwide to shudder.

Benchmark indexes in London, Paris and Frankfurt closed lower on Friday. Losses in Asia were much greater. In Tokyo, major exporters like Toyota and Sony helped to lead a 4.5 percent drop in the key index. Shares in Shanghai closed down 3.4 percent. South Korean stocks fell 3.2 percent.

Oil futures jumped more than 5 percent, the biggest gain in eight months.

Overall, the S.&P. fell 6 percent over the week.

''Investors are rattled about the economic and inflation impacts of tariffs and a potential ***trade war***,'' said Greg McBride, chief financial analyst at Bankrate.com. ''This nine-year bull market has been sustained by a growing economy in a low inflation, low interest rate world. Now those conditions are called into question.''

Traders in particular have focused on the risks to the global economy from tit-for-tat restrictions announced by the ***United States*** and ***China***, along with increasingly protectionist moves by Washington elsewhere, as well -- the ***United States*** has brought in tariffs on steel and aluminum, albeit with exemptions for key allies, and marginalized the World ***Trade*** Organization.

''This can turn ugly on a global scale very quickly,'' Robert Carnell, chief economist for the Dutch financial services group ING Asia, wrote in a note to clients.

Europeans, in particular, took only small comfort from the Trump administration's decision to exempt the European Union from the steel and aluminum tariffs. Business managers and political leaders fear that Europe could be caught in the crossfire of a ***trade war*** between two economic superpowers.

The ***United States*** is Europe's largest ***trading*** partner, but European countries also have deep ties with ***China***, which is one of the largest buyers of European cars and machinery, and a major source of investment in Europe. Shares of the German automakers BMW, Daimler and Volkswagen all declined Friday morning, reflecting the importance of the Chinese market to their sales.

And by securing an exemption from the tariffs, Europe could be perceived as taking sides with the ***United States*** against ***China***, said Gabriel Felbermayr, an economist at the Ifo Institute, a research organization in Munich.

''Instead of a ***trade war*** with the ***United States***, Europe now faces the threat of a ***trade war*** with ***China***,'' Mr. Felbermayr said in a statement.

Deutsche Bank provided an example of how uncertainty caused by the Trump administration measures could cause chain reactions that would affect other industries.

On Thursday, Deutsche Bank sold shares in its DWS Asset Management unit on the stock exchange. But on Friday, declines in global stocks pulled DWS shares below the initial public offering price. Shares of Deutsche Bank, which retained an 80 percent stake in DWS, then fell more than 4 percent before recovering slightly.

Markets in the ***United States*** fell on Thursday, as Mr. Trump announced $60 billion worth of annual tariffs on Chinese imports. That appeared to be the opening salvo of a ***trade war***, as Beijing announced its own retaliatory tariffs on more than 100 items, including American pork and wine.

The ***trade*** measures against ***China*** were the latest demonstration of Mr. Trump's ''America First'' agenda, and they were announced a day before tariffs on global steel and aluminum imports were to come into force.

For Europeans, the reprieve announced by the Trump administration from the protectionist measures could be brief.

The exemptions will expire on May 1 unless the allies are able to negotiate ''satisfactory alternative means'' to address what the administration calls the threat to national security resulting from the ***United States***' current levels of steel and aluminum imports. The exempted group also includes Canada, Mexico, Australia, Argentina, Brazil and South Korea.

In addition, the White House said it might impose import quotas to prevent too much foreign metal from flooding into the ***United States***.

Tensions escalated on Friday as Beijing responded to Washington with its own tariffs and a warning to ''avoid damage to the broader picture of Chinese-***U.S***. cooperation.''

Some American businesses in ***China*** also voiced concern. ''Our members do not want to see a ***trade war***,'' said Kenneth Jarrett, the president of the American Chamber of Commerce in Shanghai. ''The stakes are too high and there would be no winner.''

But he added that American businesses in ***China*** wanted ''fairer treatment and improved market access in ***China***. The Chinese government has the ability to deliver against that reasonable expectation.''

https://www.nytimes.com/2018/03/23/business/***trade***-tariffs-markets-stocks-bonds.html

**Graphic**

CHART: The S. & P. 500 Index: Position of the S. & P. 500 index at 1-minute intervals on Friday. (Source: Reuters)

**Load-Date:** March 24, 2018

**End of Document**

**Talks to End U.S.-China Trade War Now Shift to Make-or-Break Rounds**

The New York Times

January 9, 2019 Wednesday 00:31 EST

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**Section:** BUSINESS

**Length:** 1390 words

**Byline:** Keith Bradsher

**Highlight:** The two sides made progress in identifying the issues between them, setting the stage for potential talks with top leaders from both countries.

**Body**

BEIJING — Three days of ***trade*** negotiations between midlevel American and Chinese officials ended in Beijing on Wednesday afternoon with progress in identifying and narrowing the two sides’ differences but little sense of when they might reach a deal.

The ***trade*** talks could help clear the way for higher-level talks this month when President Trump attends the World Economic Forum in Davos, Switzerland. Vice Premier Liu He, ***China***’s economic czar, is expected to go to Washington sometime after that.

In a statement after the talks ended, the ***United States*** ***trade*** representative’s office said the two sides had discussed ***China***’s pledge to buy a “substantial” amount of American agricultural, energy and manufacturing products.

Negotiators also focused on White House concerns about ***China***’s approach to intellectual property protection and its practice of so-called forced technology transfer, the statement said.

The Trump administration wants to ensure that ***China*** keeps its commitments in any deal that is reached. To that end, the statement said, officials discussed “the need for any agreement to provide for complete implementation subject to ongoing verification and effective enforcement.”

***China***’s Commerce Ministry said in a statement on Thursday morning on its official mini-blogging account that the two sides had “conducted extensive, in-depth and meticulous exchanges on ***trade*** issues and structural issues of common concern, which enhanced mutual understanding and laid the foundation for resolving mutual concerns.

“Both parties agreed to continue to maintain close contact,” the statement continued, without specifying when or where the next meeting might be held.

The ***United States*** delegation plans to report back to the White House to determine what happens next. The administration has set a March 2 deadline for raising tariffs on roughly two-fifths of annual American imports from ***China*** if no deal is reached.

“I’m optimistic that they’re making progress — the tone of the talks is important, and this tone has been good,” said Dean Pinkert, a former commissioner of the ***United States*** International ***Trade*** Commission who is now a ***trade*** law partner at Hughes Hubbard & Reed, a big international law firm. “It is still important to the ***U.S***. government to get credible commitments.”

At issue is the extent to which ***China*** is willing to offer binding commitments to change ***trade*** practices that have long irked President Trump and his administration.

The scheduled two-day talks extended into a third day as American officials pressed ***China*** for more details on how it will live up to its commitments, said people with knowledge of the negotiations, who insisted on anonymity to avoid disrupting the talks.

***China*** has made a series of offers to the Trump administration in recent weeks to end the ***trade war***. But many of the administration’s ***trade*** hawks regard them as nebulous, especially when it comes to Chinese ***trade*** practices that administration officials consider unfair.

They allege that officials in ***China*** pressure foreign companies to transfer key technologies to Chinese rivals as a condition for entering the country’s market. They also protest lavish government subsidies granted through the Made in ***China*** 2025 program to build local companies into global powerhouses in industries like commercial aircraft, semiconductors and electric cars.

***China*** denies that its ***trade*** practices have been unfair. Nevertheless, officials have agreed to make it easier for multinational corporations to participate in manufacturing development programs in ***China***. They have also promised to improve intellectual property protection and to ban the forced transfer of technology.

Both sides see reasons to reach a deal soon. Mr. Trump wants to stabilize volatile financial markets, people familiar with the administration’s deliberations said. President Xi Jinping of ***China*** is trying to confront weak business and consumer confidence, which have already triggered a sharp economic slowdown in his country.

Adding to the difficulty of reaching a deal has been the fractious nature of the Trump administration, with the three main government departments involved in the negotiations each pursuing a somewhat different agenda. Those different agendas to some extent reflect each agency’s institutional biases and responsibilities, but make it harder to predict what a final deal will look like.

Robert E. Lighthizer, the ***United States*** ***trade*** representative and a hawk on ***trade*** issues, has led the push to impose tariffs on imports from ***China*** and has pursued an ambitious agenda that would require ***China*** to carry out verifiable and enforceable changes to the basic structure of its economy. Mr. Trump said last month that Mr. Lighthizer would be the lead ***trade*** negotiator with ***China***.

The Commerce Department, which oversees American export promotion activities overseas, and Commerce Secretary Wilbur Ross have been pushing since the early days of the administration for a deal that would require ***China*** to buy more food, natural gas and other products from the ***United States***. Beijing officials have been happy to go along, as their country is short on arable land and gas, and long-term purchase agreements fit easily into the Chinese government’s economic planning model.

The Treasury Department, under Secretary Steven Mnuchin, has been pushing for a quick deal that would stop further increases in American tariffs. But Treasury would preserve indefinitely the 25 percent tariffs that Mr. Trump imposed in July and August on $50 billion a year in Chinese-made goods, or roughly a tenth of American imports, and the 10 percent tariffs that he imposed in September on an additional $200 billion in Chinese goods.

That first set of tariffs covers several categories in which ***China*** does not export much now but plans to do so in the next several years. The most important products covered by the 25 percent tariffs are gasoline-powered and electric cars. At least six Chinese automakers have announced plans to start exporting cars to the ***United States*** in 2020, said Michael Dunne, the chief executive of ZoZo Go, an automotive consulting firm specializing in ***China***.

“Import duties will slow — but not stop — Chinese automakers’ plans to enter the ***U.S***.,” he said. “With a slowing home market, pressure to export has never been greater.”

Democrats and Republicans alike have been wary of allowing an influx of Chinese cars in an election year, particularly when manufacturing states like Indiana, Michigan, Ohio and Wisconsin have been among the main electoral battlegrounds in recent decades.

In the latest sign that the Chinese economy could use a lift from a ***trade*** agreement, officials announced Wednesday evening that car sales plummeted 19 percent last month from a year earlier, the steepest such decline in modern record-keeping in ***China***.

Mr. Trump and Mr. Xi agreed in Buenos Aires on Dec. 1 to a temporary truce that would keep last summer’s American tariffs in place and suspend much of ***China***’s retaliation for those tariffs, but had few other details. So the quickest possible deal in the coming weeks could be to make that arrangement more permanent.

Complicating the ***trade*** talks has been Mr. Xi’s decision to invite North Korea’s leader, Kim Jong-un, to visit Beijing this week. Mr. Trump has been pushing North Korea to abandon the development of missiles with nuclear warheads that can reach the ***United States***, but he needs ***China***’s cooperation to do so because ***China*** is North Korea’s main ally and largest ***trading*** partner.

Yonhap, the South Korean news agency, reported that Mr. Kim left Beijing early Wednesday afternoon, about the same time that the ***trade*** talks ended. Lu Kang, the Chinese Foreign Ministry spokesman, declined to provide details.

Follow Keith Bradsher on Twitter: @KeithBradsher. Alan Rappeport contributed reporting from Washington. Luz Ding and Ailin Tang contributed research.

PHOTO: ***Trade*** negotiators, including Ted McKinney, the undersecretary for ***trade*** and foreign agricultural affairs, right, in Beijing on Tuesday. (PHOTOGRAPH BY Greg Baker/Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

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* With Kim’s Visit, ***China*** Shows ***U.S***. It Has Leverage on ***Trade***

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3. ***U.S***. and ***China*** Call Truce in ***Trade War***

**Load-Date:** January 11, 2019

**End of Document**

**New Round of U.S.-China Trade War Rattles Global Markets**

The New York Times

July 12, 2018 Thursday, The New York Times on the Web

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**Section:** Section ; Column 0; Business/Financial Desk

**Length:** 431 words

**Byline:** By ALEXANDRA STEVENSON; Cao Li contributed research. Matt Phillips contributed reporting from New York.

**Body**

HONG KONG -- President Trump's escalating ***trade war*** with ***China*** weighed on global markets on Wednesday.

The selling extended to Wall Street, though declines in the ***United States*** weren't as steep as those in Europe and Asia. Companies with ***China*** exposure were among the worst hit.

The sell-off across Europe was broad, with major markets down more than 1 percent. The Chinese stock benchmarks finished the day down nearly 2 percent, after the Trump administration threatened to impose new tariffs on Chinese goods. Stocks in Japan and South Korea also fell, though by less.

***China***'s currency was also hit by selling. ***China*** keeps a tight grip on the value of its currency, but the small amount that is ***traded*** outside of its borders -- the so-called offshore renminbi -- weakened against the dollar.

The intensifying ***trade war*** adds to ***China***'s challenges, including signs that its effort to tame its debt problems could slow economic growth. Investors have turned skittish as a result. ***China*** has now entered bear market territory -- when prices drop by more than 20 percent from a peak -- with its market hovering at levels not seen since a rout three years ago set off a domino effect in global ***trading***.

The Trump administration promised Tuesday night to impose tariffs on an additional $200 billion of Chinese products, including chemicals, handbags, petroleum and fish. That move came just days after the ***United States*** started levies on $34 billion worth of Chinese goods like robotics, ball bearings and even airplane parts.

The Chinese government pledged Wednesday that it would take unspecified countermeasures. It has matched previous tariffs dollar for dollar, leading some investors to worry that ***trade*** could get costlier still.

David French, an executive at the National Retail Federation, called the latest round of tariffs by the Trump administration a ''reckless strategy that will boomerang back to harm ***U.S***. families and workers.''

''The threat to the ***U.S***. economy is less about a question of 'if' and more about 'when' and 'how bad,''' Mr. French said in an emailed statement.

***China***'s main stock index lost 1.8 percent on Wednesday. In the southern city of Shenzhen, where many new technology and smaller companies are ***traded***, the market fell by 2 percent. In Hong Kong, an index of ***China***'s biggest companies listed dropped 1.5 percent.

Reaction was more reserved in other Asian markets on Wednesday. In Tokyo, the main index fell 1.2 percent. Stocks in Seoul fell less than 1 percent. A broad index of Europe's biggest companies was down 1.1 percent in morning ***trading***.

https://www.nytimes.com/2018/07/11/business/***china***-trump-***trade***-markets.html

**Load-Date:** July 12, 2018

**End of Document**

**As U.S.-China Trade War Rages, Some Australian Farmers See an Opportunity**

The New York Times

November 29, 2018 Thursday 01:51 EST

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**Section:** WORLD; australia

**Length:** 1128 words

**Byline:** Jamie Tarabay

**Highlight:** Rising tariffs could lead Chinese buyers to look for alternatives to American products. But Australia could suffer if the conflict slows ***China***’s growth.

**Body**

[Sign up for theAustralia Letter to get news, conversation starters and local recommendations in your inbox each week.]

YARRAGON, Australia — There are some 2,000 goats at the Gippy Goat Cafe farm in Yarragon, two hours east of Melbourne and deep into the hinterland of the state of Victoria. The hills gleam a deep emerald here, the soil hugs the boots — and Chinese “key opinion leaders” line up to film the authentic source of goat milk formula that shoppers are buying for their infants back home.

“I’ve got them all standing here, live streaming,” said Kristy Carr, the chief executive of Bubs Australia, an organic baby food and milk formula company.

That interest from ***China*** presents an opportunity, one that could expand as the ***trade war*** between Washington and Beijing intensifies. Right now, the company competes in ***China*** against monoliths like Gerber of the ***United States*** and Danone of France that have a much greater share of the market.

But thanks to ***China***’s retaliatory tariffs on American goods, imports from the ***United States*** are getting more expensive. That could make Australia more appealing as a source for products as varied as goat milk, nuts and aluminum.

“Australia is one of the best-placed countries in the world to reap the gains of the ***trade war***,” said Jason Aravanis, a senior industry analyst in Melbourne for IBISWorld, a market research company. “Over the long term, Australia is going to step in and replace a lot of these American exports.”

There is one big caveat. Should the ***trade war*** hurt growth in ***China***, its purchases of Australian iron ore, natural gas and other major imports could slow. That could damage an Australian economy that depends in large part on natural resources for growth.

The ***United States*** and ***China*** have swapped tariffs on $250 billion worth of each other’s goods so far, with President Trump threatening more unless ***China*** lowers its ***trade*** barriers. ***China*** has heavily criticized the tariffs but shown little sign of backing down.

It is too early in the ***trade war*** to determine winners and losers, but the global economic order is already changing. Global companies are exploring ways to shift manufacturing out of ***China***, and both the ***United States*** and ***China*** are   seeking to purchase more from   elsewhere.

Some of that business could end up going to Australia. As Australia’s largest ***trade*** partner, ***China*** already receives about 40 percent of Australia’s fruit, making Australia the biggest competitor to American fruit exports there.

And while ***China*** has raised tariffs on American goods, it has been reducing them on some Australian products, such as wine. Australia’s wine exports to greater ***China*** — an area that includes Hong Kong, a growing wine import hub — have surged in recent years.

Companies like Bubs Australia and A2 Milk, a much larger dairy company that is listed on both the Australian and New Zealand stock exchanges, recognize the opportunities for their own growth in ***China***.

Food scandals in ***China*** — including tainted infant formula,   contaminated milk and   industrial chemicals in candy and seafood — have stoked demand for overseas products that meet strict government safety standards, particularly when it comes to food and milk for children. That is something Bubs Australia is seeking to capitalize on.

For the past few months, Ms. Carr and her partners have been flying Chinese influencers — online celebrities who tell their audiences what to buy — more than 5,000 miles to visit the farm. There, the Chinese guests watch the goats being milked as proof of the product’s authenticity. They may live stream the event or post selfies with the goats and the merchandise they produce.

“We’ve closed many a deal standing right here on this farm,” Ms. Carr said. “All the partners come here, we bring all the key opinion leaders. All the social noise happens through influencers, and a lot of that is done through live streaming — ‘This is where Bubs infant formula comes from’ — and it goes a long way for transparency.”

In the ***United States***, the dairy industry is panicking. “We are deeply worried that the current ***trade*** situation threatens to upend the positive momentum not just this year, but also in the years to come,” Shawna Morris, vice president of ***trade*** policy at the ***United States*** Dairy Export Council, told American lawmakers in written comments in August.

Australia has its own ***trade*** issues with ***China***. But the country has a long history of balancing its national security and geopolitical alliance with the ***United States*** against its economic need to sell to ***China***. Regional proximity also helps.

Though it is still early, there are signs of growing demand, said Albert Tse, a private equity fund manager and a board member of Bubs Australia.

“There’s been a lot of inquiries so far from Chinese traders and baby stores and distributors in the last few months,” he said.

He said the surge in interest might be coming from people in ***China*** who distribute American products and are looking for different sources.

Mr. Tse is married to Jessica Rudd, the daughter of former Prime Minister Kevin Rudd. Ms. Rudd founded the e-commerce site Jessica’s Suitcase, which runs on Alibaba’s Tmall Global online sales platform. It sells Bubs Australia products along with Australian wines, skin care products and organic dried foods.

“Every time we might potentially experience economic downturn in our domestic economy, a nice big customer comes and wants something from us,” Mr. Tse said. “We saw that in the mining boom, and we’re seeing that now in the dining room.”

When Bubs Australia first began producing formula and infant milk powder for the Australian market, it relied on goats farmed in the Netherlands.

A year ago, Bubs Australia bought NuLac Foods in a deal that also gave the company a near 50 percent share in NuLac’s goat processing facilities. It gives Ms. Carr control over supply. With about 20,000 goats in its herd, and plans to increase the number to 50,000, Bubs intends to dominate the Australian goat milk industry.

The business world in ***China*** is constantly changing, Ms. Carr said, with e-commerce sites increasingly competing with traditional brick-and-mortar stores.

The key opinion leaders, or K.O.L.s, “are a thriving community, to the point where Chinese mums won’t do anything unless their favorite K.O.L. is doing it, too,” Ms. Carr said.

She travels to Shanghai regularly to meet with Chinese partners who sell her products in stores and distributors who deal with cross-border ***trade***.

“My heart starts beating faster every time I land on the tarmac,” she said. “It’s ***China*** and it’s all consuming.”

PHOTO: Goats being herded into the milking pen at the Gippy Goat Cafe farm in Yarragon, Australia. (PHOTOGRAPH BY Asanka Brendon Ratnayake for The New York Times FOR THE NEW YORK TIMES)

**Load-Date:** December 3, 2018

**End of Document**

**How to Tell if the Trade War Is Starting to Damage the U.S. Economy**

The New York Times

July 25, 2018 Wednesday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 3

**Length:** 1168 words

**Byline:** By NEIL IRWIN

**Body**

There's no question that some American companies are feeling the bite of the ***trade war*** that the Trump administration is waging against much of the world.

As others have reported, a Missouri nail factory is laying off people because of tariffs on imported steel; Harley-Davidson plans to move some production to Europe in response to retaliatory tariffs; soybean farmers face a loss of income resulting from new Chinese import taxes.

But it's a mistake to assume that difficulties of individual companies and industries are the same as a force powerful enough to bend the overall trajectory of the ***United States*** economy.

''The direct effects on the ***U.S***. economy are small, because the economy is really big and it is mostly domestically driven,'' said Beth Ann Bovino, chief ***United States*** economist at Standard & Poor's Ratings Services. ''Still, tariffs hurt, and we're starting to see some precursors of an impact already.''

To assess how the ***trade war*** could affect growth, the job market and inflation at the macroeconomic level, you need data. The trouble is that much economic data operates with long time lags. By the time there would be solid evidence that the ***trade war*** was doing damage, the damage would already have been done.

But certain indicators are likely to provide early signs of trouble: data that is more big picture than individual anecdotes, but more timely than things like G.D.P. and the unemployment rate.

If you want a dashboard for evidence of economic damage from the ***trade war***, here's what should be on it.

Business Confidence and Capital Spending: Look to Surveys

One of the key ways ***trade*** tensions can slow a nation's overall growth is by causing businesses to pull back on capital expenditures.

The hard data on business investment tends to be released with long delays. If executives become gloomier about the future, the earliest evidence will probably come from frequent surveys of them.

For example, the Federal Reserve Bank of Philadelphia surveys manufacturers about their plans for capital spending; that measure has fallen in the last few months. Other surveys, like one of small businesses by the National Federation of Independent Business, suggest more stable capital spending plans.

But while the evidence is uneven today, these market indicators and confidence surveys could amount to the canary in the ***trade war*** coal mine if they take a decisive turn for the worse.

''I am watching business sentiment very closely,'' said Nathan Sheets, chief economist of PGIM Fixed Income. ''If we started to see business sentiment turn, that would be an indication that key constituencies in the business community are getting nervous.''

The Stock Market: Exporters vs. the Rest

The closest thing to a real-time indicator of the ***trade war***'s possible effect on corporate profits is the stock market. Several household-name companies with deep exposure to global commerce, like Boeing, Caterpillar and John Deere, have become bellwethers for the ***trade war***.

But to understand whether ***trade*** tensions are affecting the overall economy, it's worth watching whether dips in the stock market remain limited to those companies with direct exposure to global commerce, or start to encompass even service industries and those with mainly domestic business.

''While a few small companies have been hit very hard by the tit-for-tat tariff ***war***, in general, smaller companies are less impacted than big multinationals with global supply chains and worldwide sales,'' said Blu Putnam, chief economist of the CME Group. ''Hence, the Russell 2000 has been outperforming the S.&P. 500 as the ***trade war*** has intensified.''

If that changes, it will be evidence that the ***trade war*** is translating into gloomier prospects for the ***United States*** economy as a whole.

Prices and Inflation: What Futures Tell Us

One likely effect of a ***trade war*** is on prices -- in most cases, increasing them for American consumers.

This will eventually show up in overall inflation numbers, but that could take time, especially since most of the early rounds of tariffs are aimed not at finished consumer goods but at raw materials and industrial products.

You can get some sense of what's coming by looking at commodity futures markets for items that are affected. Many businesses, for example, have reported higher steel and aluminum prices because of tariffs on imported metals.

Futures markets offer clues as to how long traders think the higher prices will last. For example, the current price for Midwest Domestic Hot-Rolled Coil Steel is $916 per short ton -- but futures prices imply that will fall to $759 by December of 2019.

In other words, for that particular commodity, the smart money seems to think that higher prices will be temporary.

The inverse of higher prices for metals is evident in lower prices for soybeans and other agriculture products -- caused by Chinese and European retaliatory tariffs that depress international demand.

The price of soybeans has fallen sharply. But futures markets currently imply that they will rebound, to $9.04 per bushel by early 2020 from $8.48 now.

For both goods, the market prices suggest the ***trade*** distortions will be temporary. If that changes, it will be a bigger deal for both overall price inflation facing consumers and for the incomes of farmers and other producers of commodities.

It's also worth keeping an eye on the producer price index, calculated by the Labor Department, which captures the prices of the raw materials that companies use to make finished products. If the ***trade war*** is going to feed into broader consumer inflation, it is likely to show up there first.

Jobs: Look to the Claims

The ***trade war*** is arriving amid the healthiest labor market in at least 18 years, with the unemployment rate around 4 percent. But how will we tell if it's starting to cause pain?

The earliest sign would probably be in the portions of business confidence surveys that ask about hiring intentions. The Institute for Supply Management's employment index, a subcomponent of its survey of manufacturers, pulled back a bit in June, but was still at a level indicating healthy job creation.

If indicators like that one started to fall, it would be a sign that the ***trade war*** was making companies more reluctant to hire.

Similarly, if the anecdotal reports of layoffs caused by tariffs became widespread, you would expect to see the number of people filing new claims for unemployment benefits spike upward.

That data is released weekly, so it is the closest thing we have to a real-time barometer of layoffs. But so far it shows no hint of trouble; jobless claims have hovered near record lows in recent weeks -- including hitting the lowest level since 1969 in the most recent report.

How do things look if you put it all together? As of mid-July, the evidence that the ***trade war*** is doing meaningful economic damage is scarce. But by keeping an eye on the right tools, it's possible to get early warning signs if that starts to change.

https://www.nytimes.com/2018/07/24/upshot/***trade-war***-damage-to-us-economy-how-to-tell.html

**Graphic**

PHOTO: A soybean field in Tiskilwa, Ill. The price of soybeans has fallen sharply after retaliatory tariffs from ***China*** and Europe, but futures markets suggest it will rebound. (PHOTOGRAPH BY DANIEL ACKER/REUTERS)

**Load-Date:** July 25, 2018

**End of Document**

**When It Comes to a Trade War, China Takes the Long View**

The New York Times

August 12, 2018 Sunday, Late Edition - Final

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**Section:** Section MM; Column 0; Magazine Desk; Pg. 12; ON MONEY

**Length:** 1447 words

**Byline:** By BROOK LARMER

Brook Larmer is a contributing writer for the magazine. Next Week: On Technology, by John Herrman

**Body**

Ye Fangsu, a retired Shanghai schoolteacher, doesn't need any lessons about the dangers of ***trade wars***. For nearly 60 years, she has lived in the former French Concession, a leafy part of Shanghai whose name itself carries the humiliation of ***China***'s biggest ***trade war***. The ''concession'' was one of many slices of territory, including Hong Kong and parts of other port cities, that ***China*** was forced to hand over to foreign powers after its defeat in the mid-19th-century Opium ***Wars***. ''***China*** was so weak and backward then,'' Ye said, shaking her head as she offered me slices of apple and pear on a hot July afternoon. ''We had to give in.''

The first salvos of today's ***trade war*** have barely been felt yet in ***China***. But for many Chinese, there's a sense of history repeating itself. The Opium ***Wars***, as every Chinese schoolchild is reminded, began as a British attempt to pry open the Chinese market. Much as it does today, ***China*** in the 17th and 18th centuries ran a huge ***trade*** surplus with the West, exporting large quantities of tea, porcelain and silk but importing little in return. (It balanced its current-account surplus by buying up loads of Latin American silver; these days, Beijing has piled up $1.2 trillion in ***United States*** government securities.) By hooking ***China*** on opium, British and American merchants redressed the ***trade*** imbalance even as they weakened the country's social fabric. The Chinese revolted, but they were no match for Western gunboats -- leading to the unequal treaties that have fueled ***China***'s sense of historical grievance and patriotic ambitions ever since.

Ye Fangsu was a teenager in 1949 when Mao Zedong's Communist troops marched into Shanghai, the vanguard of a revolution that vowed to end ***China***'s ''century of humiliation.'' Now 84 and widowed, Ye says she was ''angry'' when she learned from state-run media about the ***United States***' punitive ***trade*** tariffs on Chinese products. ''It just seems like the foreigners are bullying us again,'' she told me. But this time will be different, she said, pointing out that rather than panic or surrender, ***China***'s leaders announced a reciprocal ''counterattack'' aimed at products, like soybeans and pork, meant to hit the heart of President Donald Trump's rural base. ''We've become strong now, and our leaders are more tenacious. They won't back down.''

American officials insist that ***China*** started this conflict with its long-term pattern of unfair ***trade*** practices: manipulating its currency, raising barriers around its domestic industries, stealing intellectual property from foreign companies. Even if Americans differ on the wisdom of a ***trade war***, there is widespread agreement that ***China*** needs to be pushed to play by free-market rules. That rationale, though, is hard to find behind ***China***'s Great Firewall, where censorship and state-controlled media reign. For Chinese observers like Ye, then, the American tariffs look like an unprovoked act of aggression against their innocent homeland -- yet another Western attempt to contain ***China*** and prevent its rise as a superpower.

It's easy to understand why Trump and his advisers believed ***China*** might blink first. The country exports nearly four times more taxable goods to the ***United States*** than it imports ($505 billion compared with $130 billion in 2017), so it could never keep up with Washington in a tit-for-tat tariff ***war***. Moreover, the Chinese economy is slowing, weighed down by debt and unemployment and dependent on the American market. Still, in targeting ***China***'s high-tech industry, Washington seemed to forget that Beijing has more than a trillion dollars in reserves to cushion the blow and that 21st-century supply chains are truly global. The Peterson Institute for International Economics calculates that 87 percent of the high-tech Chinese products hit by ***United States*** tariffs get some of their parts or financing from companies based outside ***China***. American tariffs, in other words, could inflict even greater pain on allies like South Korea, Japan and Taiwan -- and on the ***United States*** itself. As the Ministry of Commerce spokesman Gao Feng put it, ''The ***U.S***. is opening fire on the world and on itself, too.''

***China***'s retaliatory tariffs have been less scattershot. By taking aim at soybeans and pork, Beijing struck at Trump country in the Midwest, while going after a smaller export like Kentucky bourbon hit the district of the Senate majority leader, Mitch McConnell. ''***China*** targets Trump's interest groups with surgical precision,'' a former government official in Shanghai told me. ''That's ***China***'s institutional advantage. It understands America, but the ***United States*** doesn't really understand how ***China*** operates politically.'' So far, the ***United States*** is feeling the brunt of the ***trade war***: Soy and pork exports to ***China*** have collapsed, and ***China*** has scuppered one major tech deal: Qualcomm's proposed $44 billion takeover of the Dutch chip maker NXP Semiconductors. Meanwhile, in Shanghai, residents seem almost oblivious to the ***trade war***, as if it were a storm on a distant horizon. ''I don't know much about it,'' says a waitress at a local dumpling shop. ''But the price of soy sauce hasn't gone up yet.''

The ***United States*** would be wise not to underestimate ***China***'s resolve. President Xi Jinping, the most powerful Chinese leader since Mao, has staked his legitimacy on restoring ***China***'s greatness. Backing down is not an option for him; he can't afford to look weak in a face-off with ***China***'s biggest rival. Xi may hope the ***trade war*** eases up after the midterm elections, but he seems ready to dig in. ''If it comes down to a ***war*** of attrition, ***China*** will win,'' says James L. McGregor, chairman of the greater ***China*** region for the consulting firm APCO Worldwide. ''At the end of day, we may end up making ***China*** great again.''

Chinese leaders have so far been careful not to rouse much nationalist fervor, however. In disputes with other countries -- France, Japan and, most recently, South Korea -- Beijing ramped up the hostility, orchestrated street protests and even encouraged consumer boycotts. The ***trade war*** has evoked a more measured response. Some Chinese-language articles online have highlighted ***China***'s historical grievances -- ''Never Forget the Eight Lessons of the Opium ***War***,'' one reads -- but the official tack has been to calm public opinion. ''Don't attack Trump's vulgarity,'' a government guidance memo instructed media outlets earlier this summer, according to the website ***China*** Digital Times. ''Don't make this a ***war*** of insults.''

If the ***trade war*** persists, ***China*** could make life even more difficult for American companies by adding to the web of nontariff barriers (red tape, for example) or by supporting a consumer boycott. American-owned subsidiaries in ***China*** sold $280 billion worth of goods and services there in 2017, more than double the amount of ***United States*** imports, and famous brands like Apple and Starbucks make about 20 percent of their revenue in ***China***. As vulnerable as those companies might be, ***China*** has no interest, yet, in alienating its biggest market. ''At some point, Chinese leaders may want to get nationalistic and stir up anger against ***U.S***. companies, but that's a dangerous road,'' McGregor says. ''Right now, Chinese leaders are just studying the battlefield. They are not running around with shock and awe.''

As the ***trade war*** escalates, in fact, ***China*** is seeking to shift the blame and portray itself suddenly as a champion of openness. In the past month, Beijing has approved two major deals -- with Tesla and the German chemical giant BASF -- that give those companies what the foreign business community has long desired: full ownership without the need for a local joint-venture partner. Xi Jinping also held a rare meeting with American and European business executives, though his words on the ***trade war*** were defiant. In the West, he reportedly told them, ''you turn the other cheek. In our culture, we punch back.''

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https://www.nytimes.com/2018/08/07/magazine/when-it-comes-to-a-***trade-war***-***china***-takes-the-long-view.html

**Graphic**

DRAWINGS (DRAWINGS BY ANDREW RAE) (MM12

MM14)

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**When It Comes to a Trade War, China Takes the Long View; On Money**

The New York Times

August 7, 2018 Tuesday 23:00 EST

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**Section:** MAGAZINE

**Length:** 1445 words

**Byline:** Brook Larmer

**Highlight:** Victory may go to the side that best understands the other — and Americans would do well not to underestimate Chinese resolve.

**Body**

Ye Fangsu, a retired Shanghai schoolteacher, doesn’t need any lessons about the dangers of ***trade wars***. For nearly 60 years, she has lived in the former French Concession, a leafy part of Shanghai whose name itself carries the humiliation of ***China***’s biggest ***trade war***. The “concession” was one of many slices of territory, including Hong Kong and parts of other port cities, that ***China*** was forced to hand over to foreign powers after its defeat in the mid-19th-century Opium ***Wars***. “***China*** was so weak and backward then,” Ye said, shaking her head as she offered me slices of apple and pear on a hot July afternoon. “We had to give in.”

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Brook Larmer is a contributing writer for the magazine. Next Week: On Technology, by John Herrman

PHOTO: (PHOTOGRAPH BY Illustration by Andrew Rae FOR THE NEW YORK TIMES)

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**U.S. and China Expand Trade War as Beijing Matches Trump’s Tariffs**

The New York Times

June 15, 2018 Friday 17:28 EST

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**Section:** US; politics

**Length:** 1477 words

**Byline:** Ana Swanson

**Highlight:** The tariffs on ***China*** by the Trump administration shift what has primarily been a ***war*** of words between Washington and Beijing into a full-blown ***trade war***.

**Body**

WASHINGTON — The Trump administration on Friday escalated a ***trade war*** between the world’s two largest economies, moving ahead with tariffs on $50 billion of Chinese goods and provoking an immediate tit-for-tat response from Beijing.

The president is battling on a global front, taking aim at allies and adversaries alike. The ***United States*** has levied global tariffs on metal imports that include those from Europe, Canada and Mexico, while threatening to tear up the North American Free ***Trade*** Agreement.

These countries are fighting back, drawing up retaliatory measures that go after products in Mr. Trump’s political base. ***China***’s response was swift on Friday, focusing on $50 billion worth of American goods including beef, poultry, tobacco and cars.

The ***trade*** actions could ripple through the global economy, fracturing supply chains and costing jobs at American companies that will be forced to absorb higher prices. Although the ***United States*** economy is especially strong, the tariffs are expected to drive up prices for American consumers as well as for businesses that depend on ***China*** for parts.

Things could get worse if the ***United States*** and ***China*** ratchet up their actions. Mr. Trump has already promised more tariffs in response to ***China***’s retaliation. ***China***, in turn, is likely to back away from an agreement to buy $70 billion worth of American agricultural and energy products — a deal that was conditional on the ***United States*** lifting its threat of tariffs.

“***China***’s proportionate and targeted tariffs on ***U.S***. imports are meant to send a strong signal that it will not capitulate to ***U.S***. demands,” said Eswar Prasad, a professor of international ***trade*** at Cornell University. “It will be challenging for both sides to find a way to de-escalate these tensions.”

The penalties make good on a campaign promise by Mr. Trump to crack down on Chinese ***trade*** practices that he says have cost American jobs. On Friday, Mr. Trump said in a statement that ***trade*** between the countries had been “very unfair, for a very long time.”

Mr. Trump added, “These tariffs are essential to preventing further unfair transfers of American technology and intellectual property to ***China***, which will protect American jobs.”

But the White House has lately vacillated between taking a tough stance on Chinese ***trade*** practices and declaring that the ***trade war*** was “on hold.”

In recent weeks, the administration had tried to defuse tensions with ***China*** ahead of a summit meeting with the North Korean leader. Mr. Trump extended a lifeline to the Chinese telecommunications company, ZTE, at the request of President Xi Jinping.

Some advisers, including the treasury secretary, Steven Mnuchin, had feared the economic consequences of a ***trade war*** and pushed for a negotiated solution instead. The latest action appears to be a victory for the more hard-line faction of the Trump administration, including the president’s ***trade*** advisers, Robert E. Lighthizer and Peter Navarro, who have pushed for a protectionist approach.

“This is not about a policy,” said Mickey Kantor, the former commerce secretary and a chief ***trade*** negotiator for the Clinton administration. “This is not about asserting ***U.S***. leadership. It’s about the president having an impulse that if he does this, he will strengthen his base, send a signal to ***China***, and be able to say he’s been strong and tough.”

Tariffs of 25 percent on roughly $34 billion of Chinese products — drawn from a list that the administration published in April that has since been refined — will go into effect on July 6, the office of the ***United States*** ***trade*** representative said. The administration is also proposing tariffs on roughly $16 billion of new products, which it said would undergo further review, including public hearings.

In total, the tariffs will fall on 1,102 categories of Chinese goods, including nuclear reactors, aircraft engine parts, bulldozers, ball bearings, motorcycles and industrial and agricultural machinery. The list generally focuses on industrial sectors that relate to the country’s Made in ***China*** 2025 plan for dominating high-tech industries, like aerospace, automobiles, information technology and robotics, the administration said.

The revised list dropped some products purchased directly by American consumers, including flat-screen televisions and printer accessories, while adding semiconductors, machinery and plastics, according to an analysis by Chad Bown, a senior fellow at the Peterson Institute for International Economics.

In a call with reporters Friday, a senior official said the administration would soon roll out a process for companies to apply for exclusions to the tariffs for products they cannot get from another source.

***China*** said it would hit back with additional tariffs of 25 percent on about $50 billion of American-made products, the country’s Commerce Ministry said in a release. These will also come in two rounds, with penalties on about $34 billion of goods, including agricultural products, automobiles and seafood, scheduled to take effect the same day as the ***United States*** tariffs. Tariffs on another $16 billion worth of American goods, including medical equipment, chemical products and energy products, will be announced later, the ministry said.

The ministry said in a separate statement Friday that all other recent ***trade*** terms negotiated by the ***United States*** and ***China*** would also be declared invalid.

Tensions could escalate further in the coming weeks. The White House is formulating a plan for restricting Chinese investments in the ***United States*** and putting stricter limitations on the types of advanced technology that can be exported to the country. It has said those restrictions will go into effect shortly after they are announced by June 30.

The White House says its measures are necessary to reset the ***trade*** relationship with ***China***, a country Trump administration officials accuse of manipulating economic rules and costing millions of American jobs.

The moves could damp economic growth that has been stoked by the administration’s tax cuts — though the overall effects are likely to be limited because of the small size of the tariffs relative to the American economy. But in a few industries that are heavily affected, the pain could be substantial. Economists say the tariffs will drive up prices for American consumers purchasing products at retail stores as well as for businesses that depend on ***China*** for parts used to make other goods in the ***United States***.

Goldman Sachs economists said Friday that the initial tariffs on $34 billion of products would have a minimal effect on growth and inflation, in part because it was concentrated on industrial rather than consumer goods. But they cautioned that the president’s moves raised the odds that other measures, including more tariffs from the ***United States*** and ***China*** and restrictions on investment, would follow.

In another analysis, the Tax Foundation, a conservative nonprofit organization, found that tariffs on ***China*** and steel and aluminum would have a minimal impact on growth and wages, but that it could lower American employment by more than 45,000 full-time jobs in the long run.

“Imposing tariffs places the cost of ***China***’s unfair ***trade*** practices squarely on the shoulders of American consumers, manufacturers, farmers and ranchers,” said Thomas J. Donohue, the president of the ***United States*** Chamber of Commerce. “This is not the right approach.”

The National Retail Federation, which represents grocers, chain restaurants and other stores, said the tariffs would not combat ***China***’s abusive ***trade*** practices, but only “strain the budgets of working families by raising consumer prices.”

But the tariffs received commendation from others, including lawmakers across the political spectrum who have urged the president to remain tough on ***China***. Senator Marco Rubio, Republican of Florida, called the announcement an “excellent move,”while Senator Chuck Schumer of New York, the Democratic leader, said the tariffs were “right on target.”

“***China*** is our real ***trade*** enemy, and their theft of intellectual property and their refusal to let our companies compete fairly threatens millions of future American jobs,” Mr. Schumer said.

Follow Ana Swanson on Twitter: @AnaSwanson. Cao Li contributed reporting from Hong Kong. Elsie Chen in Beijing and Hiroko Tabuchi also contributed research and translation.

PHOTO: Employees at a manufacturing plant in McKeesport, Pa., earlier this year. ***China*** said it will hit back by imposing its own tariffs on ***United States*** goods. (PHOTOGRAPH BY Ross Mantle for The New York Times FOR THE NEW YORK TIMES)

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**Load-Date:** December 11, 2018

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**U.S. and China Call Truce in Trade War**

The New York Times

December 1, 2018 Saturday 22:04 EST

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**Section:** WORLD

**Length:** 1727 words

**Byline:** Mark Landler

**Highlight:** In a meeting with President Xi Jinping of ***China***, President Trump agreed to hold off on a plan to raise tariffs on $200 billion worth of Chinese goods on Jan. 1.

**Body**

BUENOS AIRES — The ***United States*** and ***China*** called a truce in their ***trade war*** on Saturday after President Trump agreed to hold off on new tariffs and President Xi Jinping pledged to increase Chinese purchases of American products. The two also set the stage for more painstaking negotiations to resolve deeply rooted differences over ***trade***.

The compromise, struck over a steak dinner at the Group of 20 meeting here and announced in a White House statement, was less a breakthrough than a breakdown averted. The two leaders remain far apart on basic issues of market access and ***trade*** policy, and there was no sign that either planned to back down on those.

Still, the handshake deal between Mr. Trump and Mr. Xi, after what the White House called a “highly successful meeting,” pauses what was becoming a headlong race toward economic conflict. It will reassure jittery financial markets, as well as American farmers, who worried about the fallout from a prolonged ***trade*** battle.

In a significant concession, Mr. Trump will postpone a plan to raise tariffs on $200 billion worth of Chinese goods to 25 percent, from 10 percent, on Jan. 1. The Chinese agreed to an unspecified increase in their purchases of American industrial, energy and agricultural products, which Beijing hit with retaliatory tariffs after Mr. Trump targeted everything from steel to consumer electronics.

The countries set an ambitious deadline of 90 days to reach a broader ***trade*** agreement, with the White House warning that if they did not come to terms by then, Mr. Trump would raise the existing tariff rate to 25 percent.

“The relationship is very special — the relationship that I have with President Xi,” Mr. Trump told reporters as he sat across a long table from the Chinese leader before dinner was served. “I think that is going to be a very primary reason why we’ll probably end up with getting something that will be good for ***China*** and good for the ***United States***.”

Mr. Xi replied, “Only with cooperation between us can we serve the interest of world peace and prosperity.”

As the dinner ended, the Chinese and American officials applauded the two leaders.

For Mr. Trump, the agreement was an upbeat end to his subdued visit to the G-20 meeting. He dodged unsavory friends, smiled through chilly encounters with allies and canceled a news conference out of respect for his predecessor, George Bush, whose death Friday was a reminder of the role that American presidents once played at these gatherings.

On his second day in Buenos Aires, Mr. Trump said little about global security or diplomacy, keeping a single-minded focus on ***trade***. That put leaders like Chancellor Angela Merkel of Germany in an awkward position, because Germany, as a member of the European Union, cannot negotiate by itself with the ***United States*** on ***trade*** issues.

“We have a tremendous ***trade*** imbalance, but we’re going to get that straightened out,” he said before meeting Ms. Merkel on Saturday morning. “We all understand each other.”

American and Chinese officials conducted quiet talks about a compromise over the last several weeks. But the outcome remained in doubt until the end, when Mr. Trump, flanked by his top aides, sat down with Mr. Xi and his aides to a meal of grilled sirloin and bottles of Malbec.

Mr. Trump had veered from optimism to wariness about a deal, sometimes in the course of a single statement. His economic team offered sharply conflicting advice, with moderates like Treasury Secretary Steven Mnuchin counseling compromise, while hard-liners like Peter Navarro, the White House director of ***trade***, urged him to double down on his pressure.

The moderates tried to exclude Mr. Navarro from the trip. But at the dinner in a Buenos Aires hotel, he was there at the table, seated between the national security adviser, John R. Bolton, and the chief of staff, John Kelly. He leaned forward to listen to the president as he urged Mr. Xi to crack down on illicit shipments of the deadly opioid fentanyl.

The White House said that Mr. Xi, in a “humanitarian gesture,” had agreed to designate fentanyl as a controlled substance.

***China*** was quick to portray the agreement as a concession by Mr. Trump. Wang Shouwen, the vice commerce minister, said the president had agreed to revoke his plan to raise tariffs on certain Chinese goods to 25 percent, according to Reuters.

The Chinese foreign minister, Wang Yi, said, “***China*** is willing to expand imports according to the needs of the domestic market and the people,” which he said would “gradually ease the problem of ***trade*** imbalance.”

Of the roughly $250 billion worth of Chinese goods targeted by tariffs, $50 billion is already taxed at 25 percent, while the remaining $200 billion is taxed at 10 percent. As part of a series of tit-for-tat moves, Mr. Trump said he would raise the tariff for all goods to 25 percent and consider imposing tariffs on an additional $267 billion worth of exports.

Some experts said the forces Mr. Trump had set in motion with Beijing would be hard to restrain. The ***United States*** is demanding sweeping changes in ***China***’s ***trade*** policy, which the Communist government might find politically difficult to enact and impossible to enforce.

And the 90-day deadline is exceptionally ambitious for a ***trade*** agreement that has eluded negotiators for nearly two years.

“A halt in the tariff ***wars*** will be welcome but won’t alter the fundamental collision course that Trump and Xi seem to be on,” said Daniel M. Price, a former ***trade*** adviser to President George W. Bush.

The White House, he said, continued to tighten export controls and to bar Chinese high-technology firms like Huawei from American infrastructure projects. It is also lining up other countries to clamp down on the forced transfer of technology to ***China*** — all steps that will provoke Beijing.

Still, Mr. Trump was a less disruptive presence at this gathering than he has been at previous ones. The G-20 members agreed on a 31-point communiqué that reaffirmed their commitment to the Paris climate accord, even as the ***United States*** reiterated its decision to pull out of it.

“All countries except the ***U.S***. backed conclusions reaffirming the Paris Agreement and its full implementation,” Laurence Tubiana, the former French climate negotiator and now head of the European Climate Foundation, said in a statement.

The statement also expressed concern that the World ***Trade*** Organization should be reformed. The W.T.O. is a favorite target of Mr. Trump because he believes it crimps America’s ability to use tariffs and allows countries like ***China*** to cheat.

“The system is currently falling short of its objectives and there is room for improvement,” the communiqué said, in a phrase that an administration official described as a victory for Mr. Trump.

The statement did not include a reference to the dangers of protectionism, which American officials said could have held it up. Two weeks ago, a feud over language on ***trade*** between ***China*** and the ***United States*** stymied the drafting of a communiqué after an economic summit meeting in Papua New Guinea — and it was never issued.

By contrast, this meeting was relatively harmonious, with Mr. Bush’s death eliciting expressions of condolence from Ms. Merkel and Mr. Xi, who praised his role in advancing American-Chinese relations. In 1974 and 1975, Mr. Bush headed the ***United States*** liaison office to the People’s Republic of ***China***, a forerunner of the American Embassy.

By canceling his news conference, Mr. Trump avoided a platform where his freewheeling and provocative remarks could have emphasized differences with allies and adversaries alike. Instead, he struck a somber tone, praising Mr. Bush and his legacy in all his meetings.

“The fact that we lost a president who truly was a wonderful person, a wonderful man, a great man — it really puts a damper on it, to be honest with you,” Mr. Trump said as he sat next to Ms. Merkel.

He invited the chancellor to share a recollection of a visit she made to the White House with then-Chancellor Helmut Kohl, when Mr. Bush was still president. She referred to him as “one of the fathers of the German unification,” adding, “we will never forget that.”

Even before Mr. Bush’s death, the meeting was shadowed by Mr. Trump’s legal troubles back home — his former personal lawyer, Michael D. Cohen, pleaded guilty to lying to Congress about his dealings with Russia on behalf of Mr. Trump — and by his   truncated schedule in Buenos Aires.

This was the kind of diplomatic conclave at which Mr. Bush, a globe-trotting foreign-policy president, would have thrived. But Mr. Trump’s experience was less comfortable.

He skipped meetings with President Vladimir V. Putin of Russia and Crown Prince Mohammed bin Salman of Saudi Arabia, two strongmen he has drawn close but who have fallen into disrepute.

Mr. Putin has come under criticism for a clash last week between Russian and Ukrainian naval vessels, while the C.I.A. concluded that Prince Mohammed played a role in the killing of the Saudi dissident Jamal Khashoggi in the Saudi Consulate in Istanbul in October.

Mr. Trump’s stubborn defense of Prince Mohammed has aggravated tensions with Turkey, which shared an audio recording of the attack on Mr. Khashoggi with the director of the C.I.A., Gina Haspel, and demanded a fuller accounting from the Saudis of what happened.

On Saturday, Mr. Trump met with Turkey’s leader, Recep Tayyip Erdogan, but the White House closed the session to even the brief picture-taking opportunity that usually accompanies these meetings.

At a dinner for the leaders on Friday night, the White House said Mr. Trump spoke informally with Mr. Putin. There were photos of the president and the first lady, Melania Trump, seated at the long table, separated from Mr. Putin by Mr. Xi and his wife, Peng Liyuan.

Reporting was contributed by Peter Baker from Buenos Aires, Somini Sengupta from New York and Jane Perlez from Beijing.

PHOTO: President Trump and Chinese President Xi Jinping at a dinner meeting at the end of the Group of 20 summit meeting in Buenos Aires. (PHOTOGRAPH BY Tom Brenner for The New York Times FOR THE NEW YORK TIMES)

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* Dodging Friends, Chased by Legal Troubles, Trump Navigates G-20

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**Load-Date:** December 3, 2018

**End of Document**

**In a Trade War, China Might Boycott U.S. Goods. That Could Backfire.**

The New York Times

April 19, 2018 Thursday 04:05 EST

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**Section:** BUSINESS

**Length:** 1346 words

**Byline:** Sui-Lee Wee and Zhang Tiantian

**Highlight:** State media have hinted that Beijing could weaponize its consumers in a ***trade war***. But American brands are popular in ***China*** — and Chinese workers make many of their products.

**Body**

TAICANG, ***China*** — If ***China*** calls for a boycott of American goods, Chinese workers like David Xu could be in trouble.

Mr. Xu is one of thousands of residents of this port town who cash paychecks from American companies. He works as a technician at a Procter & Gamble manufacturing and distribution center here, one of the company’s biggest in ***China***. Across town, Nike has opened a huge distribution center, its largest in Asia.

In all, more than 40 other American companies have set up shop here, making chemicals, lighters and a broad range of other products for a Chinese market eager for American goods.

“There is no deep hatred for American companies,” said Mr. Xu, who has worked for Procter & Gamble for 13 years. “The impact of this ***trade*** conflict shouldn’t be big. After all, American companies bring so many conveniences to the lives of Chinese people.”

Some Chinese state media outlets have hinted darkly that Beijing could weaponize its hundreds of millions of shoppers should Washington go through with its recent tariff threats and start an all-out ***trade war***. On Weibo, ***China***’s version of Twitter, there are sporadic calls to boycott Apple’s iPhones. Beijing has done it before, ably punishing Japanese, South Korean and Philippine products and companies over political disputes.

A Boycott America plan could be much tougher to pull off.

While competition from Chinese-made smartphones is rising, iPhones remain popular. Shopping mall developers, eager for the extra cachet, clamor for Starbucks to open stores. Nike dominates the sportswear market in ***China***. Chevrolet is one of the country’s most popular brands.

And notably, many of those products are made by Chinese workers. Factories in ***China*** assemble iPhones, stitch up Nike apparel and footwear and make Chevrolets and Fords. It isn’t clear how many jobs this creates, but the American Chamber of Commerce in ***China*** said that more than one-third of its 800-plus member companies have more than 1,000 employees in the country.

“***China*** needs the ***U.S***., the ***U.S***. needs ***China***,” said Max Baucus, a former ***United States*** ambassador to ***China***. “We are joined at the hip economically.”

The ***United States*** has also supplied much of the investment underpinning ***China***’s economic growth. Between 1990 and 2017, America pumped more than $250 billion into ***China***, according to a report by the Rhodium Group and the National Committee on ***United States***-***China*** Relations.

“The ***U.S***. multinationals have been playing a very critical part of ***China***’s development story, providing investment, technology, brands,” said Erlend Ek, ***trade*** research manager of ***China*** Policy, a Beijing-based advisory firm. “They have a very good relationship with each other.”

There’s another reason that Beijing may be reluctant to try a boycott: American multinationals are aiding the Chinese government in some important projects. IBM and Walmart, for example, are collaborating with the e-commerce company JD.com and Tsinghua University to improve food safety in ***China***, a priority for Beijing.

That isn’t to say that the idea is off the table.

The Global Times, a nationalist tabloid controlled by the People’s Daily, the Communist Party’s official newspaper, warned that a “people’s ***war***” could be waged against the ***United States***. On Chinese social media, the phrase “***China*** is not scared!” has become a popular hashtag, the People’s Daily illustrating it with an image of Chinese and American boxing gloves.

“The patriotism and collectivism of the Chinese people will likely play a role,” the newspaper said in an editorial last month. “And the slogans to boycott American cars and other big commodities may ring through the Chinese internet and get a response.”

Still, ***China*** has other ways to strike back without involving consumers.

***China***’s proposed retaliatory tariffs would hit companies like Boeing. It can tell its local governments to stop buying technology from IBM or Microsoft. It can gum up business plans with regulatory hassles.

Tu Xinquan, the dean of the ***China*** Institute for W.T.O. Studies at the University of International Business and Economics in Beijing, warned that the possibility of a consumer boycott on American goods “cannot be ruled out.”

“But perhaps once the battle begins, it’s possible that we wouldn’t even need the people to wage the boycott, because the government’s measures could be powerful enough,” Mr. Tu said.

Just the prospect of a consumer boycott worries some American business executives. Despite frustrations that include opaque regulations, the weak rule of law and demands to hand over technology to Chinese partners or officials, the allure of being able to access nearly 1.4 billion consumers with the help of a huge labor force still holds appeal.

Consumers in ***China*** can be a potent force. In 2012, Chinese nationalists wrecked Japanese stores and car dealerships and boycotted Japanese cars because of a territorial dispute, hurting sales for years. In 2016, online vendors stopped selling dried mangoes from the Philippines after a United Nations tribunal ruled in favor of Manila in another territorial dispute.

Last year, the South Korean conglomerate Lotte was forced to shut down more than 80 stores in ***China*** after the South Korean government provided land for an American missile defense system that Beijing strongly opposed.

More recently, Chinese nationalists have besieged the social media accounts of Western companies that labeled Taiwan, a self-governing island that Beijing considers a breakaway region, and Tibet as countries.

William Zarit, the chairman of the American Chamber of Commerce in ***China***, said a boycott “is one of the many tools that the Chinese have in their toolbox.”

“Because of the structure of the government and the political power of the party, they can call for a boycott and get a pretty good response,” Mr. Zarit said. “So that concerns me.”

Taicang, a 90-minute drive from Shanghai, underscores how interdependent the two economies are.

Some of the biggest names in corporate America, like Honeywell and Exxon Mobil, have converged on this city of close to a million people. Its economy is growing faster than the country’s as a whole. It is richer than Shanghai on a per-capita basis. Last year, Taicang topped a list of ***China***’s 10 happiest “county-level cities” for the second year in a row.

In a sprawling factory, Procter & Gamble makes its Head & Shoulders, Pantene and Vidal Sassoon shampoos and then distributes them along with other cosmetics and skin care products. When the factory opened, the company said it would provide 1,500 jobs for Chinese workers. Across town is a 200,000-square-meter Nike logistics center, which that company has also said would employ 1,500 people.

In total, 42 American factories are in the Taicang economic development zone, with a total annual output value of about $4.7 billion, the government of the much larger city of Suzhou, which administers Taicang, said in February.

The influx of money can be seen in the relative affluence of the Procter & Gamble employees, most of whom drive Japanese-made cars to work. One female employee, surnamed Li, said workers were confident that what they made in the factory would appeal to Chinese consumers, who she said were rational about what they bought.

Analysts say Beijing is aware of the importance of American companies to ***China***’s economy. Ernan Cui, a consumer analyst at the research firm Gavekal Dragonomics, said a boycott could have many victims.

“Due to the integration of the economies, whatever ***China*** does to the ***U.S***. will end up hurting itself,” Ms. Cui said.

Follow Sui-Lee Wee on Twitter: @suilee. Elsie Chen contributed research.

PHOTO: A Nike store in Beijing. Many of the goods that Nike and other American companies produce are assembled by Chinese workers. (PHOTOGRAPH BY Giulia Marchi for The New York Times FOR THE NEW YORK TIMES)

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**Load-Date:** April 24, 2018

**End of Document**

**Is Trump Serious About Trade War? China’s Leaders Hunt for Answers**

The New York Times

April 12, 2018 Thursday 12:57 EST

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**Section:** WORLD; asia

**Length:** 1796 words

**Byline:** Keith Bradsher and Jane Perlez

**Highlight:** Some of the most powerful men in ***China*** have been seeking out experts to gain a better understanding of how to respond to President Trump’s combative ***trade*** agenda.

**Body**

BEIJING — In an elegantly furnished back room at a conference in eastern ***China*** in December, a member of the Chinese leadership asked American tech executives for help.

The official, Wang Huning, a Communist Party strategist who has spent much of his career sizing up the ***United States*** as a geopolitical rival, wanted to know whether President Trump was serious about   a ***trade war*** with ***China*** — and whether his American visitors could serve as a channel of communication to the White House.

He has not been alone.

For the past few months, some of the most powerful men in ***China*** — allies of President Xi Jinping with longstanding ties and deep experience with the ***United States*** — have been casting about for a better understanding of Mr. Trump and how to respond to his combative ***trade*** agenda, according to several people they have consulted.

Vice President Wang Qishan has met in recent weeks with a series of American business leaders and former cabinet officials to question them about Mr. Trump’s ***trade*** threats.   Liu He, the Politburo member coordinating economic policy, has done the same. One longtime ***China*** scholar in the ***United States*** said five officials had visited him seeking advice in the past two weeks alone.

In these meetings, the Americans have warned that Mr. Trump’s complaints should be taken seriously because of widespread frustration in Washington with Chinese policies, especially a $300 billion program to dominate critical high-tech industries, known as Made in ***China*** 2025, that has alarmed the ***United States*** national security establishment.

It is unclear whether that message is making it through to Mr. Xi — or whether he has chosen to ignore it after concluding that Mr. Trump is bluffing and that the ***United States*** will back off, as it has in the past.

[President Trump has found new appeal in the Trans-Pacific Pact. But the pact’s current members might not make it so easy to come back.]

Governing with a new mandate since engineering the removal of presidential term limits last month, Mr. Xi has personally taken control of decision-making in the ***trade*** standoff, according to analysts and political insiders with ties to the leadership. His unquestioned authority, some say, has made it more difficult for the party apparatus to deliver news that contradicts him.

“When you have this kind of regime, you want to report the good story,” said Tao Jingzhou, a managing partner at the global law firm Dechert who deals with senior Chinese officials. “I have the impression the leadership is not fully briefed about the seriousness of the atmosphere against ***China*** in the ***U.S***. establishment.”

The confusion over Mr. Trump’s stance on ***trade*** deepened on Thursday when he said, in a surprise move, that he was considering rejoining the multicountry ***trade*** deal known as the Trans-Pacific Partnership, after abruptly withdrawing the ***United States*** from the negotiations last year.

Mr. Xi has elevated a coterie of advisers who have built their careers in part on their ability to interpret and handle the ***United States***, perhaps more so than any of his predecessors. But they seem surprised and confused by Mr. Trump’s rapid-fire decisions and ***trade*** threats, like the move to impose punitive tariffs on an additional $100 billion in Chinese imports, according to many who have met with them.

These men include Wang Huning, the party’s chief ideologue, who has written a book about his visits to the ***United States*** as a young scholar;   Wang Qishan, Mr. Xi’s most powerful lieutenant, who has cultivated relationships on Wall Street for decades; and Mr. Liu, the vice premier in charge of the economy, who has master’s degrees from Seton Hall and Harvard. Mr. Xi has also promoted   Yang Jiechi, a former ambassador to Washington, to the party’s 25-member Politburo.

Despite this deep bench of expertise, the Chinese leadership appears at a loss, grasping for interlocutors in an American political landscape that has been scrambled by Mr. Trump. For more than two decades, Beijing has watched corporate America make the case for ***trade*** with ***China*** and one American president after another embrace that agenda. But Mr. Trump has defied that pattern.

“Chinese experts do not understand the current state of the ***United States***,” said Jie Zhao, a professor at the ***China*** Executive Leadership Academy Pudong, which trains senior civil servants in Shanghai. “They do not understand Trump, do not understand his team and do not understand the source of his policies.”

Part of the problem is that the leadership’s usual contacts in the ***United States*** — often establishment figures with backgrounds in international finance and diplomacy — have been largely sidelined by Mr. Trump.

“The people with whom Chinese officials are familiar in Washington are mainly the enemies of Trump,” said Shi Yinhong, professor of international relations at Renmin University in Beijing. “Trump hates those people.”

Beijing has also been frustrated as potential allies have fallen out of favor, including Gary D. Cohn, the chief economic adviser who counseled against tariffs but resigned last month, and Mr. Trump’s son-in-law, Jared Kushner, who appears to have stepped back on the issue because of his family’s business interests in ***China***.

Looking for answers, Vice President Wang has met instead in recent weeks with three former Treasury secretaries — Timothy Geithner, Henry M. Paulson Jr. and Lawrence H. Summers — as well as Robert B. Zoellick, the former ***United States*** ***trade*** representative, and William S. Cohen, the former defense secretary.

Business leaders who have met with Chinese leaders in the same period include Timothy D. Cook of Apple, Jamie Dimon of JPMorgan Chase, Chuck Robbins of Cisco, Stephen A. Schwarzman of the Blackstone Group and David M. Solomon of Goldman Sachs.

“They ask, ‘Who can we talk to?’” said David M. Lampton, the scholar who has recently hosted five Chinese officials. “They don’t see a stable structure.”

But Professor Lampton, of the Johns Hopkins School of Advanced International Studies, added that despite their frustration, the Chinese seemed satisfied that they can “outlast a ***U.S***. administration that alienates its allies, erodes its own political base and has a public with a low threshold for pain.”

There are vague hints of disagreement in Beijing over how to respond to Mr. Trump’s ***trade*** threats. Some in the elite have emphasized the potential impact of a ***trade war*** on the Chinese economy and urged negotiations, while others have argued that the dispute is part of a broader effort to thwart ***China***’s rise — and that Beijing must respond accordingly.

“On the ***trade war*** issue, the hawkish atmosphere in ***China*** is quite strong right now,” said Chen Jieren, a political commentator in Beijing.

Although the tariffs that Mr. Trump has enacted thus far hit only a small segment of ***China***’s steel and aluminum sector, the pain of a proposed additional set would be spread across manufacturers of more than 1,300 goods.

Given the party’s tight control of the media, there has been no outcry against Mr. Xi’s policies like that by some American business leaders against Mr. Trump’s tariffs. It helps that no single sector or region in ***China*** stands out as especially vulnerable, though the aerospace industry could be stung and Chinese automakers eyeing exports to the ***United States*** would be disrupted.

The mood at a conference in the southern city of Boao this week that brought together Chinese business leaders was upbeat after Mr. Xi addressed the gathering and urged “dialogue rather than confrontation.”

But speaking at the conference, Fan Gang, the director of ***China***’s National Economic Research Institute, warned of “systematic risk” to manufacturing supply chains. And Jack Ma, the founder of the e-commerce giant Alibaba, suggested that a ***trade war*** could destroy 10 million jobs.

One sensitive question in Beijing is the fate of the Made in ***China*** 2025 plan, which has been the focus of the Trump administration’s complaints. The program would provide subsidies and loans to help Chinese firms acquire foreign competitors, develop advanced technologies and dominate key sectors such as alternative energy, robotics, telecom and artificial intelligence.

The military and security apparatus, and the industries close to them, regard the program as essential to ***China***’s strategic ambitions. But discerning the attitude of ***China***’s economic policymakers is more difficult, and not simply because it would be politically taboo to back away from a plan that Mr. Xi has blessed.

Premier Li Keqiang, for example, has tended to take more conciliatory positions in ***trade*** disputes than colleagues in the leadership who favor asserting ***China***’s clout as a global power. But Mr. Li also leads a cluster of government ministers who are the main architects and advocates of the Made in ***China*** 2025 program.

They include Miao Wei, the minister of industry and information technology, and Wang Zhigang, the minister of science and technology. Like Mr. Li, both grew up in central ***China***’s impoverished Anhui Province and favor an extensive role for the state in upgrading Chinese industries, acquaintances said.

On the other hand, the policymakers closest to Mr. Xi — men with finance backgrounds including Mr. Liu and Vice President Wang — are more interested in seeking geopolitical parity with the ***United States*** and less enthusiastic about industrial policy in general.

They worry that state intervention may distort markets and exacerbate the problems of ***China***’s already debt-laden financial system, people who know them said.

Yet such concerns have not translated into a willingness to retreat on the Made in ***China*** 2025 program in the face of Mr. Trump’s threats. “I don’t think ***China*** is willing to compromise Made in ***China*** 2025,” said Da Wei, a professor at the University of International Relations in Beijing. “This is the core of the competition.”

Mr. Xi has charted a moderate course so far, retaliating in equal measure when the Trump administration has imposed tariffs, while urging that the dispute be resolved through negotiation.

But talks have stalled since Chinese officials rejected American demands that Made in ***China*** 2025 be rolled back. A Chinese spokesman said on Thursday that no actual ***trade*** negotiations were underway.

Follow Keith Bradsher on Twitter @KeithBradsher and Jane Perlez @JanePerlez. Reporting was contributed by Jonathan Ansfield, Javier C. Hernández and Steven Lee Myers from Beijing, Paul Mozur from Shanghai and Alexandra Stevenson from Boao, ***China***.

PHOTO: The Yangshan container port in Shanghai. ***China***’s ***trade*** surplus with the ***United States*** has soared. (PHOTOGRAPH BY Chinatopix, via Associated Press FOR THE NEW YORK TIMES)

**Related Articles**

* The ***Trade*** Issue That Most Divides ***U.S***. and ***China*** Isn’t Tariffs

1. Trump Proposes Rejoining Trans-Pacific Partnership

**Load-Date:** October 16, 2018

**End of Document**

**Thinking About a Trade War (Very Wonkish); Op-Ed Columnist**

The New York Times

June 17, 2018 Sunday 00:33 EST

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**Section:** OPINION

**Length:** 2120 words

**Byline:** Paul Krugman

**Highlight:** What would happen if Trump really goes there?

**Body**

Until fairly recently, I didn’t really think we were going to have a ***trade war***. What I thought would happen, instead, was a bit of kabuki: America’s major ***trading*** partners would make cosmetic concessions – perhaps with some lucrative payoffs to Trump businesses on the side – that would let Trump proclaim a “win”, and ***trade*** would go on much as before.

The reason I expected this relatively benign outcome wasn’t that Trump would get or take good advice. It was, instead, the expectation that big money would talk: corporations have invested trillions based on the assumption that an open world ***trading*** system, permitting value-added chains that sprawl across national borders, was going to be a permanent fixture of the environment. A ***trade war*** would disrupt all these investments, stranding a lot of capital, and I thought big business would get either manage to get that message through to Trump or at least get it through to Republicans in Congress, who would act to limit his room for maneuver.

But these political considerations look a lot less compelling now than they did a few months ago. With Gary Cohn gone, it’s not clear that big business has any real pipeline into the White House (OK, polluters have an open line to Scott Pruitt, and predatory lenders a line to Mick Mulvaney, but these aren’t the groups who will stand up against ***trade war***.) And Congressional Republicans, terrified of the Trump base, have proved unwilling to take a stand on anything, even if big money is at stake.

Meanwhile, ***trade*** decisions are being made at Trump’s whim, without input from anyone who knows anything about ***trade*** economics (Peter Navarro thinks he understands the economics, which is even worse.)

Oh, and Trump’s version of diplomacy – not just ***trade*** actions, but the systematic praise of brutal dictators and disdain for democratic leaders – has created a very angry world out there. Nobody out there wants to give Trump even the appearance of a win, and elected leaders would be punished by their voters if they did.

So a serious ***trade war*** now looks very possible, and it’s time to think about what it might mean.

There are, I think, three main questions:

1. How high might tariffs go?

2. How much would this reduce world ***trade***?

3. How costly would the ***trade war*** be?

These are all slightly tricky questions, as I’ll explain. But there’s a pretty good case that an all-out ***trade war*** could mean tariffs in the 30-60 percent range; that this would lead to a very large reduction in ***trade***, maybe 70 percent; but that the overall cost to the world economy would be smaller than I think many people imagine, maybe a 2-3% reduction in world GDP.

This last calculation, however, doesn’t take account of the disruptive effects of deglobalization: some people would actually gain, but a lot of people, very much including large groups and many communities in the ***U.S***., would take big hits, especially in the short-to-medium run.

How high might tariffs go?

What do we mean by a ***trade war***? In the current context, we mean a situation in which the world’s economies, taking their lead from the ***U.S***., abandon the rules and agreements that currently constrain their tariffs and start setting tariffs unilaterally in their perceived self-interest.

The problematic word, of course, is “perceived”. On ***trade***, as on other subjects, Trump’s perceptions generally don’t seem very tethered to reality. And to be fair, the economic policy performance of other major players, notably the EU, hasn’t been noteworthy for the triumph of clear economic thinking.

Still, there have been a number of attempts to model ***trade war*** over the years, relying on one of two approaches. The first is to imagine that governments actually do maximize national income, or perhaps an objective function that gives extra weight to well-organized interest groups. The second appeals to the historical experience of the world before international ***trade*** agreements became the norm. Fortunately, these approaches suggest similar tariff levels.

On the first approach: any country large enough that it can affect world prices of the goods it exports, the goods it imports, or both, has an “optimal tariff” greater than zero. The reason is that by limiting its ***trade***, such a country can improve its terms of ***trade***: the price of its exports relative to the price of its imports. This raises real income, other things equal. And the optimal tariff ***trades*** off the costs of reduced ***trade*** – e.g., the cost of producing goods domestically when they could be purchased more cheaply abroad – against the gains from improved terms of ***trade***.

The problem is that if everyone does this, you get the costs of reduced ***trade*** without the benefit of improved terms of ***trade***, because other countries are doing unto you the same thing you’re trying to do unto them. So you end up in a situation of “optimal tariff warfare”, which is actually more like an arms race than a shooting ***war***, in the sense that there’s (usually) no victor and no resolution, just a lot of wasted resources.

So how do you estimate the effects of optimal tariff warfare? You need a “computable general equilibrium” model of world ***trade*** – something that shows how production and ***trade*** flows depend on tariff rates, calibrated to match the actual data. Then you have to find an equilibrium (a Nash equilibrium, for readers of “A Beautiful Mind”) in which each country is charging its optimal tariff given what everyone else is doing.

There are many assumptions and imputations involved, with the results depending a lot on how easily goods from one country can be substituted for goods from another – a parameter that’s hard to estimate. Still, there are several fairly recent efforts: Ossa finds that a ***trade war*** would, under his favored assumptions, lead to tariffs of nearly 60 percent, while   Nicita et al, using slightly different assumptions, estimate a rise in tariffs of 32 percentage points from current levels.

If this seems too abstract, we can look at history: the Smoot-Hawley tariff, the last great protectionist move by the ***U.S***. before we created the system of ***trade*** agreements, pushed tariffs up to around 45 percent on “dutiable” imports (tariffs were so high that most imports involved goods that for whatever reason faced no tariff at all.) You may wonder why I don’t say 59 percent, which was the peak reached in 1932; but that was sort of an accident, even higher than protectionists wanted, the result of deflation that pushed up the rate of protection for those goods whose tariffs were specified in dollars per unit rather than percentages.

So both history and quantitative models suggest that a ***trade war*** would lead to quite high tariffs, with rates of more than 40 percent quite likely.

How much would ***trade*** decline?

For any given tariff rate, the amount of ***trade*** reduction depends on the elasticity of import demand – the percentage fall in imports for every one percent rise in their price. Such elasticities are hard to estimate, because we don’t get many natural experiments. (Fluctuations in exchange rates change import prices, but those only give us an idea of short-run effects, and everyone believes that long-run elasticities are much bigger.)

As best I can read the literature, consensus estimates for the elasticity of import demand are something like 3 or 4, but there’s not much certainty here.

If we really believe in optimal tariff warfare, however, the effects of the ***war*** on ***trade*** volumes are surprisingly insensitive to the precise value of the elasticity. Why? Because the optimal tariff also depends on the elasticity. If foreigners can easily substitute away from your goods, the optimal tariff is fairly low; if they can’t, it’s high. So high elasticities mean low tariffs, low elasticities mean high tariffs, and the decline in ***trade*** is similar. (See this little write-up.)

My back of the envelope calculations suggest that we might be looking at around a 70 percent fall in ***trade*** for a wide range of cases. I’d be happy to be corrected by ***trade*** modelers if that’s wrong.

But if that’s right, we’re talking about a really big rollback of world ***trade***. Figure 1 shows world ***trade*** (exports plus imports) as a share of world GDP back to 1950; a 70 percent reduction would bring us roughly back to 1950s levels. If Trump is really taking us into a ***trade war***, the global economy is going to get a lot less global.

How big are the costs?

There has historically been a lot of hype about the evils of protectionism – Smoot-Hawley caused the Great Depression, and all that. It’s also tempting to assume that because the Trumpist argument for ***trade war*** is so stupid, Trump ***trade*** policies must be totally disastrous.

But I’ve always ended up being really sorry when I let my political feelings override what my economic analysis says. And simple ***trade*** models, while they do say that ***trade wars*** are bad, don’t say that they’re catastrophic.

To do this right, we should use one of those computable general equilibrium models I mentioned above. These suggest substantial but not huge losses – 2 or 3 percent of GDP. What I’d like to do is offer a bit of intuition about why those losses aren’t bigger, then explain why a ***trade war*** would nonetheless be highly disruptive.

To do this, I’ll exploit a dirty little secret of ***trade*** theory: while ultimately stories about ***trade*** have to be general equilibrium, that is, they must make sure that you’ve kept track of all markets simultaneously, ***trade*** policy analysis using partial equilibrium – ordinary supply and demand – usually gets you more or less the right answer.

So let’s think about the demand for imports as if it were an ordinary demand curve, with the costs of a tariff coming in the form of lost consumer surplus (Figure 2). Those who remember their Econ 101 will know that the costs of a market distortion normally take the form of a rough triangle (rough because the demand curve doesn’t have to be a straight line, but that’s a fairly minor detail.) That’s because the first unit of imports lost has approximately zero cost, because people are indifferent at the margin between that unit and a domestic product, but the last unit lost imposes a cost equal to the tariff rate, because that’s how much more people would have been willing to pay for the import. And the average cost of reduced imports is halfway between these values.

So when a tariff drives up the price of imports to consumers, leading them to buy fewer imported goods, the welfare loss will be roughly

Loss = fall in imports \* \xC2 tariff rate

Now, the ***U.S***. currently spends 15 percent of GDP on imports. Suppose we end up with a ***trade-war*** tariff of 40 percent, and (as I’ve been suggesting) a 70 percent decline in ***trade***. Then the welfare loss is 20% \* 0.7\*15, or 2.1% of GDP.

That’s not a small number, but it’s not that huge either: at the bottom of the Great Recession, CBO estimates that we were operating 6 percent below potential GDP. Of course that loss was temporary, while a ***trade war*** might be forever.

But these net welfare costs may miss the real point, which is disruption.

Disruption

The ***U.S***. currently exports about 12 percent of GDP. Not all of that is domestic value added, because some components are imported. But there’s still a lot of the economy, maybe 9 or 10 percent, engaged in production for foreign markets. And if we have the kind of ***trade war*** I’ve been envisaging, something like 70 percent of that part of the economy – say, 9 or 10 million workers – will have to start doing something else. And there would be a multiplier effect on many communities now built around export industries, which would lose service jobs too.

This is just the flip side of the “***China*** shock” story: even if you believe that the rapid growth of Chinese exports didn’t cost the ***U.S***. jobs on net, it changed the composition and location of employment, producing a lot of losers along the way. And the “Trump shock” that would come from a ***trade war*** would be an order of magnitude bigger.

You can see hints of what might be to come in what’s already happening. So far we’ve had only small skirmishes in what might be the looming ***trade war***, but the effects don’t seem trivial to soybean farmers already facing sharp price cuts and steel users already facing much higher costs. If the ***trade war*** happens, expect to see many, many more stories like this.

O.K., there’s no certainty that any of this will happen. In fact, I still find it hard to believe that we’re really going to go down this path. But I also don’t have any plausible stories about what’s going to make Trump stop, or induce other big players to give in to his demands.

PHOTO: A store in Beijing with nuts and sweets imported from the ***United States*** and other countries. (PHOTOGRAPH BY Andy Wong/Associated Press FOR THE NEW YORK TIMES)

**Load-Date:** July 7, 2018

**End of Document**

**Trump’s Trade War With China Is Officially Underway**

The New York Times

July 5, 2018 Thursday 17:28 EST

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**Section:** BUSINESS

**Length:** 1350 words

**Byline:** Ana Swanson

**Highlight:** The Trump administration began imposing tariffs on $34 billion worth of Chinese products on Friday, setting up a ***trade*** clash between the world’s two largest economies.

**Body**

WASHINGTON — A ***trade war*** between the world’s two largest economies officially began on Friday morning as the Trump administration followed through with its threat to impose tariffs on $34 billion worth of Chinese products, a significant escalation of a fight that could hurt companies and consumers in both the ***United States*** and ***China***.

The penalties, which went into effect at 12:01 a.m., prompted quick retaliation by Beijing, which said it immediately put its own   similarly sized tariffs on American goods. Previously, the Chinese government had said it would tax   pork, soybeans and automobiles, among other products

***China***’s Ministry of Commerce said in a statement that the ***United States*** “has launched the biggest ***trade war*** in economic history so far.”

The escalation of the ***trade war*** from threat to reality is expected to ripple through global supply chains, raise costs for businesses and consumers and roil global stock markets, which have been volatile in anticipation of a prolonged ***trade*** fight between the ***United States*** and almost everyone else.

On Thursday, President Trump showed no signs of backing down from his fight, saying aboard Air Force One that the first wave of tariffs on $34 billion in goods would quickly be followed by levies on another $16 billion of Chinese products. And Mr. Trump continued to threaten Beijing with escalating tariffs on as much as $450 billion worth of Chinese goods.

For now, it is unclear how — or whether — the ***trade war*** might conclude. Mr. Trump’s threats have been met with vows from ***China*** to retaliate, a stalemate that will require one side to blink first in order to avoid a protracted fight. With no official talks scheduled between the two countries, and disagreements within the Trump administration about how best to proceed, a quick resolution seems increasingly unlikely.

“At the moment, I don’t see how this ends,” said Edward Alden, a senior fellow at the Council on Foreign Relations. “This is very much in the president’s hands because he’s got advisers that seem divided, some substantively, some tactically. I just don’t think we’ve had any clear signs of the resolution he wants.”

[Read more about how Chinese shoppers reacted to the tariffs on American products.]

The Trump administration is waging ***trade wars*** on multiple fronts as it imposes tariffs on foreign steel, aluminum, solar panels and washing machines from countries like Canada, Mexico, the European Union and Japan. Yet the tariffs on ***China***, the world’s largest manufacturing hub, affect a much larger share of products and a greater percentage of companies that rely on global supply chains, potentially hurting American companies even more than the Chinese firms the Trump administration is targeting.

Mr. Trump’s aggressive stance toward ***China*** is aimed at pressuring the country to curtail what the White House describes as a pattern of unfair ***trade*** practices and theft of American intellectual property. In addition to the tariffs, the White House is placing restrictions on investment and on   visas for Chinese nationals. The administration says the ***trade*** barriers are being used as leverage to force Beijing to make changes, including opening its markets to American companies and ending its practice of requiring firms operating in ***China*** to hand over valuable technology.

But the ***trade*** measures come at a cost for American firms, which are facing potentially devastating disruptions to their businesses.

As of Friday morning, companies like Husco International, a Wisconsin-based manufacturing company that makes parts for companies like Ford, General Motors, Caterpillar and John Deere, now face a 25 percent increase on a variety of parts imported from ***China***. Austin Ramirez, Husco International’s chief executive, said that increase would immediately put him and other American manufacturers at a disadvantage to competitors abroad.

“The people it helps most of all are my competitors in Germany and Japan, who also have large parts of their supply chain in Asia but don’t have these tariffs,” he said.

Mr. Ramirez said his company would not be able to absorb the additional costs, and would be forced to try to pass them on to suppliers or customers — if it could. He was also fearful of how ***China***’s tit-for-tat retaliation would ultimately affect his business in that country.

“One of the big scary unknowns is we don’t know how ***China*** will react,” Mr. Ramirez said. “There are lots of things they could do to make life difficult for ***U.S***. businesses operating in ***China*** that would be detrimental to us.”

***China*** is expected to respond with its own tariffs on $34 billion worth of American goods, joining other countries that have retaliated against Mr. Trump’s ***trade*** measures and bringing the total value of affected American exports to about $75 billion by the end of the week. That is still a small fraction of the   $1.55 trillion of goods the ***United States*** exported last year, but in some industries, the pain is becoming intense.

Brent Bible, a farmer who cultivates 5,000 acres of corn and soy in western Indiana, said the ***trade war*** was already damaging his farm and the broader agricultural economy. More than half of American soybeans that are exported go to ***China***, giving the country influence over the price of the American crop. ***Trade*** worries have pushed down the price of soybeans roughly 15 percent in recent months, erasing his typical yearly profit margin of 8 percent to 10 percent.

Mr. Bible said farmers are now putting off purchases of tractors, grain storage facilities and other items to make ends meet.

“If we’re not spending money,” he said, “then other industries aren’t making any money off of us, either.”

The Trump administration drafted its initial tariff list to spare consumers, and many of the products that American families purchase from ***China***, like flat-screen TVs and shoes, are not directly hit on Friday. But American companies that depend on Chinese products are expected to feel the pinch, given the tariffs focus heavily on the kind of intermediate inputs and capital equipment that businesses purchase and ultimately sell both in the ***United States*** and abroad.

***China***’s Commerce Ministry accused the ***United States*** of “typical ***trade*** bullying” and said in a statement that its tariffs “will impact innocent multinational companies and ordinary enterprises and consumers alike.”

“It will also harm the interests of ***U.S***. businesses and its people,” it said.

Economists say Mr. Trump’s ***trade war*** will raise costs for American industry, potentially threatening the manufacturing jobs that the president has long said he wants to protect. And some of those higher costs will ultimately work their way through the supply chain to American consumers.

Razat Gaurav, the chief executive of LLamasoft, which advises companies on organizing their supply chains, said that many of his customers have been making alternate plans to restructure their operations, with some choosing to set up in countries like Vietnam or Mexico. Others are postponing large investments, like new factories, and are trying to avoid signing long-term contracts with suppliers — all changes that will eventually take a toll on the economy.

Many international companies route their supply chains through ***China***, and American companies may end up feeling the effects of a ***trade war*** more keenly than their Chinese competitors. Research by Mary Lovely and Yang Liang of Syracuse University shows that in the field of computer and electronics products, for example, non-Chinese multinational corporations operating in ***China*** supply 87 percent of the products that will be affected by tariffs, while Chinese firms send only 13 percent.

A 2011 study by the Federal Reserve Bank of San Francisco showed that, for every dollar spent on an item labeled “Made in ***China***,” 55 cents went for services produced in the ***United States***.

“I think you’re going to see an effect on the longer-term view of the ***U.S***. as a place to export,” Ms. Lovely said. “These tariffs are not hitting the mark, and they’re making it much harder for American firms to do business inside the ***United States***, let alone export markets.”

**Load-Date:** December 11, 2018

**End of Document**

**China Vows Retaliation If U.S. Starts Trade War**

The New York Times

March 9, 2018 Friday, Late Edition - Final

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**Section:** Section A; Column 0; Foreign Desk; Pg. 11

**Length:** 425 words

**Byline:** By SUI-LEE WEE; Zhang Tiantian contributed research.

**Body**

BEIJING -- ***China*** pledged Thursday to hit back at the ***United States*** if it sets off a ***trade war***, issuing its strongest threat yet as President Trump prepares to impose more tariffs against ***China***.

The White House is hours away from putting into effect sweeping steel and aluminum tariffs on its ***trading*** partners that have caused an international outcry. But more worrying to ***China*** are separate ***trade*** sanctions that Mr. Trump could impose under an investigation into ***China***'s intellectual property practices. Hundreds of Chinese companies could be singled out in that process, known as a Section 301 investigation.

Speaking on the sidelines of the annual meeting of ***China***'s legislature, Foreign Minister Wang Yi said, ''History has shown that fighting a ***trade war*** has never been a correct way to solve a problem.''

''Especially given today's globalization, choosing a ***trade war*** is a mistaken prescription,'' Mr. Wang said. ''The outcome will only be harmful. ***China*** would have to make a justified and necessary response.''

He did not elaborate on the measures that Beijing might take. But he urged the ***United States*** to ''sit down peacefully'' to constructively discuss finding a mutually beneficial solution.

***China*** has told American executives that it will retaliate against American companies if Mr. Trump levies tariffs against Beijing, according to a business lobby group, the American Chamber of Commerce in ***China***. The most likely targets would be airplane and agricultural companies -- political constituencies that are important to Mr. Trump.

The group has said that ***trade*** tariffs imposed by the ***United States*** could also prompt Beijing to investigate American exports to ***China***. ***China*** could say that these goods are sold below their fair value and subsidized by the ***United States***.

***China*** is now less dependent on ***trade*** than it used to be, even though on paper it has more to lose from a ***trade war***. It exports more to the ***United States*** than it imports, according to an analysis by Capital Economics, a London-based research company. Exports to the ***United States*** contribute only 2 percent to ***China***'s annual economic output, which is driven largely by domestic demand.

On Thursday, ***China*** released ***trade*** data that showed that its exports in February rose 44.5 percent from a year earlier, giving it a ***trade*** surplus of $33.7 billion for the month. Economists said, however, that this was a one-off and largely related to the Chinese New Year. Exporters usually rush to ship goods before closing for the holiday.

Follow Sui-Lee Wee on Twitter: @suilee.

https://www.nytimes.com/2018/03/08/business/***china***-vows-retaliation-if-trump-engages-in-***trade-war***.html

**Graphic**

PHOTO: Foreign Minister Wang Yi spoke about ***trade*** on Thursday in Beijing on the sidelines of the annual meeting of ***China***'s legislature. (PHOTOGRAPH BY JASON LEE/REUTERS)

**Load-Date:** March 9, 2018

**End of Document**

**How Rare Earths (What?) Could Be Crucial in a U.S.-China Trade War**

The New York Times

July 11, 2018 Wednesday 13:36 EST

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**Section:** BUSINESS

**Length:** 1325 words

**Byline:** Alexandra Stevenson

**Highlight:** Chinese companies dominate important parts of the global supply chain. The Australian C.E.O. of one alternative source of key minerals says her firm can’t fill the gap.

**Body**

KUANTAN, Malaysia — Amanda Lacaze grabbed her iPhone and rattled off the names of the special minerals needed to make it. The screen was polished with lanthanum and cerium. The inside has a magnet made with neodymium and praseodymium.

Those minerals almost certainly came from ***China***. Ms. Lacaze’s job is to give the world an alternative source, in case a global ***trade war*** spirals out of control and ***China*** cuts off supply.

Right now, she can’t. Her company, Lynas Corporation, can provide only a fraction of the minerals — known as rare earths — that ***China*** produces. And even that source isn’t a sure thing: The work is so volatile, complex and expensive that Lynas once came close to collapsing.

“There were times where we were sitting there and I’m saying, ‘Can we really afford to put coffee into the staff rooms?’” Ms. Lacaze said.

The Trump administration amped up its ***trade*** fight with ***China*** on Tuesday when it threatened to impose tariffs on an additional $200 billion in Chinese goods, ranging from frozen catfish fillets to copper wires to piston engines. ***China*** has threatened to match them dollar for dollar.

But it has other ways to retaliate beyond tariffs. It could refuse to buy American products, like planes from Boeing. It could intensify regulation of American companies doing business on the mainland. It could threaten to offload a piece of its huge portfolio of Treasuries, which could rattle the bond market.

And in one of its more strategic weapons, Beijing could use its dominance to cut off key parts of the global supply chain. ***China*** is the major supplier of a number of mundane but crucial materials and components needed to keep the world’s factories humming. They include obscure materials like arsenic metals, used to make semiconductors; cadmium, found in rechargeable batteries; and tungsten, found in light bulbs and heating elements.

They also include rare earths. A ***trade war*** risks putting those minerals in the middle of the conflict, potentially giving ***China*** a way to get back at the ***United States*** by cutting off supplies to American companies. Already rare earths have become embroiled in the conflict — they were among the long list released on Tuesday of Chinese-made goods that the Trump administration wants to tax.

***China*** has used its control of rare earths to try to get its way before. In 2010, it stopped exports to Japan for two months over a territorial dispute. Speculators hoarded rare earth minerals, sending prices soaring.

“There is a hole in the western supply chain,” said Ryan Castilloux, the founder of Adamas Intelligence, a research firm.

It is hard to go a day without using rare earths. They are found in personal electronics like smartphones, televisions and hair dryers, and electric and hybrid cars.

They aren’t actually rare — they are made up of 17 elements found together in the ground all over the world. But turning individual minerals into useful material is complicated, messy and costly, as Lynas well knows.

Rare earth refining is done on a large scale in only two places on earth: ***China***, and Lynas’s plant here in Kuantan, Malaysia, a sprawling industrial area on the coast of the South ***China*** Sea. The company mines rare earths out of a collapsed volcano in Australia and ships them to Kuantan to be refined.

Building that plant nearly sank Lynas. When Ms. Lacaze was named chief executive in June 2014, the company was struggling with $450 million in debt. Design flaws had delayed full production. It faced criticism from environmentalists.

With the business hemorrhaging cash, Ms. Lacaze slashed costs. She negotiated with impatient lenders, including hedge funds and a Japanese government agency that had backed Lynas because it was unsettled by ***China***’s hold over the industry. She reduced rent and overhead by closing the company’s Australian headquarters and moved the company, her husband and herself to Lynas’s facility in Kuantan.

On a recent visit, Lynas technicians mixed rare earth concentrate, which looks to the untrained eye like unremarkable dirt, into chemical tanks that extract elements like lanthanum and cerium. Through a series of steps that take place in more than a dozen buildings, the resulting pinkish powder was funneled through oversize sieves into boxes on a conveyor belt and baked at 1,000 degrees Celsius.

“It’s just like a giant pizza oven,” Ms. Lacaze said.

Next door to the oven, more than 150 bags of neodymium and praseodymium and cerium sat on a warehouse floor to be shipped to customers around the world. These bags are precious goods — each one filled with neodymium and praseodymium is worth around $50,000.

“Just don’t hit the bag!” Ms. Lacaze said she likes to tell the forklift operators. “It’s like hitting a BMW.”

Ms. Lacaze, 58, was an experienced turnaround specialist who had worked in telecommunications and consumer products in Australia before coming to Lynas. In a drawl that hints at her Brisbane roots, she said she knew well the “glass cliff” phenomenon, in which organizations in crisis are more likely than successful businesses to offer leadership positions to women.

“Women more often get to do jobs like mine, where you clean up other people’s mistakes,” said Ms. Lacaze, wearing her signature pink work boots. She is one of fewer than a dozen women running the 200 biggest companies in Australia, where Lynas is publicly listed.

She has looked to elevate women at Lynas, often out of necessity as well as virtue. Unable to expand payroll during the the slump, Ms. Lacaze turned to current employees — often women — who worked in support roles like human resources and finance and shifted them to the factory floor to be operators, technicians and shift supervisors.

***China*** is her most immediate challenge. Lynas is now profitable, but Ms. Lacaze sees a potential ***trade war*** between ***China*** and the ***United States*** as more of a threat than an opportunity. Beijing could keep rare earths off the market, depriving many American and European manufacturers of the minerals they need.

Lynas couldn’t compensate for it all. It accounted for only about 12 percent of world output of rare earths last year, according to Adamas, the research firm. Chinese companies accounted for more than four-fifths.

“If there is a full-blown ***trade war***, I can’t believe that the Chinese wouldn’t use rare earths as part of that,” Ms. Lacaze says. If ***China*** wanted to restrict the supply of rare earths by sticking tariffs on rare earth products or stopping exports outright, “they could do it, literally overnight.”

Under that scenario, companies would look for alternatives to rare earths. Tesla Motors, for example, briefly turned to engines that don’t use rare earths after the 2010 price surge. That could hurt Lynas’s business.

The Association of ***China*** Rare Earth Industry, an industry group controlled by the Chinese government, did not respond to a request for comment.

Even if it doesn’t disrupt the supply, ***China*** will likely keep its grip over the market for rare earths for a long time to come. It also dominates research and development of these minerals, giving it a leg up on the future, Ms. Lacaze said.

“I think there’s about 100 Ph.D.s in rare earths working in applications inside ***China*** and working in technology development,” she said. “To my knowledge, do you know how many Ph.D.s there are outside of ***China***?” With the fingers of her right hand, she made a zero.

For other countries, that means depending on ***China*** for a long time to come, she said.

“It doesn’t scare me,” Ms. Lacaze said, “but it should scare policymakers.”

Cao Li contributed research.

PHOTO: Testing chemical solutions at Lynas Corporation. The company provides materials known as rare earths, which are used to make personal electronics like smartphones and televisions, and electric and hybrid cars. (PHOTOGRAPH BY Rahman Roslan for The New York Times FOR THE NEW YORK TIMES)

**Related Articles**

* Taking a Risk for Rare Earths

1. ***China*** Restarts Rare Earth Shipments to Japan
2. The Fear of a Toxic Rerun

**Load-Date:** July 13, 2018

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**China Envoy Seeks to Defuse Tensions With U.S. as a Trade War Brews**

The New York Times

March 4, 2018 01:32 EST

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**Section:** US; politics

**Length:** 1450 words

**Byline:** Ana Swanson

**Highlight:** ***China*** has sent a top economic adviser to the ***United States*** to restore dialogue and quash a ***trade war***. He faces long odds.

**Body**

WASHINGTON — ***China***’s top economic adviser arrived in Washington this week in an attempt to defuse rapidly escalating tensions with the ***United States*** as the prospect of a ***trade war*** between the world’s two largest economies looms.

But Liu He, the American-educated technocrat who is now President Xi Jinping’s top economic adviser, may face an insurmountable task. The Trump administration appears less predisposed to engage with ***China*** than perhaps any other White House in decades — a dramatic turn given the ***United States***’ long campaign to persuade ***China*** to open its markets to American products and investment.

President Trump and his top ***trade*** advisers share a widespread view that ***China*** cannot be trusted to negotiate in good faith and believe that past administrations spent fruitless years pushing the Chinese to make minor changes to their economy that arrived too late, and were too often reversed.

News that Mr. Xi has moved to abolish term limits for himself and his vice president has only increased suspicion in recent weeks that ***China*** has no intention of shifting toward a more market-oriented economic model and plans to have a state-dominated economy.

The lack of engagement is a worrying sign for relations, given that the Trump administration is now poised to deliver what could be the harshest economic sanctions on ***China*** in decades. In the coming weeks, the administration will decide whether to impose stiff tariffs on Chinese steel and aluminum and restrict investments to penalize ***China*** for its alleged theft of American intellectual property.

Economists fear ***trade*** sanctions could prompt retaliation from ***China***, and even tip the world’s two largest economies into a ***trade war*** that would harm businesses and consumers in the ***United States*** and abroad.

“Certainly, the ***United States*** has gotten ***China***’s attention with these threats,” said Susan Shirk, a former diplomat and the chairwoman of the 21st Century ***China*** Center at the School of Global Policy and Strategy at the University of California, San Diego. “The question is, what are we going to do with that attention?”

Ms. Shirk said the Trump administration seemed to have little interest in negotiating an outcome that would benefit both sides. If the ***United States*** chooses to take a more punitive approach, “then I think we are at the brink of heading for a more Cold ***War***-type relationship,” she added.

Mr. Liu has been dispatched to Washington to evaluate the likelihood of such a clash, as well as to try to defuse tensions. He plans to tell American officials about areas where the Chinese economy will be opening up and push for an official commitment to restore economic meetings between the two countries, which stalled after a falling-out over ***trade*** in July.

Mr. Liu was scheduled to meet with a handful of top executives from American companies and organizations on Wednesday, including Jamie Dimon of JPMorgan Chase; Laurence D. Fink of BlackRock; David M. Solomon of Goldman Sachs; Marc Allen of Boeing; Evan Greenberg of Chubb; Henry M. Paulson Jr., the former Treasury secretary; and Myron Brilliant, of the ***U.S***. Chamber of Commerce.

On Thursday, Mr. Liu and a Chinese delegation will jointly meet with top administration officials including Gary D. Cohn, director of the National Economic Council; Robert E. Lighthizer, the ***United States*** ***trade*** representative; and Steven Mnuchin, the Treasury secretary, for a “frank exchange of views on the ***trade*** and economic relationship,” a White House official said. Mr. Liu will not meet with the president himself.

Mr. Trump’s aides, including Mr. Lighthizer, have discouraged the president from engaging with ***China***. It has been a shift from Mr. Trump’s first months in office, when he warmly received Mr. Xi at Mar-a-Lago and started a new “Comprehensive Economic Dialogue” between the countries that would include 100 days of talks over ***trade***.

But when Commerce Secretary Wilbur Ross presented the results of those talks to the president, Mr. Trump, counseled in part by Mr. Lighthizer, concluded the outcome was a bad deal for the ***United States***, according to people familiar with the matter who were not authorized to speak publicly. One of the breakthroughs from the 100 days of talks, ***China***’s agreement to start receiving shipments of American beef, was first promised to the Bush administration. Another deal, to lift caps on foreign investment in Chinese insurance, banking and securities, had already been pledged to President Barack Obama.

The ***United States*** pushed unsuccessfully for much tougher concessions from the Chinese at a meeting between the countries in Washington in July, and the   short-lived Comprehensive Economic Dialogue fell apart.

One of Mr. Liu’s tasks during his six-day trip is to revive that dialogue, which the Chinese believe gives them an important channel with Washington. But some of Mr. Trump’s advisers believe the Chinese used these dialogues not for meaningful exchanges, but simply to stall American objectives as ***China***’s economic power grows.

The view underlines a broader shift in the ***United States*** strategy toward ***China*** from using some carrots to a reliance purely on sticks. Mr. Trump has already jettisoned the primary tool that the Obama administration had been using to encourage ***China*** to reform — the Trans-Pacific Partnership. The multicountry deal did not include ***China***, but its members said Beijing would be allowed to join after making significant reforms.

Suspicion of ***China*** has only grown in recent months. Mr. Trump’s aides are united around the prospect of ***trade*** measures against ***China***, though they differ on how to tailor those measures so as not to hurt American consumers. In addition, lawmakers on both sides of the aisle have introduced legislation that would crack down on Chinese investments in the ***United States*** that could pose a security risk.

The Trump administration has introduced tariffs on washing machines and solar cells and modules that are aimed at ***China***, and it is soon expected to announce new restrictions on imported aluminum and steel.

In its 2018 ***trade*** policy agenda released Wednesday, the Trump administration criticized ***China*** for undermining market competition and distorting markets, behavior it said had left the world poorer overall.

“Countries that refuse to give us reciprocal treatment or who engage in other unfair ***trading*** practices will find that we know how to defend our interests,” the report said.

The last few months have been marked by uncertainty, with ***China*** experts and Washington ***trade*** lawyers expecting tough measures on ***China*** to be issued at any time. In return, ***China*** has floated retaliation on ***United States*** exports of airplanes, sorghum and soybeans.

Economists say ***China*** has fulfilled some of the promises it made to open its economy when it joined the World ***Trade*** Organization in 2001. But under Mr. Xi’s guidance, the country has slowed and even reversed some reforms that would reduce the government’s control over the market, tracking by the Asia Society Policy Institute and the Rhodium Group shows.

Amid this retrenchment, business leaders, policymakers and academics who have long defended ***China*** against more hawkish views are suddenly changing their tune.

“There’s no question that post-financial crisis, ***China***’s policies and practices have made it more difficult for foreign investors in some sectors of the economy to compete on a level playing field,” said Mr. Brilliant. “There is a frustration that has been boiling over in recent years that the dialogues have not produced enough tangible results.”

Although he stands firmly behind Mr. Xi, the Harvard-educated Mr. Liu has a history of advocating economic reform and more open markets. Mr. Liu is widely thought to be in line for a promotion as ***China*** holds a high-profile gathering of top leaders in the coming weeks, potentially to the position of vice premier or to lead the central bank.

Experts on ***China*** said Mr. Liu was a familiar figure in the ***United States***, and well-respected by American officials. They put him in the same category as Wang Qishan, another close adviser to Mr. Xi, who is expected to be named vice president.

“If Wang Qishan and Liu He are special voices in Xi’s ear over the next few years, that’s a good thing for ***U.S***. policy,” said Jeffrey A. Bader, a former top ***China*** adviser to President Barack Obama.

Keith Bradsher contributed reporting from Beijing, and Mark Landler from Washington.

PHOTO: Liu He, President Xi Jinping’s top economic adviser, plans to tell American officials about areas where the Chinese economy will be opening up and push for an official commitment to restore economic meetings between the two countries. (PHOTOGRAPH BY Markus Schreiber/Associated Press FOR THE NEW YORK TIMES)

**Load-Date:** March 4, 2018

**End of Document**

**U.S. and China Take a Step Back From Trade War**

The New York Times

December 2, 2018 Sunday, Late Edition - Final

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**Section:** Section A; Column 0; National Desk; Pg. 1

**Length:** 1643 words

**Byline:** By MARK LANDLER; Reporting was contributed by Peter Baker from Buenos Aires, Somini Sengupta from New York and Jane Perlez from Beijing.

**Body**

BUENOS AIRES -- The ***United States*** and ***China*** called a truce in their ***trade war*** on Saturday after President Trump agreed to hold off on new tariffs and President Xi Jinping pledged to increase Chinese purchases of American products. The two also set the stage for more painstaking negotiations to resolve deeply rooted differences over ***trade***.

The compromise, struck over a steak dinner at the Group of 20 meeting here and announced in a White House statement, was less a breakthrough than a breakdown averted. The two leaders remain far apart on basic issues of market access and ***trade*** policy, and there was no sign that either planned to back down on those.

Still, the handshake deal between Mr. Trump and Mr. Xi, after what the White House called a ''highly successful meeting,'' pauses what was becoming a headlong race toward economic conflict. It will reassure jittery financial markets, as well as American farmers, who worried about the fallout from a prolonged ***trade*** battle.

In a significant concession, Mr. Trump will postpone a plan to raise tariffs on $200 billion worth of Chinese goods to 25 percent, from 10 percent, on Jan. 1. The Chinese agreed to an unspecified increase in their purchases of American industrial, energy and agricultural products, which Beijing hit with retaliatory tariffs after Mr. Trump targeted everything from steel to consumer electronics.

The countries set an ambitious deadline of 90 days to reach a broader ***trade*** agreement, with the White House warning that if they did not come to terms by then, Mr. Trump would raise the existing tariff rate to 25 percent.

''The relationship is very special -- the relationship that I have with President Xi,'' Mr. Trump told reporters as he sat across a long table from the Chinese leader before dinner was served. ''I think that is going to be a very primary reason why we'll probably end up with getting something that will be good for ***China*** and good for the ***United States***.''

Mr. Xi replied, ''Only with cooperation between us can we serve the interest of world peace and prosperity.''

As the dinner ended, the Chinese and American officials applauded the two leaders.

For Mr. Trump, the agreement was an upbeat end to his subdued visit to the G-20 meeting. He dodged unsavory friends, smiled through chilly encounters with allies and canceled a news conference out of respect for his predecessor, George Bush, whose death Friday was a reminder of the role that American presidents once played at these gatherings.

On his second day in Buenos Aires, Mr. Trump said little about global security or diplomacy, keeping a single-minded focus on ***trade***. That put leaders like Chancellor Angela Merkel of Germany in an awkward position, because Germany, as a member of the European Union, cannot negotiate by itself with the ***United States*** on ***trade*** issues.

''We have a tremendous ***trade*** imbalance, but we're going to get that straightened out,'' he said before meeting Ms. Merkel on Saturday morning. ''We all understand each other.''

American and Chinese officials conducted quiet talks about a compromise over the last several weeks. But the outcome remained in doubt until the end, when Mr. Trump, flanked by his top aides, sat down with Mr. Xi and his aides to a meal of grilled sirloin and bottles of Malbec.

Mr. Trump had veered from optimism to wariness about a deal, sometimes in the course of a single statement. His economic team offered sharply conflicting advice, with moderates like Treasury Secretary Steven Mnuchin counseling compromise, while hard-liners like Peter Navarro, the White House director of ***trade***, urged him to double down on his pressure.

The moderates tried to exclude Mr. Navarro from the trip. But at the dinner in a Buenos Aires hotel, he was there at the table, seated between the national security adviser, John R. Bolton, and the chief of staff, John Kelly. He leaned forward to listen to the president as he urged Mr. Xi to crack down on illicit shipments of the deadly opioid fentanyl.

The White House said that Mr. Xi, in a ''humanitarian gesture,'' had agreed to designate fentanyl as a controlled substance.

***China*** was quick to portray the agreement as a concession by Mr. Trump. Wang Shouwen, the vice commerce minister, said the president had agreed to revoke his plan to raise tariffs on certain Chinese goods to 25 percent, according to Reuters.

The Chinese foreign minister, Wang Yi, said, ''***China*** is willing to expand imports according to the needs of the domestic market and the people,'' which he said would ''gradually ease the problem of ***trade*** imbalance.''

Of the roughly $250 billion worth of Chinese goods targeted by tariffs, $50 billion is already taxed at 25 percent, while the remaining $200 billion is taxed at 10 percent. As part of a series of tit-for-tat moves, Mr. Trump said he would raise the tariff for all goods to 25 percent and consider imposing tariffs on an additional $267 billion worth of exports.

Some experts said the forces Mr. Trump had set in motion with Beijing would be hard to restrain. The ***United States*** is demanding sweeping changes in ***China***'s ***trade*** policy, which the Communist government might find politically difficult to enact and impossible to enforce.

And the 90-day deadline is exceptionally ambitious for a ***trade*** agreement that has eluded negotiators for nearly two years.

''A halt in the tariff ***wars*** will be welcome but won't alter the fundamental collision course that Trump and Xi seem to be on,'' said Daniel M. Price, a former ***trade*** adviser to President George W. Bush.

The White House, he said, continued to tighten export controls and to bar Chinese high-technology firms like Huawei from American infrastructure projects. It is also lining up other countries to clamp down on the forced transfer of technology to ***China*** -- all steps that will provoke Beijing.

Still, Mr. Trump was a less disruptive presence at this gathering than he has been at previous ones. The G-20 members agreed on a 31-point communiqué that reaffirmed their commitment to the Paris climate accord, even as the ***United States*** reiterated its decision to pull out of it.

''All countries except the ***U.S***. backed conclusions reaffirming the Paris Agreement and its full implementation,'' Laurence Tubiana, the former French climate negotiator and now head of the European Climate Foundation, said in a statement.

The statement also expressed concern that the World ***Trade*** Organization should be reformed. The W.T.O. is a favorite target of Mr. Trump because he believes it crimps America's ability to use tariffs and allows countries like ***China*** to cheat.

''The system is currently falling short of its objectives and there is room for improvement,'' the communiqué said, in a phrase that an administration official described as a victory for Mr. Trump.

The statement did not include a reference to the dangers of protectionism, which American officials said could have held it up. Two weeks ago, a feud over language on ***trade*** between ***China*** and the ***United States*** stymied the drafting of a communiqué after an economic summit meeting in Papua New Guinea -- and it was never issued.

By contrast, this meeting was relatively harmonious, with Mr. Bush's death eliciting expressions of condolence from Ms. Merkel and Mr. Xi, who praised his role in advancing American-Chinese relations. In 1974 and 1975, Mr. Bush headed the ***United States*** liaison office to the People's Republic of ***China***, a forerunner of the American Embassy.

By canceling his news conference, Mr. Trump avoided a platform where his freewheeling and provocative remarks could have emphasized differences with allies and adversaries alike. Instead, he struck a somber tone, praising Mr. Bush and his legacy in all his meetings.

''The fact that we lost a president who truly was a wonderful person, a wonderful man, a great man -- it really puts a damper on it, to be honest with you,'' Mr. Trump said as he sat next to Ms. Merkel.

He invited the chancellor to share a recollection of a visit she made to the White House with then-Chancellor Helmut Kohl, when Mr. Bush was still president. She referred to him as ''one of the fathers of the German unification,'' adding, ''we will never forget that.''

Even before Mr. Bush's death, the meeting was shadowed by Mr. Trump's legal troubles back home -- his former personal lawyer, Michael D. Cohen, pleaded guilty to lying to Congress about his dealings with Russia on behalf of Mr. Trump -- and by his truncated schedule in Buenos Aires.

This was the kind of diplomatic conclave at which Mr. Bush, a globe-trotting foreign-policy president, would have thrived. But Mr. Trump's experience was less comfortable.

He skipped meetings with President Vladimir V. Putin of Russia and Crown Prince Mohammed bin Salman of Saudi Arabia, two strongmen he has drawn close but who have fallen into disrepute.

Mr. Putin has come under criticism for a clash last week between Russian and Ukrainian naval vessels, while the C.I.A. concluded that Prince Mohammed played a role in the killing of the Saudi dissident Jamal Khashoggi in the Saudi Consulate in Istanbul in October.

Mr. Trump's stubborn defense of Prince Mohammed has aggravated tensions with Turkey, which shared an audio recording of the attack on Mr. Khashoggi with the director of the C.I.A., Gina Haspel, and demanded a fuller accounting from the Saudis of what happened.

On Saturday, Mr. Trump met with Turkey's leader, Recep Tayyip Erdogan, but the White House closed the session to even the brief picture-taking opportunity that usually accompanies these meetings.

At a dinner for the leaders on Friday night, the White House said Mr. Trump spoke informally with Mr. Putin. There were photos of the president and the first lady, Melania Trump, seated at the long table, separated from Mr. Putin by Mr. Xi and his wife, Peng Liyuan.

https://www.nytimes.com/2018/12/01/world/trump-xi-g20-merkel.html

**Graphic**

PHOTO: President Trump and Xi Jinping, ***China***'s president, at a steak dinner at the Group of 20 conference on Saturday in Buenos Aires. They announced a compromise on ***trade*** afterward. (PHOTOGRAPH BY TOM BRENNER FOR THE NEW YORK TIMES) (A10)

**Load-Date:** December 2, 2018

**End of Document**

**Soybean Surge Makes the U.S.-China Trade War Look Deceptively Good**

The New York Times

July 12, 2018 Thursday, Late Edition - Final

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**Section:** Section A; Column 0; Foreign Desk; Pg. 10

**Length:** 1234 words

**Byline:** By JIM TANKERSLEY

**Body**

WASHINGTON -- President Trump's ***trade war*** is expected to temporarily bolster ***United States*** economic growth, in part because Beijing tried to beat the clock on Mr. Trump's tariffs by stocking up on American soybeans, crude oil and other exports.

Economists are predicting that the gross domestic product for the second quarter could reach 5 percent when the preliminary numbers are released on July 27. The ***United States*** ***trade*** gap with ***China*** has narrowed, as more American products were shipped to Beijing ahead of the tariffs, which went into effect on July 6.

But both effects are expected to be fleeting, and the short-term economic improvement could turn into a long-term loss if both countries follow through with their threats to continue escalating tariffs against each other.

''They will dance, they will sing, they will say, look at the plunge in the ***trade*** deficit in the second quarter,'' said Ian Shepherdson, chief economist for Pantheon Macroeconomics. ''That is of course complete drivel.''

The ***United States*** is engaged in multiple ***trade wars*** at once as it imposes tariffs on metals from the European Union, Mexico, Canada and other nations. But it is waging an even bigger fight with ***China***, a dispute that threatens to engulf broad swaths of the world's two largest economies. The Trump administration has accused the Chinese of a variety of ***trade*** abuses, including intellectual property theft and denying American companies equal access to ***China***'s market. Mr. Trump has already imposed tariffs of 25 percent on $34 billion worth of Chinese products and has threatened to hit as much as $450 billion worth of Chinese goods with levies.

On Tuesday, the administration released a list of an additional $200 billion in products that could face tariffs as soon as September. ***China*** had already responded with tariffs of its own, on soybeans, pork, automobiles and other products and signaled that its next wave of tariffs could include American oil exports.

Growth in the ***United States*** has remained strong throughout Mr. Trump's tariff threats. But they have rattled global markets and scrambled purchasing patterns between the countries, in a way that has temporarily helped growth in the ***United States***.

The value of American soybean exports more than doubled in May from a year ago, Census Bureau data show, resulting from a surge in sales to the Chinese and a drop in the price of soybeans. Data on exported soybean inspections from the Agriculture Department suggests the surge continued through June, peaking the week before Mr. Trump imposed his tariffs.

The soybean surge alone is projected by Mr. Shepherdson to add 0.6 percent to America's annualized economic growth rate for the second quarter.

Soybean farmers, and economists, say it's hard to see anything but tariff anticipation driving the increase in soybean purchases.

''They were expecting that the tariffs would be put in place by the ***United States***, and then they would retaliate,'' said Ron Moore, an Illinois farmer who is the chairman of the American Soybean Association. ''My assumption is they were trying to get as many beans as they could into storage before those tariffs went on to imports from the ***United States***.''

Mr. Trump attempted to address soybean farmers' concerns in a pair of tweets on Wednesday from Brussels, where he is participating in a NATO summit. He appeared to reference a 40 percent drop in soybean prices from $615 per metric ton in 2012 -- a brief spike -- to $368 in November 2016.

Chinese buyers have been stockpiling other products marked for tariffs as well. In May, American crude oil exports to ***China*** more than tripled from a year ago. Exports of certain auto parts, for use in vehicles manufactured in ***China***, also surged, according to an analysis of the census data by Panjiva, a firm that tracks global ***trade***.

Anticipation of the Trump administration's tariffs on steel and aluminum similarly pushed American buyers to stockpile foreign steel this year. Steel imports from Mexico, Canada and the European Union all rose by about 25 percent from the previous year, through May, ahead of the administration's decision to place a 25 percent tariff on steel imports from those countries at the end of that month. Steel imports from ***China*** are up 5 percent for the year; Mr. Trump imposed tariffs on Chinese steel and aluminum in March, after his administration proposed them earlier in the year.

America's steel exports have also risen this year, by 4 percent from a year ago, according to Census Bureau statistics.

Economic growth has accelerated since Mr. Trump took office, and he delights in predicting that it will only grow more in the years to come. Some of his economic advisers have latched on to the projections for high second-quarter growth as a sign that administration policies, such as tax cuts, deregulation and the ***trade*** strategy, are supercharging growth.

''Watch those G.D.P. numbers,'' the president said in Wisconsin late last month. ''I think we're going to be seeing 4s. And I think we're going to be seeing 5s too.''

Many forecasters predict the ***United States*** economy could approach or even reach 3 percent growth for this year but do not see it going to 4 percent or 5 percent. Indeed, they see growth slowing in the coming years, as the stimulus from Mr. Trump's tax cuts and higher government spending fades.

Chris Rogers, the research director at Panjiva, said that ''the overhang of tariffs being applied by ***China*** against ***U.S***. exports is inevitably going to act as a drag'' on growth going forward, as Chinese buyers find new suppliers, particularly for commodities.

''From July 6, why would you pay more for crude oil, when you could get it from Saudi Arabia or Iran?'' Mr. Rogers said. ''Why would you pay more for soybeans, when you could get them from Brazil?''

Carl Weinberg, the chief international economist at High Frequency Economics, wrote in a research note this week that oil and petroleum products are the largest category of American exports affected by Chinese tariffs thus far, and that ***China*** will have no problem replacing them: "There is plenty of supply out there at much less than a 25 percent premium over ***U.S***. prices,'' he wrote. ''***U.S***. producers will have to scramble to find new customers.''

Mr. Moore, the soybean farmer, said the Chinese were ''pretty shrewd buyers of commodities'' and that he expected purchases to fall now that the tariffs were in place. The mere anticipation of those tariffs had pushed down the cost of soybeans on the global market, costing his farm more than $100,000 for this year's harvest, he said.

He and other members of the soybean association flew to Washington for meetings this week, and they planned to fan out on Capitol Hill, imploring lawmakers to work to stop the tariff escalation.

''This is our No. 1 topic that we're worried about,'' Mr. Moore said. ''It's even put the Farm Bill on the back burner. Because it's so difficult for farmers to deal with, this volatility.''

Members of Congress have expressed concern over the tariffs, and on Wednesday, they took a step to warn the administration against further escalations of its ***trade war***. A bipartisan group of 88 senators voted to approve a nonbinding resolution that would be a first move toward giving Congress veto power over future tariffs imposed for reasons of national security, such as the steel and aluminum tariffs.

https://www.nytimes.com/2018/07/11/business/***china***-us-***trade-war***-surge.html

**Graphic**

PHOTO: The value of American soybean exports more than doubled in May, in part because Chinese buyers tried to stock up before their government's tariffs were imposed. (PHOTOGRAPH BY AGENCE FRANCE-PRESSE -- GETTY IMAGES)

**Load-Date:** July 12, 2018

**End of Document**

**Why China Is Confident It Can Beat Trump in a Trade War**

The New York Times

April 5, 2018 Thursday 13:30 EST

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**Section:** WORLD; asia

**Length:** 1287 words

**Byline:** Steven Lee Myers

**Highlight:** Beijing has a strong grip on banks, the news media and politics, and it seems willing to take advantage of vulnerabilities in the American political system.

**Body**

BEIJING — ***China***’s leaders sound supremely confident that they can win a ***trade war*** with President Trump.

The state news media has depicted him as a reckless bully intent on undermining the global ***trading*** system, while presenting the Chinese government as a fair-minded champion of free ***trade***. And ***China***’s leader, Xi Jinping, has used the standoff to reinforce the Communist Party’s message that the ***United States*** is determined to stop ***China***’s rise — but that it no longer can. ***China*** is already too strong, its economy too big.

“***China*** is not afraid of a ***trade war***,” the vice minister of finance, Zhu Guangyao, declared at a news conference to discuss possible countermeasures. More than once, he cited the history of the “new ***China***” — which began its extraordinary economic revival four decades ago — as evidence that it would “never succumb to external pressure.”

Missing in the bluster and the propaganda are the questionable methods that ***China*** has adopted to squeeze foreign companies out of key technology markets — and the fact that in the cold-eyed calculus of economics, ***China*** is more vulnerable to a ***trade war*** than officials admit.

Exports account for a big share of Chinese economic growth. Because the ***United States*** buys so much from ***China***, Washington has many more ways to hit Chinese manufacturers. By contrast, the retaliatory tariffs Beijing has proposed already cover more than one-third of what ***China*** buys from the ***United States***, leaving it fewer options to strike back.

In the political realm, however, Mr. Xi enjoys advantages that may allow him to cope with the economic fallout far better than Mr. Trump can. His authoritarian grip on the news media and the party means there is little room for criticism of his policies, even as Mr. Trump must contend with complaints from American companies and consumers before important midterm elections in November.

The Chinese government also has much greater control over the economy, allowing it to shield the public from job cuts or factory closings by ordering banks to support industries suffering from American tariffs. It can spread the pain of a ***trade war*** while tolerating years of losses from state-run companies that dominate major sectors of the economy.

“My impression is that there is in Washington an exaggerated sense of how painful these tariffs might be” in ***China***, said Arthur R. Kroeber, managing director of Gavekal Dragonomics, a research firm in Beijing.

At worst, he estimated, the American actions could shave one-tenth of a percentage point off ***China***’s economic growth — hardly enough to force a drastic reversal of policies, given the enormous benefits that Chinese leaders see in the state-heavy economic model they have relied on in recent decades.

At the same time, Chinese officials seem to believe they can take advantage of what they consider vulnerabilities in the American political system.

“The American agricultural sector is quite influential in the Congress,” said Wang Yong, a professor of economics at Peking University, explaining why ***China*** has targeted farm products such as soybeans with possible retaliatory tariffs. “***China*** wants the American domestic political system to do the work.”

The president and his administration have sent drastically different messages this week.

Hours after ***China***’s announcement on Wednesday, administration officials sought to calm fears that a ***trade war*** was imminent, suggesting that they might not pull the trigger on a plan to impose tariffs on $50 billion in Chinese goods.

But late Thursday, Mr. Trump said he would consider levying an additional $100 billion in tariffs on Chinese goods in response to its “unfair retaliation.” In a statement, he said, “Rather than remedy its misconduct, ***China*** has chosen to harm our farmers and manufacturers.”

Mr. Zhu, ***China***’s vice minister of finance, this week had thanked American soybean farmers and the association that represents them for declaring their opposition to the Trump administration’s plan.

In addition to soybeans, ***China*** threatened to retaliate with tariffs on American cars, chemicals and other products. The 106 goods, many produced in parts of the country that have supported Mr. Trump, were selected to deliver a warning that American workers and consumers would suffer in a protracted standoff.

“If anyone wants to fight, we will be there with him,” Mr. Zhu said, more or less outlining the terms for an American surrender: the removal of unilateral tariffs and a resolution of any grievances through the World ***Trade*** Organization. “If he wants to negotiate, the door is open.”

Globally, ***China***’s strategy has been to isolate the ***United States***, splitting it from allies in Europe and Asia who otherwise share American concerns about heavy-handed Chinese ***trade*** policies intended to protect key markets and to acquire technology from foreign firms.

Mr. Kroeber said a united front against ***China*** would be more effective than American tariffs alone, but so far Mr. Trump has not managed to build one.

Instead, Mr. Xi has largely succeeded in occupying the high moral ground on the world stage, projecting ***China*** as the sober-minded steward of international agreements on issues — from global ***trade*** to climate change — that Mr. Trump has been eager to walk away from.

“The American side is ready to launch a ***trade war*** at the slightest pretext,” the party’s flagship newspaper, People’s Daily, wrote in a blistering editorial on Thursday, condemning Mr. Trump’s tariffs as “totally against the trend of economic globalization.”

“Today, it targets ***China***, and tomorrow may take aim at other countries,” it said.

The party has also seized on the ***trade*** dispute as new evidence that the ***United States*** is intent on undermining ***China***’s rise as a global power, a central narrative used to justify the party’s, and Mr. Xi’s, rule.

In December, the state news media also highlighted the new National Security Strategy unveiled by the Trump administration, which declared that ***China*** “sought to displace the ***United States*** in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor.”

The document signaled a bipartisan shift in Washington’s posture toward ***China*** after decades of economic cooperation and concessions. The party has argued that the ***United States*** is only now challenging ***China*** because it fears losing its privileged place in the world order.

“The latest ***U.S***. measures against ***China*** carry a sense of containment, which purportedly is commonplace among ***U.S***. politicians,” said an editorial in Global Times, a nationalist state-run tabloid. “But they have overlooked the fact that ***China*** has grown to be another economic center of the world.”

It went on to note that ***China***’s market was now “no smaller or less attractive” than the American one — a bit of an exaggeration perhaps, but not as big as it would have been a decade ago. And that makes the country a more formidable opponent than Mr. Trump may have anticipated.

“To take ***China*** down,” the editorial said, “would mean an unimaginably cruel battle for the ***U.S***.”

Follow Steven Lee Myers on Twitter: @stevenleemyers. Olivia Mitchell Ryan and Echo Hui contributed research.

PHOTO: Imported soybeans at a port in Nantong, ***China***. The latest Chinese tariffs were intended to deliver a warning that American producers and consumers would pay in a ***trade war***. (PHOTOGRAPH BY Chinatopix, via Associated Press FOR THE NEW YORK TIMES)

**Related Articles**

* Looming ***China*** ***Trade*** Action Divides Industry and Roils Markets

1. If There’s a ***U.S***.-***China*** ***Trade War***, ***China*** May Have Some ‘Unconventional Weapons’
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3. ***China*** Strikes Back at the ***U.S***. With Plans for Its Own Tariffs
4. In Sparing Consumers Tariff Burden, Trump Hit Manufacturing

**Load-Date:** October 16, 2018

**End of Document**

**To Ease Pain of Trump’s Trade War: $12 Billion in Aid for Farmers**

The New York Times

July 24, 2018 Tuesday 17:29 EST

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**Section:** US; politics

**Length:** 1706 words

**Byline:** Julie Hirschfeld Davis and Ana Swanson

**Highlight:** The move drew swift condemnation from many farm groups and lawmakers, including several Republicans, and signaled that the president is digging in on his tariffs.

**Body**

WASHINGTON — The Trump administration announced on Tuesday that it would provide up to $12 billion in emergency relief for farmers hurt by the president’s ***trade war***, moving to blunt the financial damage to American agriculture and the political fallout for Republicans as the consequences of President Trump’s protectionist policies roll through the economy.

Unveiled two days before the president is scheduled to visit Iowa, a politically important state that is the nation’s top soybean producer, the farm aid appeared calculated to show that Mr. Trump cares about farmers and is working to protect them from the worst consequences of his ***trade war***.

But the relief money, announced by the Department of Agriculture, was also an indication that Mr. Trump — ignoring the concerns of farmers, their representatives in Congress and even some of his own aides — plans to extend his tit-for-tat tariff ***wars***.

“The actions today are a firm statement that other nations cannot bully our agricultural producers to force the ***United States*** to cave in,” Sonny Perdue, the secretary of agriculture, said during a call with reporters to unveil the program.

The move drew swift condemnation from many farm groups and lawmakers, including several in his own party, who worry about a cascade of unintended consequences that may be just beginning. One farm-group study estimates that corn, wheat and soybean farmers in the ***United States*** have already lost more — $13 billion — than the administration is proposing to provide as a result of the ***trade war***. The prospect of retaliation has upended global markets for soybeans, meat and other American farm exports, and farmers are warning that tariffs are costing them valuable foreign contracts that took years to win.

“You have a terrible policy that sends farmers to the poorhouse, and then you put them on welfare, and we borrow the money from other countries,” Senator Bob Corker, Republican of Tennessee, told reporters on Capitol Hill. “It’s hard to believe there isn’t an outright revolt right now in Congress.”

Senator Lisa Murkowski, Republican of Alaska, asked how the president could single out farmers for help when the manufacturing and energy industries also stand to lose in the ***trade war***.

“Where do you draw the line?” Ms. Murkowski asked reporters.

Mr. Trump could be forced to prop up other domestic industries as retaliatory taxes imposed by ***trading*** partners begin to sting automobile manufacturers, distillers and other impacted sectors. Republicans who cherish their party’s reputation as the bastion of free markets and fiscal responsibility wondered aloud on Tuesday about the president picking winners and losers in a ***trade war*** he is bent on waging.

“The ***U.S***. Department of Agriculture is trying to put a band-aid on a self-inflicted wound,” Senator Patrick J. Toomey, Republican of Pennsylvania, wrote on Twitter. “This bailout compounds bad policy with more bad policy.”

Farmers have borne the brunt of Mr. Trump’s decision to impose tariffs, which is already costing American producers billions of dollars and threatens to inflict political pain on Republicans in farm states in the midterm elections in November.

“Tariffs are the greatest!” Mr. Trump declared on Twitter on Tuesday morning. “Either a country which has treated the ***United States*** unfairly on ***Trade*** negotiates a fair deal, or it gets hit with Tariffs. It’s as simple as that — and everybody’s talking! Remember, we are the ‘piggy bank’ that’s being robbed. All will be Great!”

The European Union, Canada, Mexico, ***China*** and other countries have responded to Mr. Trump’s tariffs on steel, aluminum and $34 billion worth of Chinese products by imposing taxes of their own. They have often targeted farm country, the source of some of America’s biggest exports and an important political base for the president. American soybeans, pork, sugar, orange juice, cherries and other products now face tariffs in foreign markets that make their products less desirable.

At a speech in Kansas City, Mo., on Tuesday, Mr. Trump said Americans should “just be a little patient” with the pain they may be feeling from the ***trade war***, arguing that his actions were forcing other countries to the negotiating table to cut deals that would be better for them in the long run.

“They don’t want to have those tariffs put on them — they’re all coming to see us — and the farmers will be the biggest beneficiary,” Mr. Trump said at a Veterans of Foreign ***Wars*** convention. “We’re opening up markets. You watch what’s going to happen.”

Some farm groups praised the move, albeit as a short-term solution.

“We are grateful for the administration’s recognition that farmers and ranchers needed positive news now, and this will buy us some time,” said Zippy Duvall, the president of the American Farm Bureau Federation. “This announcement is substantial, but we cannot overstate the dire consequences that farmers and ranchers are facing.”

But lawmakers in both parties and many agricultural ***trade*** groups criticized the assistance program as a taxpayer-funded bailout for farmers imperiled by the president’s own policies, and even Mr. Trump’s Republican allies made clear that they did not regard it as a genuine solution to the problems his tariffs had created.

“The president’s announcement of billions of dollars in aid that will be made available to struggling farmers later this year is encouraging for the short term,” Senator Charles E. Grassley, Republican of Iowa, said in a statement. “What farmers in Iowa and throughout rural America need in the long term are markets and opportunity, not government handouts.”

Agriculture Department officials said farmers could begin signing up to receive the federal money in September, just weeks before voters go to the polls.

The package includes direct payments to the producers of soybeans, sorghum, corn, wheat, cotton, dairy and hogs, who would be compensated according to the size of their harvests this year. It will also include government purchases of surplus products — including fruit, nuts, rice, legumes, beef, pork and dairy — that would be sent to food banks or other nutrition programs. Some of the funding would go to a program in which the Agriculture Department works with private companies to develop new export markets for American farm products.

Mr. Trump and his advisers have argued that while American producers may feel short-term pain, ultimately they will benefit as other countries are forced to lower their barriers to American products.

Meantime, the administration has sought ways to help farmers survive the pain of retaliation. The program announced on Tuesday will be funded by the Commodity Credit Corporation, which helps shore up American farmers by buying their crops.

It marked the first time that funding from the program — created after the Great Depression — has been used to compensate farmers for losses sustained because of ***trade***, according to an Agriculture Department spokesman.

The initiative, which does not authorize any new money and thus does not need approval from Congress, was an unmistakable signal that the president has no plans to lift his tariffs anytime soon, as Farm Belt senators have pleaded with him to do.

“This ***trade war*** is cutting the legs out from under farmers, and the White House’s ‘plan’ is to spend $12 billion on gold crutches,” said Senator Ben Sasse, Republican of Nebraska. “This administration’s tariffs and bailouts aren’t going to make America great again, they’re just going to make it 1929 again.”

Senator Ron Johnson, Republican of Wisconsin, said farmers in his state “want ***trade***, not aid.”

“I support President Trump’s call for reciprocal ***trade*** and his effort to stop ***China***’s theft of American intellectual property, but we should stop self-inflicting permanent damage to America’s economy through tariffs and a ***trade war***,” Mr. Johnson said.

One ***trade*** group leader said farmers need contracts, not government assistance, for stability.

“The best relief for the president’s ***trade war*** would be ending the ***trade war***,” said Brian Kuehl, the executive director of the ***trade*** group Farmers for Free ***Trade***, adding, “This proposed action would only be a short-term attempt at masking the long-term damage caused by tariffs.”

Administration officials argued on Tuesday that the assistance for farmers would help them absorb the pain while persuading other countries that they must offer concessions to forge ***trade*** agreements with the ***United States***.

“What this will do is provide some hope to farmers and ranchers that the president and the secretary do have their back,” Greg Ibach, the under secretary of agriculture for marketing and regulatory programs, said of the aid package. “We’re hoping that other countries will see that we’re serious now about negotiations.”

But many farmers criticized the decision and said it would only compound the maze of federal subsidies and regulations they already must wade through to make a living.

“We don’t want to be dependent on another government program,” Casey Guernsey, a Missouri farmer and spokesman for Americans for Farmers & Families, an anti-tariff group, said in an interview on Tuesday. “We already are very much in a situation in farming, in agriculture across the board, where we are held hostage to decisions made in Washington.”

And some lawmakers argued that if he wanted to help American farmers, Mr. Trump must simply call off his ***trade war***.

“Tariffs are taxes that punish American consumers and producers,” Senator Rand Paul, Republican of Kentucky, said on Twitter. “If tariffs punish farmers, the answer is not welfare for farmers — the answer is remove the tariffs.”

Jim Tankersley contributed reporting.

PHOTO: A soybean field in Missouri. One study estimates that soybean, corn and wheat farmers have lost $13 billion in the ***trade war***. (PHOTOGRAPH BY Shannon Stapleton/Reuters FOR THE NEW YORK TIMES)

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* A Message From a C.E.O.: Tariffs Are Going to Hurt American Companies

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5. As ***Trade War*** Persists, Mnuchin Says ***China*** Talks Have ‘Broken Down’

**Load-Date:** December 11, 2018

**End of Document**

**Amid Fears of Trade War, Trump Predicts China Will Relent**

The New York Times

April 8, 2018 Sunday 12:59 EST

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**Section:** US; politics

**Length:** 576 words

**Byline:** Jacey Fortin

**Highlight:** President Trump tweeted that he and President Xi Jinping of ***China*** will “always be friends, no matter what happens with our dispute on ***trade***.”

**Body**

Amid fears of an escalating ***trade war*** between the ***United States*** and ***China***, President Trump tweeted Sunday morning that he and President Xi Jinping of ***China*** will “always be friends, no matter what happens with our dispute on ***trade***.”

“***China*** will take down its ***Trade*** Barriers because it is the right thing to do,” he added. “Taxes will become Reciprocal & a deal will be made on Intellectual Property. Great future for both countries!”

A White House spokeswoman on Sunday said the reciprocal “taxes” mentioned in the tweet referred to “tariff levels and also to reciprocal ***trade*** more generally.”

It was unclear whether the president was suggesting that progress had been made in solving the ***trade*** dispute between the world’s two biggest economies. Fears of an escalation intensified last week amid a series of tit-for-tat tariff announcements by the two countries.

Neither side backed down, and the   stock market tumbled on Thursday and Friday after Mr. Trump threatened another round of tariffs on Chinese products.

“We will not start a ***war*** — however, if someone starts a ***war***, we will definitely fight back,” Gao Feng, ***China***’s commerce ministry spokesman, said at a news conference in Beijing on Friday, the same day that ***United States*** Treasury Secretary Steven Mnuchin acknowledged the “potential of a ***trade war***” in an interview with CNBC.

In a Sunday morning appearance on the CBS show “Face the Nation,” Mr. Mnuchin did not comment on whether discussions with ***China*** had advanced.

“I don’t expect there will be a ***trade war***. It could be, but I don’t expect it at all,” he said. “But the president is willing to make sure we have free and fair ***trade***, as you’ve seen his tweet already this morning.”

Larry Kudlow, Mr. Trump’s new economic adviser, said on “   Fox News Sunday” that he did not think there was “any ***trade war*** in sight.”

But he added that the president was not bluffing. “The whole world knows ***China*** has been violating ***trade*** laws for many years, and President Trump is the guy calling them on it. And he’s right to do so,” Mr. Kudlow said.

***Trade*** between the ***United States*** and ***China*** is valued at nearly $650 billion a year, with the ***United States*** importing far more than it exports. American administration officials have accused ***China*** of using unfair ***trade*** practices as well as   employing coercive tactics to gain access to American intellectual property.

The tariffs proposed by Mr. Trump seem designed to protect American consumers but could hurt businesses that depend on products and materials from ***China***, while   a ***trade war*** would threaten farmers who export their goods.

Mr. Trump has argued that the short-term risks of a ***trade war*** escalation are outweighed by the long-term benefits of a more balanced ***trade*** relationship with ***China***.

The dueling tariff proposals began last month, when Mr. Trump announced a plan to tax steel and aluminum from ***China*** and other countries. Since then, he has threatened to impose tariffs on other products, such as electronics.   ***China*** has made similar threats about American cars, wine, soybeans and other exports.

Ana Swanson contributed reporting.

PHOTO: President Trump tweeted on Sunday morning that he and President Xi Jinping of ***China*** will “always be friends.” (PHOTOGRAPH BY Tom Brenner/The New York Times FOR THE NEW YORK TIMES)

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* ***U.S***. and ***China*** Play Chicken on ***Trade***, and Neither Swerves

1. Why ***China*** Is Confident It Can Beat Trump in a ***Trade War***
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**Load-Date:** April 25, 2018

**End of Document**

**Trump Aims New Threat at China as Mnuchin Warns of Trade War**

The New York Times

April 7, 2018 Saturday, The New York Times on the Web

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**Section:** Section ; Column 0; Washington; Pg.

**Length:** 1313 words

**Byline:** By ANA SWANSON and EILEEN SULLIVAN; Alan Rappeport contributed reporting from Washington, and Alexandra Stevenson from Hong Kong.

**Body**

WASHINGTON -- President Trump defended his pugnacious approach to ***trade*** policy on Friday and the Treasury secretary warned there could be a ***trade war*** with ***China***, as Mr. Trump doubled down on a White House plan to punish Beijing by threatening to levy tariffs on an additional $100 billion in imports.

''There is the potential of a ***trade war***,'' Steven Mnuchin said in an interview with CNBC. ''There is a level of risk that we could get into a ***trade war***.''

Mr. Mnuchin said he was hopeful that negotiations with his Chinese counterparts could avert a damaging escalation of retaliatory, tit-for-tat tariffs but declined to elaborate on the status of talks and whether he thought an agreement could be reached.

Financial markets continued to drop on Friday as the potential for a damaging ***trade*** dispute -- which had begun to fade on Wednesday and early Thursday as other top White House advisers tried to soothe markets -- reared its head amid comments by Mr. Trump, Mr. Mnuchin and Robert Lighthizer, the ***United States*** ***trade*** representative, suggesting the ***United States*** would not back down.

In a radio interview that aired on Friday, Mr. Trump acknowledged that his approach to ***China*** could cause ''a little pain'' to financial markets but said that it would be worth it in the long run.

''Now we could -- the easiest thing for me to do would be just to close my eyes and forget it,'' Mr. Trump said on WABC Radio's ''Bernie & Sid in the Morning'' show.

''If I did that, I'm not doing my job. So, I'm not saying there won't be a little pain, but the market's gone up 40 percent, 42 percent -- so we might lose a little bit of it -- but we're going to have a much stronger country when we're finished. And that's what I'm all about. We have to do things that other people wouldn't do.''

Mr. Mnuchin said on Friday that a correction was normal after such a long stretch of rising stock prices. He insisted that Mr. Trump's ***trade*** policy would be good for economic growth and that he was not concerned about daily declines in stocks.

''I think these are all long term positive things that the president is willing to defend our interests,'' Mr. Mnuchin said.

He added that he continued to be optimistic that a mutually beneficial agreement could be worked out.

''I think this could be good for us and good for them,'' he said.

Mr. Trump, in a tweet on Friday, criticized both ***China*** and the World ***Trade*** Organization, saying that the Chinese ''get tremendous perks and advantages, especially over the ***U.S***. Does anybody think this is fair. We were badly represented. The WTO is unfair to ***U.S***.''

That followed another early morning tweet, in which Mr. Trump boasted that the new metals tariffs he has put into effect on ***China*** and other nations had not hurt American consumers as his critics predicted.

The price of aluminum per pound has been falling since February, a decline that started before the tariffs were imposed. Mr. Trump's decision to exempt Canada, which supplied more than half of America's aluminum imports in 2016, has also helped to soften the blow from tariffs, companies say.

The president's criticism of the World ***Trade*** Organization is not new -- many of his top advisers have complained that its process for reviewing and resolving ***trade*** disputes has put the ***United States*** and Western countries at a disadvantage.

But the ***United States*** has said it will take its complaint about Chinese ***trade*** practices, including the tactics it uses to gain access to American intellectual property, to the global body as part of the sweeping ***trade*** action the White House announced last month. That White House investigation found that ***China*** cheats the ***United States*** out of $50 billion annually through pressure and other coercive measures aimed at gaining access to American technology.

On Friday morning, the White House issued an additional statement defending the president's actions.

''Year after year, ***China*** continues to distort global markets and harm ***U.S***. businesses and consumers with unfair ***trade*** practices,'' the press office said.

''The president is for free ***trade***, but it must also be fair ***trade***. Addressing unfair ***trade*** practices and ensuring that global ***trade*** is free, fair, and reciprocal will have a significant positive long-term impact on the ***U.S***. economy,'' the statement said.

But the approach has come under swift and stinging criticism from lawmakers of both parties, as well as industries whose businesses depend on access to ***China***'s markets.

Senator Heidi Heitkamp, a Democrat from North Dakota, called Mr. Trump's actions ''reckless,'' saying in a tweet that 60% of her state's exports to ***China*** are agricultural products. ''***China***'s unfair ***trade*** policies need to be reined in but this isn't the way to do it.''

In his statement on Thursday, Mr. Trump said he had instructed the agriculture secretary to implement a plan to protect farmers and agricultural interests. It is unclear what that plan could entail, but Chad Bown, a senior fellow at the Peterson Institute for International Economics, said that if the president chose to subsidize farmers, he could spark a wider conflict with countries beyond ***China***, which would object to unfair competition from American agriculture.

White House ***trade*** advisers have described the tariff threats as a long overdue action against a pernicious cheater in global ***trade***, saying ***China*** has long engaged in pressure, coercion and outright theft to gain access to valuable intellectual property. Yet the escalating threat of a ***trade war*** between the world's two largest economies has unnerved many American businesses that depend on ***China*** as a source for goods or as a market for their own products.

Global markets were cautiously lower on Friday, following a volatile week in which markets plunged on the president's initial ***trade*** threats, then recovered as his advisers said the ***trade*** move was mostly a negotiating tool and might not even go into effect.

***China*** was celebrating a national holiday Friday and did not immediately announce any concrete action against the president's threat of an additional $100 billion in tariffs. A spokesman said the Chinese Ministry of Commerce had ''taken note'' of the White House's statement, adding that ''the Chinese position has been made very clear. We do not want to fight, but we are not afraid to fight a ***trade war***.''

If the ***United States*** follows through with its threats, the Chinese ''will follow suit to the end and will not hesitate to pay any price,'' he said, arguing that the ***United States*** initiated the conflict.

In the meantime, the ***trade*** measures ignited a swift response from manufacturers, retailers and politicians from states whose economies depend on agriculture. Although ***China*** exports far more to the ***United States*** than it imports, ***China*** is still the ***United States***' third largest export market after Canada and Mexico, a vital destination for American-made goods like Boeing airplanes, luxury automobiles and soybeans.

''Hopefully, the president is just blowing off steam again, but if he's even half-serious, this is nuts,'' Senator Ben Sasse, Republican of Nebraska, said on Thursday. ''Let's absolutely take on Chinese bad behavior, but with a plan that punishes them instead of us. This is the dumbest possible way to do this.''

The National Retail Federation criticized the new round of tariffs as a dangerous game of chicken ending with the ***United States*** on the losing end of a ***trading*** relationship that has benefited American companies and consumers.

''This is what a ***trade war*** looks like, and what we have warned against from the start. We are on a dangerous downward spiral, and American families will be on the losing end,'' Matthew R. Shay, the president and chief executive of the retail group, said in a statement. ''We urge the administration to change course and stop playing a game of chicken with the nation's economy.''

https://www.nytimes.com/2018/04/06/us/politics/trump-***trade***-policies.html

**Load-Date:** April 7, 2018

**End of Document**

**Trump Hits China With Tariffs on $200 Billion in Goods, Escalating Trade War**

The New York Times

September 17, 2018 Monday 16:24 EST

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**Section:** US; politics

**Length:** 1878 words

**Byline:** Jim Tankersley and Keith Bradsher

**Highlight:** The president said the tariffs, which will hit everyday consumer products, will go into effect on Sept. 24.

**Body**

President Trump, emboldened by America’s economic strength and ***China***’s economic slowdown, escalated his ***trade war*** with Beijing on Monday, saying the ***United States*** would impose tariffs on $200 billion worth of goods and was prepared to tax all imports.

Mr. Trump, in a statement released late Monday, showed no sign of backing down from the type of full-blown ***trade war*** between the world’s two largest economies that has rattled financial markets, saying he was prepared to “immediately” place tariffs on another $267 billion worth of imports “if ***China*** takes retaliatory action against our farmers or other industries.”

The tariffs on $200 billion worth of products comes on top of the $50 billion worth already taxed earlier this year, meaning nearly half of all Chinese imports into the ***United States*** will soon face levies. The next wave of tariffs, which are scheduled to go into effect on Sept. 24, will start at 10 percent before climbing to 25 percent on Jan. 1. The timing of the staggered increase will partially reduce the toll of price increases for holiday shoppers buying Chinese imports in the coming months.

“For months, we have urged ***China*** to change these unfair practices, and give fair and reciprocal treatment to American companies,” Mr. Trump said. “We have been very clear about the type of changes that need to be made, and we have given ***China*** every opportunity to treat us more fairly. But, so far, ***China*** has been unwilling to change its practices.”

The tariffs are aimed at pressuring ***China*** to change longstanding ***trade*** practices that Mr. Trump says are hurting American businesses at a moment when the administration believes it has an advantage in the ***trade*** dispute. ***China***’s economy is slowing, with consumers holding back and infrastructure spending slowing sharply. The Chinese slowdown is expected to worsen as America’s tariffs ramp up. The ***United States***, by contrast, has continued to experience robust economic growth, including the   lowest unemployment rate since 2000.

White House officials said on Monday that ***China*** could win relief from the tariffs by acceding to the administration’s ***trade*** demands, including allowing American companies greater access to the ***China*** market and dropping its requirement that American companies hand over valuable technology to Chinese partners. Officials said the ***United States*** would only continue ***trade*** negotiations if the Chinese were “serious” about giving ground on those issues.

The tariffs are aimed at hurting ***China***, but they could hamper the American economy and bring pain for consumers. Unlike the first round of tariffs, which were intended to minimize the impact on American consumers, this wave could raise prices on everyday products including electronics, food, tools and housewares.

Retailers, manufacturers and a wide swath of other American businesses have warned that the new tariffs could hurt their profits, hiring and growth. The administration held six days of public hearings on the proposed $200 billion round of tariffs last month, which were dominated by companies warning that the ***United States*** no longer had the capacity to produce replacement products for the Chinese imports that would be hit by tariffs.

Economists warn the tariffs could chip away at economic growth in the ***United States***. Morgan Stanley researchers estimate that the latest round could reduce economic growth in the ***United States*** this year by 0.1 percentage points, adding to another 0.1 percentage-point drag from tariffs currently in place. And the effects are likely to grow if ***China*** retaliates again, as it has threatened to do.

The administration did remove roughly 300 product lines — and some individual products — from the list after companies objected. Among the items dropped are smart watches, Bluetooth devices, bike helmets, plastic gloves, high chairs, play pens and certain chemicals. But, in some cases, partial product lines will be taxed while other parts are not. For example, high tech network routers and smart watches share a product line, but under the ***United States*** ***trade*** representative plan, the routers would be subject to tariffs while watches are not.

“It will be a lot of money coming into the coffers of the ***United States*** of America. A lot of money coming in,” Mr. Trump said during remarks at the White House on Monday. He added that the ***United States*** cannot tolerate the ***trade*** gap between what it exports to ***China*** and what it imports from that country.

“We can’t do that anymore,” he said.

Mr. Trump’s decision is a significant escalation of an already serious ***trade*** dispute — one with seemingly no end in sight. After months of failed ***trade*** talks, top officials from ***China*** and the ***United States*** were tentatively scheduled to talk later this month in Washington. But it is unclear whether Beijing will agree to come to Washington with the new tariffs set to go into effect.

“We are open to talk if there are serious talks,” Larry Kudlow, the director of the National Economic Council, said in an interview on Monday.

Mr. Trump also indicated he was willing to end the ***trade war*** — if ***China*** agreed to his demands. “***China*** has had many opportunities to fully address our concerns,” Mr. Trump said. “Hopefully, this ***trade*** situation will be resolved, in the end, by myself and President Xi of ***China***, for whom I have great respect and affection.”

“The Chinese are livid and drafting their own battle plan — they won’t take this sitting down,” said James Zimmerman, a longtime lawyer in Beijing and the former four-time chairman of the American Chamber of Commerce there.

***Trade*** analysts said Mr. Trump’s approach risked further confrontation with the Chinese.

“Washington’s view seems to be that tariffs and threats of more tariffs will soften up the Chinese and make them more amenable to negotiations,” said Eswar Prasad, a Cornell economist who specializes in ***trade*** issues. “The evidence that, in response to ***U.S***. bullying tactics, ***China*** just stiffens its spine and strikes back with proportionate tariffs against ***U.S***. imports has had no discernible effect on the Trump administration’s take-no-prisoners approach to this rapidly escalating ***trade war***.”

***China*** is expected to further retaliate against the ***United States***, and top officials have warned that could include penalizing American companies that rely on Chinese components for phones, cars, televisions and other products. ***China***’s commerce ministry has said that it is ready to put similar tariffs on $60 billion a year of American goods in response to the threat from the ***United States***. ***China*** has matched previous tariff moves dollar for dollar, but the number of American goods to tax is dwindling because, for many years, it has only imported about a quarter as much as it exports to the ***United States***.

Lou Jiwei, ***China***’s finance minister until his recent retirement and now a senior Communist Party adviser, delivered an unexpectedly strong threat to the ***United States*** in a lunch speech at the forum, which is organized by a government agency reporting directly to the cabinet. Mr. Lou said that, if necessary in the ***trade war***, ***China*** could halt exports to the ***United States*** of components that are crucial to American companies’ supply chains.

Mr. Lou said that it would take years for American companies to find alternatives to ***China***. “To take a step back, the ***United States*** can establish an alternative supply chain in a third country, but it takes time — what about the pain of three to five years? This is enough to cross a political cycle,” he said.

American businesses — which have warned that tariffs could hurt profits, force job cuts and, in some cases, destroy companies, said the taxes were going to hurt the ***United States*** more than the administration realized. The National Association of Chemical Distributors released a study this month that predicted nearly 28,000 chemical distributor and supplier jobs would be eliminated because of higher prices from the $200 billion round of tariffs.

“These tariffs are going to be paid for by the working families who drive our economy,” said Jonathan Gold, a spokesman for a business group formed to fight tariffs called Tariffs Hurt the Heartland. “Tariffs are taxes, plain and simple. By choosing to unilaterally raise taxes on Americans, the cost of running a farm, factory or business will grow. In many cases, these costs will be passed on to American families.”

The tech industry, while spared on certain products, called the administration’s approach “misguided” and said it would hurt American consumers while doing little to change ***China***’s ***trade*** practices.

“Today’s retaliatory tariffs are not an effective ***trade*** policy and may violate ***U.S***. law,” Gary Shapiro, chief executive of the Consumer Technology Association, said in a statement. “We urge the administration to reconsider its misguided approach of increasing tariffs, as they are directly paid for by American companies and consumers.”

The total wave of tariffs thus far has not been large enough to meaningfully affect consumer prices broadly across the economy — only narrowly, for certain products. Economists warn that the effects could grow noticeably larger if Mr. Trump follows through with his threat to subject nearly all Chinese imports to tariffs.

Asked about Mr. Trump’s tweets in the morning, regarding the lack of an impact on prices across the economy from tariffs, Mr. Kudlow stuck with the president. “With respect to the impact of tariffs, we’ll see,” he said. “We’re following it. We don’t see any problems so far.”

“I don’t see any reason to believe at the present time that the president’s ***trade*** reforms are going to damage the economy.”

The Trump administration has demanded steep cuts in Chinese tariffs and investment restrictions but has particularly focused on stopping the Chinese industrial policy initiative known as Made in ***China*** 2025.

Chinese policymakers have long said that they are willing to cut tariffs in particular, but want concessions from the ***United States***, such as curbs on the Commerce Department’s ability to impose steep tariffs on imported goods that are government subsidized or are dumped below the cost of producing them. The ***United States*** has long refused, under the Obama administration and now under the Trump administration, contending that the American market is already so open that further concessions are not needed.

As for Made in ***China*** 2025, Chinese officials dismiss its importance. “We do not think this is such an important strategy for us or our industries,” said Wang Yiming, a vice president of the Chinese cabinet’s Development Research Center.

Chinese officials have expressed a willingness to get rid of the Made in ***China*** 2025 name, but they have been much more cautious about accepting limits on some of the key features of Chinese industrial policy, like enormous loans from state-owned banks at very low interest rates to favored industries.

PHOTO: A carbon fiber production line at a factory in Lianyungang in ***China***’s eastern Jiangsu province. President Trump has ordered a new round of tariffs on Chinese goods, meaning nearly half of all Chinese imports into the ***United States*** will face tariffs. (PHOTOGRAPH BY Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

**Related Articles**

* Trump Threatens Tariffs on All Imports From ***China***, Escalating ***Trade*** Feud

**Load-Date:** November 2, 2018

**End of Document**

**As Trade War Intensifies, China Moves to Bolster Its Economy**

The New York Times

August 23, 2018 Thursday 15:05 EST

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**Section:** BUSINESS

**Length:** 1406 words

**Byline:** Keith Bradsher

**Highlight:** Weak growth puts Beijing at a disadvantage in dealing with the White House. But more spending and lending could worsen the country’s addiction to debt.

**Body**

SHANGHAI — As ***China***’s economy slows and the ***trade war*** with the ***United States*** intensifies, Beijing’s economic bosses are swinging into action.

Chinese officials are pushing banks to lend more and allowing indebted local governments to spend money on big projects again. They have moved to shore up the value of the country’s currency. They have also helped out the stock market, say financial analysts, as the government works to avert a stock market collapse like the one three years ago   that shook the world.

“It’s a line in the sand for the leadership” of ***China***, said Hao Hong, the research director for the international operations of the Bank of Communications, a Shanghai-based financial institution.

***China*** is taking action as its problems mount. On Thursday the ***United States*** formally enacted its previously threatened tariffs on $16 billion in Chinese-made goods. Beijing said it would immediately retaliate with its own tariffs and file a complaint with the World ***Trade*** Organization. The moves intensify a ***trade war*** that has already affected more than $100 billion of goods and cast a shadow over growth prospects for ***China*** and the world.

***China*** is playing a difficult game. It must deal with its weakening economy without worsening its onerous debt problems. At the same time, it has to shore up the situation at home if it hopes to continue to retaliate against President Trump’s ***trade war*** broadsides.

So far, the ***trade war*** has had only a minor impact on ***China***’s vast, $12 trillion economy. But the ***trade war*** complicates ***China***’s deeper problems with its onerous debt levels. ***China*** has worked to wean its economy off its dependence on borrowing, but the resulting slowdown in growth has undercut that effort, leading Beijing to relent somewhat from the initiative. Should the ***trade war*** take a greater toll, ***China*** could direct its banks to expand lending further.

“The Chinese government always oscillates between maintaining stability and achieving quality growth,” said Zhigang Tao, a Hong Kong University economist. “When you see the government switch to stimulus, it generally means the government cares about stability.”

***China***’s softening economy has led some within the Trump Administration to believe Beijing is vulnerable, which could lead the White House to escalate the ***trade war*** even further. Larry Kudlow, the director of President Trump’s National Economic Council, pointed out during a Cabinet meeting last week that ***China***’s own official statistics for business investment, retail sales and industrial production have shown weakness in recent months.

“Right now, their economy looks terrible,” he said during the meeting, which was open to the media.

***China***’s most recent quarterly economic figures suggest growth is continuing at a steady pace. But economists generally   dismiss those official numbers, which are much smoother and more predictable than the economic figures posted by the ***United States*** and other major countries.

Other indicators suggest a mild softening. Some consumers appear to be holding back. Infrastructure spending, which encompasses up to one-sixth of the Chinese economy, slowed sharply through the first seven months of this year.

The city of Harbin, a provincial capital in northeastern ***China***, ran out of money last month to pay pensioners, and had to rearrange its finances to pay them later. Corporate bond defaults have increased this year, although they are still low by international standards. The country’s banks acknowledged last month a fairly sharp uptick in nonperforming loans, although that was partly driven by tighter auditing standards.

Signals of serious financial and economic weakness have prompted the Beijing authorities to rush out their series of measures since the end of July.

***China*** is taking steps to make sure its companies and spenders have enough money. The central bank announced on Aug. 10 that it would make sure enough credit reached companies. ***China***’s banking regulator announced on Aug. 11 and again over the weekend that it wanted the country’s state-controlled banking sector to provide ample credit to exporters, small and medium-size businesses and infrastructure projects.

Regulators are taking other steps to give banks the financial space needed to step up lending. The official ***China*** Securities Journal reported on Tuesday that financial regulations may soon be changed to let banks keep practically limitless holdings of local government bonds without including them in their calculations of their ability to endure hard times. The move won’t help ***China*** deal with the huge debt racked up by local governments in recent years, but it does free up money for banks to lend.

The authorities are also encouraging local projects. The Finance Ministry is helping deeply indebted local governments borrow far more money this autumn so that they can restart stalled infrastructure projects. ***China***’s central planners have allowed a series of big local government projects to proceed that had previously been blocked because of debt concerns. This includes the construction of five subway and light rail lines in Changchun, a big industrial city in northeastern ***China*** where Toyota, the Japanese automaker, has extensive facilities.

The financial markets are getting a boost as well.

Through the spring and summer, share prices slid into a bear market, and ***China***’s currency, the renminbi, dropped nearly 10 percent against the dollar. Since then, ***China*** — which keeps a tight grip on the value of its currency — has pushed it to gain value against the dollar.

Meanwhile, the stock market has risen in a move that analysts say has been helped by intervention from big, government-connected investors, a group sometimes known as the National Team. On Friday, Chinese share prices fell to their lowest closing level since early 2016. But through Thursday, the Shanghai stock market had risen almost 2 percent this week.

***China*** has also moved forcefully to reassure common investors. Its banking regulator has begun encouraging the country’s four big asset management companies to aid highly speculative peer-to-peer lending schemes that have been collapsing in recent months, though the details of that help remain unclear. And the government has deferred plans for a more stringent crackdown on various kinds of informal lending, or shadow banking, including off-balance sheet lending by banks.

Other data show how ***China*** is trying to pull off a difficult balancing act. Even as Chinese officials push for more lending, a broader measure of borrowing showed the overall flow of fresh credit slowed in July. That suggested lingering effects from the authorities’ previous efforts to crack down on some of the murkier parts of the vast but rickety Chinese financial system.

Tolerating even more borrowing by heavily indebted local governments is a short-term measure that could create long-term problems.

Liu He, a vice premier and close adviser to ***China***’s leader, Xi Jinping, pledged in January that Beijing would bring the country’s debt under control within three years. Beijing had clamped down on some bank lending to state-owned enterprises over the last few years, data from the Bank of International Settlements has shown. Letting local governments borrow more runs counter to that.

“The focus is no longer on deleveraging, but on transferring leverage from one sector to another,” said Zhu Ning, a Tsinghua University economist.

The injections of money by the government into the economy now may offset the withdrawal of money last spring during the deleveraging campaign, but may not be enough to spur an actual boom in the debt-laden Chinese economy, said Rodney Jones, a principal at Wigram Capital Advisors, a Beijing economic research firm.

“I’m really skeptical that stimulus creates a surge of growth like we have seen in the past,” he said. “I think stimulus takes out some of the downside.”

Ailin Tang contributed research.

PHOTO: A construction worker in Chengdu, ***China***. The country’s Finance Ministry is helping deeply indebted local governments borrow far more money this fall so they can restart stalled infrastructure projects. (PHOTOGRAPH BY ***China*** Network/Reuters FOR THE NEW YORK TIMES)

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**Load-Date:** October 9, 2018

**End of Document**

**Trump Aims New Threat at China as Mnuchin Warns of Trade War**

The New York Times

April 6, 2018 Friday 11:35 EST

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**Section:** US; politics

**Length:** 1399 words

**Byline:** Ana Swanson and Eileen Sullivan

**Highlight:** President Trump launched into a new defense of his pugnacious ***trade*** policies on Friday, pointing to the falling price of aluminum to deny harm to consumers.

**Body**

WASHINGTON — President Trump defended his pugnacious approach to ***trade*** policy on Friday and the Treasury secretary warned there could be a ***trade war*** with ***China***, as Mr. Trump doubled down on a White House plan to punish Beijing by threatening to levy tariffs on an additional $100 billion in imports.

“There is the potential of a ***trade war***,” Steven Mnuchin said in an interview with CNBC. “There is a level of risk that we could get into a ***trade war***.”

Mr. Mnuchin said he was hopeful that negotiations with his Chinese counterparts could avert a damaging escalation of retaliatory, tit-for-tat tariffs but declined to elaborate on the status of talks and whether he thought an agreement could be reached.

Financial markets continued to drop on Friday as the potential for a damaging ***trade*** dispute — which had begun to fade on Wednesday and early Thursday as other top White House advisers tried to soothe markets — reared its head amid comments by Mr. Trump, Mr. Mnuchin and Robert Lighthizer, the ***United States*** ***trade*** representative, suggesting the ***United States*** would not back down.

In a radio interview that aired on Friday, Mr. Trump acknowledged that his approach to ***China*** could cause “a little pain” to financial markets but said that it would be worth it in the long run.

“Now we could — the easiest thing for me to do would be just to close my eyes and forget it,” Mr. Trump said on WABC Radio’s “Bernie &amp; Sid in the Morning” show.

“If I did that, I’m not doing my job. So, I’m not saying there won’t be a little pain, but the market’s gone up 40 percent, 42 percent — so we might lose a little bit of it — but we’re going to have a much stronger country when we’re finished. And that’s what I’m all about. We have to do things that other people wouldn’t do.”

Mr. Mnuchin said on Friday that a correction was normal after such a long stretch of rising stock prices. He insisted that Mr. Trump’s ***trade*** policy would be good for economic growth and that he was not concerned about daily declines in stocks.

“I think these are all long term positive things that the president is willing to defend our interests,” Mr. Mnuchin said.

He added that he continued to be optimistic that a mutually beneficial agreement could be worked out.

“I think this could be good for us and good for them,” he said.

Mr. Trump, in a tweet on Friday, criticized both ***China*** and the World ***Trade*** Organization, saying that the Chinese “get tremendous perks and advantages, especially over the ***U.S***. Does anybody think this is fair. We were badly represented. The WTO is unfair to ***U.S***.”

That followed another early morning tweet, in which Mr. Trump boasted that the new metals tariffs he has put into effect on ***China*** and other nations had not hurt American consumers as his critics predicted.

The price of aluminum per pound has been falling since February, a decline that started before the tariffs were imposed. Mr. Trump’s decision to exempt Canada, which supplied more than half of America’s aluminum imports in 2016, has also helped to soften the blow from tariffs, companies say.

The president’s criticism of the World ***Trade*** Organization is not new — many of his top advisers have complained that its process for reviewing and resolving ***trade*** disputes has put the ***United States*** and Western countries at a disadvantage.

But the ***United States*** has said it will take its complaint about Chinese ***trade*** practices, including the tactics it uses to gain access to American intellectual property, to the global body as part of the sweeping ***trade*** action the White House announced last month. That White House investigation found that ***China*** cheats the ***United States*** out of $50 billion annually through pressure and other coercive measures aimed at gaining access to American technology.

On Friday morning, the White House issued an additional statement defending the president’s actions.

“Year after year, ***China*** continues to distort global markets and harm ***U.S***. businesses and consumers with unfair ***trade*** practices,” the press office said.

“The president is for free ***trade***, but it must also be fair ***trade***. Addressing unfair ***trade*** practices and ensuring that global ***trade*** is free, fair, and reciprocal will have a significant positive long-term impact on the ***U.S***. economy,” the statement said.

But the approach has come under swift and stinging criticism from lawmakers of both parties, as well as industries whose businesses depend on access to ***China***’s markets.

Senator Heidi Heitkamp, a Democrat from North Dakota, called Mr. Trump’s actions “reckless,” saying in a tweet that 60% of her state’s exports to ***China*** are agricultural products. “***China***’s unfair ***trade*** policies need to be reined in but this isn’t the way to do it.”

In his statement on Thursday, Mr. Trump said he had instructed the agriculture secretary to implement a plan to protect farmers and agricultural interests. It is unclear what that plan could entail, but Chad Bown, a senior fellow at the Peterson Institute for International Economics, said that if the president chose to subsidize farmers, he could spark a wider conflict with countries beyond ***China***, which would object to unfair competition from American agriculture.

White House ***trade*** advisers have described the tariff threats as a long overdue action against a pernicious cheater in global ***trade***, saying ***China*** has long engaged in pressure, coercion and outright theft to gain access to valuable intellectual property. Yet the escalating threat of a ***trade war*** between the world’s two largest economies has unnerved many American businesses that depend on ***China*** as a source for goods or as a market for their own products.

Global markets were cautiously lower on Friday, following a volatile week in which markets plunged on the president’s initial ***trade*** threats, then recovered as his   advisers said the ***trade*** move was mostly a negotiating tool and might not even go into effect.

***China*** was celebrating a national holiday Friday and did not immediately announce any concrete action against the president’s threat of an additional $100 billion in tariffs. A spokesman said the Chinese Ministry of Commerce had “taken note” of the White House’s statement, adding that “the Chinese position has been made very clear. We do not want to fight, but we are not afraid to fight a ***trade war***.”

If the ***United States*** follows through with its threats, the Chinese “will follow suit to the end and will not hesitate to pay any price,” he said, arguing that the ***United States*** initiated the conflict.

In the meantime, the ***trade*** measures ignited a swift response from manufacturers, retailers and politicians from states whose economies depend on agriculture. Although ***China*** exports far more to the ***United States*** than it imports, ***China*** is still the ***United States***’ third largest export market after Canada and Mexico, a vital destination for American-made goods like Boeing airplanes, luxury automobiles and soybeans.

“Hopefully, the president is just blowing off steam again, but if he’s even half-serious, this is nuts,” Senator Ben Sasse, Republican of Nebraska, said on Thursday. “Let’s absolutely take on Chinese bad behavior, but with a plan that punishes them instead of us. This is the dumbest possible way to do this.”

The National Retail Federation criticized the new round of tariffs as a dangerous game of chicken ending with the ***United States*** on the losing end of a ***trading*** relationship that has benefited American companies and consumers.

“This is what a ***trade war*** looks like, and what we have warned against from the start. We are on a dangerous downward spiral, and American families will be on the losing end,” Matthew R. Shay, the president and chief executive of the retail group, said in a statement. “We urge the administration to change course and stop playing a game of chicken with the nation’s economy.”

Alan Rappeport contributed reporting from Washington, and Alexandra Stevenson from Hong Kong.

PHOTO: Workers at an aluminum plant in Huaibei, ***China*** last year. The price of aluminum per pound has been falling since February, a decline that started before the tariffs were imposed. (PHOTOGRAPH BY STR, via Agence France-Presse - Getty Images FOR THE NEW YORK TIMES)

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**Load-Date:** October 31, 2018

**End of Document**

**A Trade Skirmish May Not Mean a Trade War Is Near**

The New York Times

March 8, 2018 Thursday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 2

**Length:** 970 words

**Byline:** By NEIL IRWIN

**Body**

Many events of the last week have had the ominous undertones of a destructive global ***trade war***. There was President Trump's seemingly spontaneous announcement of steel and aluminum tariffs, as well as retaliatory threats from close allies, and the president's tweets predicting that a ***trade war*** would be easy to win.

It has all felt a little too much as if we're in the early chapters of a history book about a calamitous event.

But there is nothing inevitable about a ***trade war***. In fact, the rebound in the financial markets in the last week suggests that the chances of a complete breakdown in the global ***trade*** system remain remote, if a little less remote than a week ago.

That's because the Trump administration has mostly paired the president's bellicose language with signals that it will act within the rules of the global ***trade*** game. That is especially true if you follow formal documents issued by the relevant government agencies instead of the president's tweets.

This approach was evident Wednesday when Sarah Huckabee Sanders, the White House press secretary, said, ''There are potential carveouts for Mexico and Canada based on national security and possibly other countries as well,'' regarding the steel and aluminum tariffs announced last week.

This implies the administration is seeking to use the tariffs more as a negotiating chit with two of the nation's biggest ***trading*** partners.

It was also evident in the relative quiet from the just-finished round of negotiations over the North American Free ***Trade*** Agreement in Mexico City. A rule of thumb is that the less the participants are airing in public, the more productive negotiations are behind the scenes.

That's not to say that the steel and aluminum tariffs don't risk economic and diplomatic damage. They are likely to harm industries that use the metals as an input, like makers of automobiles and aircraft. And by invoking national security grounds as cause for the action, the Trump administration may be giving other countries more license to do the same to protect their favored industries.

But for the years ahead, the smart money is on ''no ***trade war***, but also no ***trade*** peace,'' as Terry Haines, managing director and head of political analysis at Evercore ISI, put it. The ***United States*** could launch a steady stream of actions against ***trading*** partners, especially ***China***, and some of them may even prove costly. But Mr. Haines argues it is unlikely that the administration will escalate things in ways that might launch a 1930s-style cycle of rising tariffs and all-out economic warfare, even as the administration turns its focus to ***China***.

''You're going to see tit-for-tat actions, but our view of this is that you're going to get two countries who understand that it is fundamentally more in their interest to cooperate than compete,'' Mr. Haines said. ''They're going to figure out ways to cooperate even in the midst of things that sound like they're escalating.''

Scholars who have studied ***trade*** disputes have found that ***trade*** skirmishes can end with more mutually satisfactory arrangements. One key is for countries to retaliate carefully against what they consider to be unfair practices, targeting politically sensitive industries in the country with which they are clashing. It is a safe bet that negotiators in the ***United States***, ***China*** and elsewhere are well aware of this.

The implication of this view is not that an all-out ***trade war*** is impossible, just that some of the loose talk about the idea in the last week -- including by the president -- is getting far ahead of the facts.

Joe Brusuelas, the chief economist at the accounting firm RSM, sketched out what a true ***trade war*** would look like.

''The first indicator that a ***trade war*** has begun would be the announced intention to withdraw from, or abrogate, current ***trade*** treaty arrangements,'' Mr. Brusuelas wrote recently.

He contrasts that with ''***trade*** spats,'' which take place continually, and tariff actions that are rarer but have been used many times without setting off a major economic dislocation. A recent example was the Obama administration's 2009 tariff on Chinese tires, which did coincide with a rebound in domestic tire production (though it was costly relative to the number of jobs created).

If the ***United States*** ignored rulings of the World ***Trade*** Organization, or pulled out of Nafta, it could trigger a series of steps including not just tariffs but other restrictions on international commerce, and perhaps limits on the flow of capital across borders and even the expropriation of foreign-owned assets. He does not see that dark scenario as imminent.

''While the ***U.S***. rests on the edge of a ***trade*** friction spilling over into a period of ***trading*** tariffs, it is not yet on the brink of a ***trade war***,'' he said.

What should people who are worried of dangerous escalation watch for?

An early one will be whom Mr. Trump appoints to succeed Gary Cohn as director of the National Economic Council. Mr. Cohn, a Wall Street veteran who announced his resignation after the tariff plan was announced, was a voice for restraint in ***trade*** policy. It's an open question whether his successor will be as well.

Beyond that, an important question is whether the Trump administration continues along with negotiations and measured, narrowly focused tariffs aimed at specific policy goals -- or tries to withdraw from or ignore Nafta or the ***trade*** agreement with South Korea.

The biggest question of all will be whether the administration will reject the authority of the W.T.O. in the event of an unfavorable ruling, which would undermine a mainstay of global ***trade*** governance.

Those risks are out there, and it's clear that the president's personal instincts are to run toward risk rather than away from it. But that doesn't mean a ***trade war*** is upon us.

https://www.nytimes.com/2018/03/08/upshot/trump-***trade***-tariffs-skirmish.html

**Graphic**

PHOTO: The Trump administration hasn't moved the ***trade*** goal posts as much as critics think. Aluminum uprights being painted in Delhi, N.Y. (PHOTOGRAPH BY NATHANIEL BROOKS FOR THE NEW YORK TIMES)

**Load-Date:** March 8, 2018

**End of Document**

**What a Trade War With China Looks Like on the Front Lines**

The New York Times

June 23, 2018 Saturday 20:32 EST

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**Section:** UPSHOT

**Length:** 1819 words

**Byline:** Neil Irwin, Alexandra Stevenson and Claire Ballentine

**Highlight:** How ***trade*** disputes play out will vary depending on the product and how hard it is to find a workaround. But tariffs on more countries mean more economic risk.

**Body**

For Malaysian factories that make light-emitting diodes, it is an opportunity. For American makers of outboard boat motors, it is a threat. For the biggest sellers of flat-screen televisions, it is a nuisance.

The emerging ***trade war*** between the ***United States*** and ***China*** has prompted predictions of severe economic and geopolitical disruption. But for any given industry, the impact of tariffs depends on the microeconomics of its products: How much does demand change when its prices rise? Are substitutes readily available? How much extra productive capacity is there around the world, and how long would it take to get new manufacturing facilities up and running?

“How this will play out is idiosyncratic to any given product and unique to each supply chain,” said Daniel Rosen, partner at the economic research firm Rhodium Group. “Nobody can honestly claim high confidence that they understand what the overall impact will be. You may as well project the weather on a Tuesday afternoon a year from now.”

The ***United States*** imposed its first wave of tariffs over the spring, and each of the 1,102 goods that may be affected will end up with its own list of winners and losers. To see how this may unfold, it’s helpful to examine the different ***trade*** patterns for those goods, along with some of the thousands of comment letters that companies and industry groups have submitted to the ***U.S***. ***Trade*** Representative. And executives and other experts have their own sense of exactly how supply chains might be rerouted and prices might swing for particular goods.

The lesson that emerges: Be skeptical of predictions of radical disruption to major industries in the near term. For now, companies have options to avoid some of the most severe risks.

But the longer the ***trade*** dispute lasts, the more products will get pulled into it. And the more the ***United States*** finds itself at odds not just with one other major economy but the entire world, the more it makes sense to worry. The workarounds that companies are using so far wouldn’t succeed in an open-ended, indefinite ***trade war***.

In LEDs, a Gap Other Countries Can Fill

***China*** has the world’s second-largest economy and is a major supplier of many of the products lining store shelves in the ***United States***. The Trump administration’s first round of tariffs is devised to focus on goods for which there are many other suppliers.

For about half the items, the share of American imports coming from ***China*** was less than 10 percent, based on a new analysis of government data on the sources of the affected products conducted by the Peterson Institute for International Economics. That figure was higher for some of the products that account for the larger share of imports, so ***China*** had a 23 percent market share if you use a weighted average. Either way these are not markets where ***China*** has a monopoly or anything close to it.

Consider light-emitting diodes, the tiny part that makes LED light bulbs illuminate and are used in many industrial settings. The ***United States*** imported $637 million worth of them from ***China*** last year, more than any other country. But that doesn’t mean ***China*** is the only supplier. Japan and Malaysia exported an additional $593 million in LEDs in the ***United States*** combined.

So for American companies that import the diodes and incorporate them in their products, such as solar-powered streetlamps, ***China*** isn’t the only option. The question is whether other countries not subject to the 25 percent tariff can accommodate a potential surge of demand.

In Malaysia, the LED industry senses opportunity.

“The ***trade war***, I would say it will benefit us if it really keeps going in the direction of tariffs,” said Daniel Fong, senior regional manager of Oversea Lighting and Electric, located 40 minutes from Kuala Lumpur. “The ***U.S***. market is cutting off all ties to ***China***, and in that sense we have a bigger opportunity to benefit the ***U.S***. market with Malaysia-made products.”

The industry in Malaysia has struggled to make inroads in the American market, in part, said Jamie Fox, a lighting components analyst with IHS Markit, because ***China*** subsidizes its LED industry. A crucial machine needed for the manufacture of the diodes can cost $2 million, but regional subsidies in ***China*** make them available for half as much, putting competitors outside ***China*** at a price disadvantage.

If tariffs make Chinese exporters less competitive, the balance may shift. John See, chief executive of QAV Technologies, said his company’s two LED factories in Penang could quickly increase production by 300 to 400 percent, if demand were there. Malaysia, he suggested, might no longer have to play “second fiddle” to ***China*** in business with the ***United States***.

A Looming Threat for Boat Makers

It’s easy for American importers to replace Chinese LED supplies with those made elsewhere because the parts are relatively standard; the issues are mostly price and availability.

But other Chinese products covered by tariffs aren’t so easy for their importers to substitute.

Ray Electric Outboards in Cape Coral, Fla., imports its powerheads — the electric motors that turn the propeller for a small boat — from ***China***. Shifting to a different supplier is no small matter.

“Have I tried different companies to get a different motor?” said Joy Hurley, business manager at Ray Electric. “Yes, but it’s just not as readily available. There is nothing else that will work in our system.” The company has molds that are already made to fit the company’s current suppliers’ products, and it costs thousands of dollars to change them.

“The motors that I have as options in the ***United States*** don’t fit in our housing,” Ms. Hurley said. Meanwhile, the company’s profit margins are too thin to absorb the cost of 25 percent tariffs. In the short run, she said, the company will need to raise prices to pass the tax through to customers.

The American boating industry has complained of many elements of the tariffs. Mercury Marine, for example, of Fond du Lac, Wis., said in a letter to the ***U.S***. ***Trade*** Representative that it employs 4,800 American workers, but that the manufacture of 40-to-60-horsepower boat engines in Suzhou, ***China***, is crucial to the enterprise.

“It’s very difficult for some of these companies to absorb these costs entirely,” said Nicole Vasilaros, senior vice president at the National Marine Manufacturers Association. Motors are one of 300 frequently used boat parts facing the tariff, she said, which cumulatively could mean a $2,000 price increase on 14- to 16-foot vessels that generally cost in the low five figures.

Because boats are often bought for recreational purposes, their demand tends to be elastic — highly responsive to price changes. That means those higher prices may well translate into fewer people enjoying their summer in a new motorboat.

A Display of Flexibility With Flat-Screen TVs

Outboard boat motors and LEDs were both on the list for tariffs the Trump administration released this month. There is also something to learn from a product that wasn’t.

Flat-screen televisions were on an earlier list of products targeted, before being spared after weeks of jockeying. But the supply chain for these devices illuminates the options all types of companies have for navigating around Chinese tariffs, and the ways that a ***trade war*** on all fronts carries greater risks for American consumers than one narrowly focused on ***China***.

It will become particularly relevant if the dispute with ***China*** escalates and televisions again find themselves targeted — which, in recent days, has appeared more likely than not.

The manufacture of liquid crystal display televisions takes place in several steps. The liquid crystal is made in sophisticated factories that can cost billions to build. Those displays are then combined with other parts to make the backlight assembly, the innards of a TV.

The last step is the simplest and most labor-intensive: packing the backlight assembly into the plastic shell of a TV, along with other parts like speakers and buttons, and putting it all into a box where it can be shipped to store shelves.

The liquid crystals are made mainly in Japan, South Korea, Taiwan and ***China***. The final assembly is done in many more places; many larger TVs sold in the ***United States*** are assembled in Mexico.

That shows the ways that savvy companies — which the giants of the TV business like LG, Sony and Samsung are — can avoid having the Chinese tariffs pinch. Shifting even more of their assembly to Mexico could allow them to avoid the tax even if it is expanded to encompass their products.

For example, LG has a facility in Reynosa, Mexico. Bob O’Brien, the president of Display Supply Chain Consultants, said he suspected the company could expand production there to shift assembly work from ***China***.

“It would be disruptive in the sense that they would have to change their plans, but they could hire more people in Reynosa, add additional shifts, maybe change production lines, relatively easily,” Mr. O’Brien said.

Even if the company needed to open up new production lines, six months or so might be enough.

Imagine similar efforts across the TV manufacturing industry, and you can see that where the labor-intensive final assembly takes place might shift if Chinese tariffs were implemented, even if the highest-tech parts of televisions stay where they are. The good news is that strategy would spare American consumers a 25 percent tax; the bad news is it wouldn’t do much to punish ***China*** and force it to the table to negotiate over broader American complaints.

Moreover, the strategy of moving television assembly from ***China*** to Mexico would be a way to avoid any Chinese tariffs only so long as the North American Free ***Trade*** Agreement keeps American imports from Mexico tax-free.

That points to one of the risks of the Trump administration’s strategy of waging ***trade wars*** on multiple fronts. When only one country — even a big, important one like ***China*** — faces punitive tariffs, companies can find ways to mitigate the damage to their own profits and to consumers.

But if the ***United States*** simultaneously raises tariffs on much of the world, corporate strategists have less room to maneuver.

“Companies will try to find ways to reduce the cost of ***trade*** barriers,” said Mary Lovely, a nonresident senior fellow at the Peterson Institute for International Economics. “If you take away all their options, it’s going to be much more detrimental to American corporations and American workers.”

In other words, the impact of this first wave of ***China*** tariffs, while it will vary across different products for all sorts of reasons, may be manageable. A ***trade war*** with much of the world would be a different story entirely.

Alexandra Stevenson contributed reporting from Kuantan, Malaysia.

PHOTO: President Donald Trump and President Xi Jinping of ***China*** at the Great Hall of the People in Beijing last year. (PHOTOGRAPH BY Damir Sagolj/Reuters FOR THE NEW YORK TIMES)

**Load-Date:** June 27, 2018

**End of Document**

**As Trade War Persists, Mnuchin Says China Talks Have ‘Broken Down’**

The New York Times

July 12, 2018 Thursday 14:19 EST

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**Section:** US; politics

**Length:** 1272 words

**Byline:** Alan Rappeport and Jim Tankersley

**Highlight:** Concern is growing among businesses and lawmakers in both parties that President Trump has no clear strategy to resolve the escalating dispute.

**Body**

WASHINGTON — The ***trade war*** between the ***United States*** and ***China*** showed no signs of yielding on Thursday, as Steven Mnuchin, the Treasury secretary, told lawmakers there was no clear path to resolution and Beijing blasted the administration over its approach.

Mr. Mnuchin, who has tried to avoid calling the ***trade*** tensions with ***China*** a “***war***,” said talks with Beijing had “broken down” and suggested it was now up to ***China*** to come to the table with concessions. President Trump, speaking in Brussels on Thursday, described the ***trade*** talks with ***China*** as a “nasty” battle.

The Chinese, meanwhile, accused the ***United States*** of “acting erratically” and said the administration had “blatantly abandoned the consensuses that two sides have reached and insisted on fighting a ***trade war*** with ***China***.”

Republicans and Democrats on the House Financial Services Committee showed little patience for Mr. Mnuchin’s answers about the lack of progress, repeatedly pressing him about whether there was a strategy to resolve the ***trade war*** and expressing concern that it was starting to hurt parts of the economy.

The White House has already hit Beijing with tariffs on $34 billion worth of imports and ***China*** has responded with a similar amount of levies on American goods, including soybeans, pork and cars. On Tuesday, the administration outlined tariffs on another $200 billion worth of Chinese products, including many consumer products like furniture, dog leashes and fish.

“Is there a master plan?” asked Representative Mia Love, Republican of Utah. “I implore you to work to end this thing soon.”

Lawmakers from both parties have been bombarded with complaints about tariffs from soybean farmers, carmakers, nail manufacturers and other businesses about the fate of their industries as they are starting to face higher steel and aluminum costs and feel the pain of retaliation from Europe and ***China***.

On Thursday they pressed Mr. Mnuchin, who is seen as a voice of moderation on ***trade*** in the administration, to persuade Mr. Trump to back away from the ***trade war***.

Representative Jeb Hensarling, Republican of Texas and chairman of the committee, told Mr. Mnuchin that he was deeply concerned about the state of global ***trade*** and signs that business optimism was starting to wane. He said that he was not impressed with the lone ***trade*** deal that Mr. Trump has struck, with South Korea, and warned that the strong run of economic growth was at risk.

“I would just assure you we very much are monitoring the impact on the economy of all these ***trade*** issues,” Mr. Mnuchin said in response to questions about the economic effect.

Mr. Mnuchin defended the administration’s approach and insisted that economic growth remained Mr. Trump’s priority, which did nothing to mollify Mr. Hensarling, a close ally of the president.

“I appreciate the words; I am concerned about the deeds,” he said.

Republicans and Democrats on the Senate Foreign Relations Committee also repeatedly — and exasperatedly — pushed another Trump administration official to detail a strategy for prevailing in the ***trade*** dispute during a hearing on Thursday morning.

“The administration needs to explain to Congress where this is all headed,” Senator Bob Corker, Republican of Tennessee and the committee’s chairman, told Manisha Singh, an assistant secretary at the State Department, as she prepared to testify.

“To my knowledge, not a single person is able to articulate where this is headed, nor what the plans are, nor what the strategy is,” Mr. Corker said.

The committee’s top Democrat, Senator Robert Menendez of New Jersey, told Ms. Singh at another point that “I don’t understand what the pathway is here, at the end of the day.”

Ms. Singh, who leads the department’s Bureau of Economic and Business Affairs, defended the administration’s moves. “Our endgame is for ***China*** to change its behavior,” she said.

After Ms. Singh tried to explain the administration’s approach, Mr. Corker replied, “That enlightened us in no way.”

While Mr. Trump prizes unpredictability, his approach to ***trade*** agreements is sowing uncertainty that many business leaders, officials, lawmakers and others worry could undercut an otherwise booming economy.

In an interview with the radio program “Marketplace” on Thursday, the Federal Reserve chairman, Jerome H. Powell, said that “we don’t know” how the ***trade*** dispute will play out, but that it could harm the recovery.

“I wouldn’t want to, you know, dive into a bunch of hypotheticals here,” Mr. Powell said, “but I would say, you can imagine situations which would be very challenging, where inflation is going up and the economy is weakening.”

The Trump administration has asked ***China*** to make a wide array of changes, including reducing its ***trade*** surplus with the ***United States***, stopping what it described as theft of American intellectual property and opening Chinese markets to American business.

But by giving the Chinese a long list of demands, that has encouraged Beijing to focus on those that are easiest to fulfill, said Jeremie Waterman, president of the ***China*** Center at the ***U.S***. Chamber of Commerce.

“The administration, to a degree, has given the Chinese an off ramp,” he said. “Giving the Chinese a choice is not an optimal negotiating approach.”

***China*** has also had difficulty figuring out whom to negotiate with, after tentative agreements reached with Mr. Mnuchin and Wilbur Ross, the commerce secretary, fell through.

“I think they’re coming to the conclusion that it doesn’t matter whether Mnuchin or Ross or anybody is in the front of the line, that it’s really going to be figuring out what Trump wants,” said Claire Reade, senior counsel at Arnold &amp; Porter Kaye Scholer.

In a sign of the impasse that the dialogue between ***China*** and the ***United States*** has reached, the Chinese Ministry of Commerce issued a statement on Thursday arguing that it has been unfairly vilified with false claims about its ***trade*** practices.

“This is a distortion of facts, therefore groundless,” the ministry said. “For the purpose of meeting domestic political needs and suppressing ***China***’s development, the ***U.S***. has fabricated a set of policy arguments that distort the truth about Sino-***U.S***. economic and ***trade*** relations.”

Mr. Mnuchin said on Thursday that Mr. Trump would not do anything to jeopardize economic growth. He insisted that he was going to help work with companies to get exemptions from tariffs and that he would try to persuade businesses such as Harley-Davidson, the motorcycle maker, not to move manufacturing abroad to mitigate the pain of retaliatory tariffs.

While Mr. Mnuchin was successful in staving off draconian new Chinese investment restrictions, the tariffs have kept coming and it remains unclear how much influence he really has with Mr. Trump. Despite his private reservations, Mr. Mnuchin continues to defend the administration’s ***trade*** policies.

“I can assure you that the president listens to my advice,” Mr. Mnuchin said in response to a question from Representative Gregory W. Meeks, Democrat of New York. “He is the president. Sometimes he follows my advice, and sometimes he doesn’t, which I respect.”

Unimpressed, Mr. Meeks mocked Mr. Trump for describing himself for the second time on Thursday as a “very stable genius” and asked the Treasury secretary if he saw himself the same way.

“I am stable,” Mr. Mnuchin said with a chuckle.

Ana Swanson contributed reporting.

PHOTO: Republicans and Democrats on the House Financial Services Committee showed little patience for Treasury Secretary Steven Mnuchin’s answers about the lack of progress in resolving the ***trade war***. (PHOTOGRAPH BY T.J. Kirkpatrick for The New York Times FOR THE NEW YORK TIMES)

**Load-Date:** October 20, 2018

**End of Document**

**White House Tries to Tamp Down Trade War Fears as China Retaliates**

The New York Times

April 4, 2018 Wednesday 15:05 EST

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**Section:** BUSINESS

**Length:** 1729 words

**Byline:** Ana Swanson and Keith Bradsher

**Highlight:** As markets seesawed and industries fretted, American officials held out the possibility that tariffs outlined this week might never go into effect.

**Body**

WASHINGTON — White House officials moved quickly on Wednesday to calm fears of a potential ***trade war*** with ***China***, saying the administration’s proposed tariffs were a “threat” that would ultimately help, not hurt, the ***United States*** economy, hours after ***China*** said it would punish American products with similar levies.

The administration’s insistence that a ***trade war*** was not imminent came as the ***United States*** and ***China*** ***traded*** tit-for-tat penalties that caused wild swings in stock markets from Hong Kong to New York. Led by more audacious leaders than either country has had in decades, ***China*** and the ***United States*** are now locked in a perilous game of chicken, with the possibility to derail the global economic recovery, disrupt international supply chains and destabilize the huge yet debt-laden Chinese economy.

White House officials reiterated on Wednesday that ***China*** must stop the “unfair” ***trading*** practices President Trump believes have disadvantaged American companies and workers, but they held out the possibility that tariffs on $50 billion worth of Chinese goods outlined on Tuesday might never go into effect.

“There’s no ***trade war*** here,” Larry Kudlow, Mr. Trump’s new top economic adviser, said in an interview on Fox Business Network. He described the threat of tariffs as “just the first proposal” in a process that would involve negotiations and back-channel talks. “I understand the stock market’s anxiety,” he said. “But on the other hand, don’t overreact.”

Behind the scenes, however, top officials remained split over the administration’s approach as the ***United States*** and ***China*** move into a period of high-stakes negotiations. That includes how far to go in punishing ***China*** and the types of concessions the White House should accept to avoid a protracted and damaging ***trade war***.

People familiar with the negotiations say Steven Mnuchin, the Treasury secretary, and Wilbur Ross, the commerce secretary, have at times argued for more dialogue with the Chinese and quicker concessions that would help diminish the ***trade*** deficit — the gap between what ***China*** ships to the ***United States*** and what America ships in the other direction. Other top ***trade*** advisers, including longtime ***China*** critics like Robert Lighthizer and Peter Navarro, have taken a tougher stance, arguing that these changes would do little to address the mercantilist and protectionist ***trade*** policies ***China*** has adopted for decades.

Mr. Trump’s advisers said the president remains resolute and views the pugilistic approach as the only way to force ***China*** to end two decades of industrial policies that have hollowed out American manufacturing and resulted in a ballooning ***trade*** deficit.

On Wednesday, Mr. Trump suggested in a tweet that he saw no reason to back down, since the ***United States*** was already on the losing end of ***trade*** with ***China***.

“We are not in a ***trade war*** with ***China***, that ***war*** was lost many years ago by the foolish, or incompetent, people who represented the ***U.S***.,” he wrote. “Now we have a ***Trade*** Deficit of $500 Billion a year, with Intellectual Property Theft of another $300 Billion. We cannot let this continue!”

He added in another tweet, “When you’re already $500 Billion DOWN, you can’t lose!”

It remains unclear whether ***China*** will bend to the pressure and make significant changes to its economy — or whether the White House strategy will instead tip the two nations into a ***trade war*** that could harm both countries. Producers of American goods like soybeans, pork, automobiles and semiconductors depend on access to the Chinese market both for exports and production and say they are fearful about a conflict.

“Companies are definitely caught in the middle of this,” said Kenneth Jarrett, the president of the American Chamber of Commerce in Shanghai.

Economists predict that the direct effects of the tariffs will be relatively small for both ***China*** and the ***United States***, since they apply to only a fraction of each country’s economic output.

”It’s hardly a life-threatening activity,” Mr. Ross said in an interview on CNBC. He added that the volume of the tariffs was in line with the White House’s calculation that the Chinese have cheated the ***United States*** out of $50 billion worth of intellectual property through coercion and cyberattacks.

While tariffs would affect a small part of the overall ***United States*** economy, they impinge on a relatively large share of American exports to ***China***. If ***China*** places tariffs on $50 billion of goods from the ***United States***, as promised, that would be more than one-third of American exports to ***China***. In contrast, American tariffs on $50 billion of Chinese goods would affect only one-tenth of ***China***’s vast exports to the ***United States***.

Within that slice of the economy, the pain could be acute. American farmers and manufacturers, in particular, could suffer. On Wednesday, ***China*** said it would penalize American soybeans, cars, chemicals and other goods, hours after the ***United States*** announced   tariffs on flat-screen televisions, medical devices and industrial machinery.

The economic effects could also quickly escalate beyond tariffs. The ***United States*** is preparing restrictions that could prevent ***China*** from investing in high-tech industries like semiconductors and electric vehicles, and it may consider other restrictions, including visas.

***China***, in return, could make life more difficult for the many American companies that do business in the country, or pare back its purchases of ***United States*** debt. ***China*** is the largest foreign holder of American debt, holding about $1.17 trillion in ***United States*** bonds, notes and bills in January, according to the Treasury Department.

“***China*** has many ways it can make life exceedingly uncomfortable for a large number of American businesses, both those that are hoping for access to ***China***’s fast-expanding market, and those that use ***China*** as an important part of their supply chains,” said Eswar Prasad, a professor of international ***trade*** at Cornell University.

The Trump administration contends that if it does not challenge Beijing now, the Chinese government will heavily subsidize its companies to become dominant producers of cutting-edge industries from robotics to electric cars. That could imperil the ***United States***’ ability to create good-paying jobs for future generations, relegating the country to producing food, fossil fuels and financial services, while ***China*** extends its lead as the world’s largest manufacturer.

But the administration’s strategy for halting ***China***’s rise has been hard to discern, with some advisers insisting that ***China*** must remake its economy, while others say the priority is to reduce the ***trade*** deficit, prioritize market access for American companies or end ***China***’s infringement on American intellectual property. Some top officials have indicated the tariffs may never be implemented.

On Wednesday, Sarah Huckabee Sanders, the White House press secretary, refused to say whether the tariffs would ultimately go into effect, adding, “I would anticipate that if there are no changes to the behavior of ***China*** and they don’t stop the unfair ***trade*** practices, then we would move forward.”

Companies have until May 22 to submit comments to the administration about the tariffs, with the penalties to be imposed at an undetermined date. Separate tariffs on steel and aluminum imports from ***China*** and other nations went into effect late last month.

In the meantime, American officials including Mr. Mnuchin and Mr. Lighthizer have been in talks with the Chinese about ways to resolve their differences. Yet conversations have so far focused on concessions like ***China*** reducing tariffs on American cars, opening up its market for financial services and purchasing more semiconductors or natural gas — minor wins that are unlikely to satisfy Mr. Navarro and Mr. Lighthizer, who are pushing for significant and sweeping changes to ***China***’s market, according to people familiar with the negotiations.

The ***United States*** has also asked for a $100 billion reduction in the $375.2 billion ***trade*** deficit it runs with ***China***. But the goods ***China*** has offered to buy to narrow that gap — including semiconductors — are not products the Trump administration wants to export. And some advisers say these kind of sales will not do anything to address the underlying problems with the Chinese economy.

***China*** experts say an inconsistent message and approach could undermine America’s ability to successfully negotiate.

“We’re all over the map,” said Scott Kennedy, a ***China*** expert at the Center for Strategic and International Studies. “The Chinese are trying to take advantage of this lack of consensus and get the ***United States*** to take a quick deal that leaves ***China***’s industrial policy machine intact.”

Beijing is also eager to show other ***trading*** partners that it will not be bullied into changing its policies.

“I’m not very positive about large concessions or changes that are going to come from ***China***,” said Heiwai Tang, an assistant professor of international economics at the Johns Hopkins School of Advanced International Studies. ***China***’s current government is more assertive than recent ones, he said, and the country is heavily dependent on technology transfers from advanced economies as it tries to transform its own.

For the Chinese to successfully negotiate, analysts said, they have to be able to present the deal to their own people as a win. But the ***United States*** has refused to give concessions and has painted the confrontation as one in which ***China*** must ultimately lose.

“Tariffs are seen as a direct slap in the face, and it will be very difficult for the Chinese government to sit back and take those blows without retaliating,” Mr. Prasad said.

On Wednesday, Cui Tiankai, the Chinese ambassador to the ***United States***, said ***China*** preferred to resolve the conflict through talks but would keep its options open.

“Negotiation would still be our preference, but it takes two to tango,” Mr. Cui said. “We will see what the ***U.S***. will do.”

Jim Tankersley and Alan Rappeport contributed reporting.

PHOTO: Chinese border police officers watching the arrival of a container ship at a port in Qingdao, ***China***. On Wednesday, ***China*** threatened to retaliate against many of the American products and industries that President Trump has vowed to protect. (PHOTOGRAPH BY Chinatopix, via Associated Press FOR THE NEW YORK TIMES)

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* Looming ***China*** ***Trade*** Action Divides Industry and Roils Markets

**Load-Date:** October 9, 2018

**End of Document**

**China to Pump $175 Billion Into Its Economy as Slowdown and Trade War Loom**

The New York Times

October 7, 2018 Sunday 04:32 EST

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**Section:** BUSINESS

**Length:** 1107 words

**Byline:** Alexandra Stevenson

**Highlight:** The move by the Chinese central bank on Sunday indicates Beijing’s growing worries over the country’s economic health.

**Body**

HONG KONG — ***China*** is signaling that it is worried about its economy.

Troubled by slowing growth, persistent debt problems and President Trump’s ***trade war***, the Chinese government has taken steps in recent months to shore up its economy. It has pared back a high-profile campaign to tackle debt. It has restarted big infrastructure projects, a traditional economic engine. It has even censored bad economic news.

On Sunday, Beijing went one step further.

The People’s Bank of ***China***, the central bank, pulled a financial lever that will effectively pump $175 billion into the economy. The government is aiming to help small and midsize businesses in particular, which have had trouble obtaining loans and face other rising pressures.

The move signals that ***China***’s economy “is really not doing well,” Chen Shouhong, the founder of the investment information platform Gelonghui, wrote on WeChat, a popular Chinese social media service.

The growing ***trade war*** with the ***United States*** has been the most visible threat. In September, the ***United States***imposed tariffs on $200 billion in goods from ***China***. President Trump has shown little inclination to back off and relations between the two countries have cooled, suggesting the ***trade war*** could worsen before it gets better.

So far, the ***trade war*** has had only a minor impact on ***China***’s $12 trillion economy. ***Trade*** isn’t as important to ***China*** as it once was, thanks in part to the rise of a middle class that has been a ready buyer of Chinese goods at home. Still, tariffs could hurt the economy the longer they last. In September, new export orders — one indicator of ***China***’s manufacturing — fell to the lowest level since 2016.

But ***China*** has bigger problems than the ***trade war***.

Consumers are spending less. Retail sales this year have grown at the slowest rate in a decade. Wage growth is plodding. Infrastructure investment — a pillar of the Chinese economy —   slowed significantly in the first half of the year. The pace at which companies   are defaulting on their bonds has quickened.

***China*** also has to contend with a stock market that has fallen by around 15 percent this year and a currency that has lost 10 percent of its value against the dollar. Some Chinese entrepreneurs also say the business environment is souring. The government could soon require companies to pay more in taxes and benefits.

Government officials in recent months have scurried to counter the broader economic slowdown. They pledged to pump billions of dollars into infrastructure projects, shored up the value of the currency and moved to   backstop the falling stock market.

***China*** has used these methods for years to spur growth, but they represent a retreat from more recent government efforts to pare back debt. ***China*** unleashed a wave of spending and lending beginning a decade ago that rescued its economy from the global economic downturn but left many of its companies and local governments heavily burdened with debt. Economists have warned that ***China*** must address its debt problems if it hopes to keep its economy humming.

Beijing appeared to be listening. Earlier this year Liu He, a trusted economic adviser to Xi Jinping, the country’s top leader, promised to rein in ***China***’s debt over the next three years. Mr. Liu’s appointment in March as vice premier overseeing financial and industrial policy was seen as a commitment by Chinese officials to crack down on lending.

Now, Beijing has changed its tune. In August, the People’s Bank of ***China*** said it would ensure that money flowed from its state-controlled banking sector to companies that needed it, in particular exporters and small and medium enterprises. The National Development and Reform Commission also flagged concerns about the financing difficulties of private companies in June.

The government has promoted rail and other infrastructure projects that were previously stalled or blocked because of concerns about ballooning debt.

If it wasn’t clear before last week that Chinese officials were concerned about a slowing economy, a move by the government on Sept. 28 to censor negative economic news made it clear. Among the items on a list of forbidden topics on a government directive sent to journalists in ***China*** were any economic data that showed a slowing economy, local government debt and risks, and signs of declining consumer confidence.

On Sunday, the People’s Bank of ***China*** said that it would cut the amount of money that some lenders are required to hold in reserve — called the reserve ratio — by one percentage point. The move essentially frees up more money for ***China***’s state-controlled banks to lend out.

About $65.5 billion of that cash injection will be directed to banks to repay debts that are due in coming weeks, while the rest will be pushed into the financial market.

The central bank made the move to ensure “reasonable and sufficient liquidity” in ***China***’s economy, it said. This is the fourth time this year that the central bank has cut the reserve ratio.

But this time, the reserve ratio cut, which is set to go into effect on Oct. 15, was unusually big and broad. While the central bank cut the reserve ratio by a similar amount earlier this year, it put more conditions on how banks could use the extra money. The bank has shied away from making such stark moves in recent years, as it has found more subtle ways to adjust the amount of money in ***China***’s financial system depending on its needs.

The announcement on Sunday suggests the central bank felt it had to do more than that. The size and breadth of the move, wrote Mr. Chen, the Gelonghui founder, shows “there are fewer and fewer tools in the P.B.O.C. toolbox.”

The move was in direct response to the slowing growth, Zhang Ming, a researcher at the Chinese Academy of Social Sciences, said on Sunday. Mr. Zhang predicted that ***China***’s third-quarter gross domestic product would drop to 6.6 percent growth compared with 6.8 percent a year ago and that its fourth-quarter figure could be as low as 6.4 percent. ***China*** posted economic growth of 6.7 percent in the quarter that ended in June, though ***China***’s official figures are widely doubted.

“Sino-***U.S***. ***trade*** frictions will further reduce the contribution of imports and exports to economy growth,” Mr. Zhang, who is also chief economist at Ping An Securities, wrote on WeChat.

“If export growth slows down due to ***trade*** frictions, it will influence manufacturing investment growth,” he added.

Ailin Tang contributed research.

PHOTO: Vegetables vendors in Nanning, Guangxi Zhuang Autonomous Region, ***China***. Signs of deepening economic troubles have been showing in ***China*** for months. (PHOTOGRAPH BY ***China*** Network/Reuters FOR THE NEW YORK TIMES)

**Load-Date:** October 9, 2018

**End of Document**

**Qualcomm May Be Collateral Damage in a U.S.-China Trade War**

The New York Times

April 18, 2018 Wednesday 17:29 EST

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**Section:** US; politics

**Length:** 1854 words

**Byline:** Ana Swanson and Alexandra Stevenson

**Highlight:** One of the technology industry’s brightest stars finds its business under fire in two countries. Beijing seeks new concessions to seal a major deal.

**Body**

WASHINGTON — A looming ***trade war*** between the ***United States*** and ***China*** has put Qualcomm, one of America’s largest technology companies, squarely in the middle of the battlefield.

A major supplier in both ***China*** and the ***United States***, the San Diego-based chip maker has long managed to play the ***trading*** relationship between the world’s two largest economies to its advantage. But an escalating ***trade*** battle over which country will dominate the technologies of the future is now threatening Qualcomm’s business and its growth.

On Monday, Qualcomm lost the ability to export semiconductors to one of its biggest customers after the ***United States*** banned Chinese telecom equipment maker ZTE Corporation from purchasing American technology for seven years.

In ***China***, Qualcomm’s plan to acquire NXP Semiconductors, a critical part of its growth strategy, has been stalled by a prolonged antitrust review, a move critics see as Chinese retaliation for President Trump’s aggressive ***trade*** moves. On Thursday, Chinese officials said that Qualcomm will have to make more concessions to compensate for the market power it would enjoy after completing the deal, without providing details.

The White House, which has already threatened tariffs on more than $150 billion in Chinese goods, is preparing new restrictions on Chinese investments in the ***United States*** and could limit American partnerships with Chinese firms abroad. Such a move could place further restraints on American companies with advanced technology, like Qualcomm, General Electric and Boeing, as they seek to form overseas partnerships. It would also likely incite more retaliation from the Chinese. On Tuesday, the administration advanced a new rule that would limit the ability of Chinese telecommunications companies, including Huawei, one of Qualcomm’s competitors and a customer, to sell their products in America.

Qualcomm’s situation illustrates the perils of trying to punish a major ***trading*** partner that has become a crucial link in supply chains stretching across the globe. By targeting foreign players with ties to their own markets, the ***United States*** and ***China*** are putting their own economic futures at risk. The question is whether the Trump administration will balk at paying that price — or see its goal of punishing ***China*** for unfair ***trade*** practices as more important than any collateral damage that could ensue.

“They’re obviously really caught in the middle,” Andrew Gilholm, the director of analysis for greater ***China*** at Control Risks, said of Qualcomm. “The demands the Chinese government has on them, and the demands coming from the ***U.S***. side, at some point might become irreconcilable.”

The cold ***war*** that is emerging between the ***United States*** and ***China*** is increasingly centered on the kind of advanced computer chips that Qualcomm produces. The company’s chips are now common in smartphones, but they also serve as the basis of next-generation 5G systems, vast networks of sensors that may soon govern the function of everything from autonomous vehicles to smart power grids and manufacturing systems. Qualcomm is locked in competition with ***China***’s Huawei for dominance of this new industry.

The emergence of this technology means that, for the Trump administration, national security is no longer confined to airplanes, tanks and weapons systems. Since these chips allow companies to collect vast amounts of information, control critical infrastructure and know the location of people and objects in real time, foreign ownership could pose an unprecedented security threat.

The administration’s focus on Qualcomm’s technology may be partially of the company’s own making. Earlier this year, the company asked the Committee on Foreign Investment in the ***United States***, which evaluates foreign acquisitions for national security threats, to intervene as it faced a hostile takeover attempt by Singapore-based Broadcom.

The Trump administration, already interested in the security implications of 5G technology, embraced the idea and made clear that the ***United States***’ success was tied to Qualcomm’s. “***China*** would likely compete robustly to fill any void left by Qualcomm as a result of this hostile takeover,” a ***United States*** Treasury official wrote in a letter to the companies. In March, Mr. Trump   scuttled Broadcom’s $117 billion bid for Qualcomm, citing security concerns.

The administration is now considering giving regulators even more power to block Chinese investments by issuing an executive order modeled on a congressional bill on reviewing mergers for national security threats, people briefed on the discussions said. Those reviews would most likely apply to certain “critical sectors” that ***China*** uses its industrial policy to support — including semiconductors, aerospace and artificial intelligence.

Daniel H. Rosen, a partner at the research firm Rhodium Group, said policymakers worldwide are just now discovering that using foreign technology creates vulnerabilities that have outpaced governments’ ability to manage them.

“This is not just a ***China***-***U.S***. phenomenon, but a matter of things which just a few years ago we thought were relatively benign now being weaponized in ways that we haven’t anticipated,” he said.

But trying to clamp down on Chinese products and investment flowing into the ***United States*** could be more painful for American companies that depend on access to partners and markets around the world than for their Chinese counterparts.

While ***China*** has already threatened tariffs of its own on ***United States*** products, it has other ways to retaliate — most notably, making life difficult for the many American businesses that depend on the country to source products or sell to ***China***’s growing middle class.

For Qualcomm, that may already be happening. Its plan to expand its business into technology-connected vehicles depends in large part on acquiring a Dutch firm, NXP Semiconductors, for $44 billion. The deal has been approved by every government except for ***China***, whose regulators have asked for more time to assess any antitrust violations.

On Thursday, Gao Feng, a spokesman for ***China***’s Ministry of Commerce, said that the acquisition could have a “profound” impact on the technology industry but that the plan Qualcomm submitted to the regulator on how it would mitigate market competition issues would not be enough.

Many observers believe that ***China*** is using the review as leverage to exert pressure on the ***United States***, which sees Qualcomm’s success as critical to American dominance in 5G.

“At a time when there is so much ***trade*** friction, Chinese regulators don’t necessarily need to stall the deal. They just need to continue postponing the review,” said Guan Zhisheng, an associate professor of economics at Sun Yat-sen University.

If ***trade*** tensions between the ***United States*** and ***China*** continue, American companies — especially those that use ***China*** as a platform to export to the ***United States*** — could see themselves embroiled in more time-consuming regulatory reviews revolving around pricing, monopoly power, food and drug safety, or bribery, Mr. Gilholm of Control Risks said. “That is another potentially very powerful front in this that ***China*** has not really used yet,” he said.

Qualcomm’s bottom line is also likely to be hurt by American efforts to target the Chinese. On Monday, the ***United States*** government said it was placing a seven-year ban on exports of American products to Chinese telecom firm ZTE, after the company made false statements to the government as part of an investigation into possible violations of American sanctions.

Jeff Fieldhack, research director at Counterpoint Technology Market Research, said this will be a considerable blow to the company, which provided chips for more than half of the roughly 45 million smartphones that ZTE sold globally last year. Qualcomm declined to comment.

Qualcomm has found itself under an increasingly uncomfortable spotlight in ***China*** in recent years. By 2013, the company was deriving more revenue from ***China*** than any other market, just as the Chinese government began expressing concern that its companies were forced to depend on the network infrastructure of American technology giants like Qualcomm and Cisco.

In late 2013, Chinese government investigators raided the Beijing and Shanghai offices of Qualcomm. After a 15-month investigation, regulators handed the company a record $975 million fine and declared Qualcomm a monopoly. The firm was forced to slash prices and pledge to move more of its sophisticated manufacturing to ***China*** and help boost the technological abilities of Chinese companies. Today, a growing chorus of American companies have complained that ***China*** has pressured them into sharing their technology in similar ways.

Fang Xingdong, a free speech activist and founder of the think tank ***China*** Labs, said their complaints had little merit. “The pressures on companies such as Huawei and ZTE in the ***U.S***. market are much higher than those of ***U.S***. companies in ***China***,” he said. “The ***U.S***. sanctions on ZTE are enough to kill the company.”

If ***China*** wanted to retaliate, Mr. Fang said, the simplest option would be to emulate American actions toward Huawei. “They could ban products from Qualcomm, Intel and Cisco in government, infrastructure and other areas of the market, based on security concerns,” he added.

In targeting Qualcomm, ***China*** could be seeking to influence the Trump administration by putting pressure on a company that has been politically connected in the ***United States***, often serving as an unofficial liaison between the countries.

Over the years, Qualcomm has lobbied the ***United States*** government to further its interests in ***China***, at one point helping to pave the way for ***China*** to join the World ***Trade*** Organization. In the late 1990s, Clinton administration officials pushed ***China*** to adopt American standards for mobile phones on behalf of Qualcomm.

But Qualcomm’s ability to influence the White House is unclear: The Trump administration has focused on recruiting American companies to build up their businesses domestically, not encouraging them to go abroad.

“Yes, the Chinese have a way to squeeze Qualcomm to really hurt their ***China*** revenue, and yes, Qualcomm has fought a lot of battles in the ***U.S***. government arena,” said Derek Scissors, a resident scholar at the American Enterprise Institute. “The one weakness in the Chinese approach is it’s not clear the Trump administration cares about how much ***U.S***. firms make in ***China***.”

Ana Swanson reported from Washington and Alexandra Stevenson from Hong Kong. Cao Li contributed reporting from Hong Kong.

PHOTO: Qualcomm offices in San Diego. An escalating ***trade*** battle over whether ***China*** or the ***United States*** will dominate the technologies of the future is threatening the company’s business and its growth. (PHOTOGRAPH BY Frank Duenzl/Deutsche Presse-Agentur, via Associated Press FOR THE NEW YORK TIMES)

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**Load-Date:** December 11, 2018

**End of Document**

**Trump Doubles Down on Potential Trade War With China**

The New York Times

April 5, 2018 Thursday 15:05 EST

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**Section:** BUSINESS

**Length:** 1615 words

**Byline:** Ana Swanson and Keith Bradsher

**Highlight:** President Trump said he would consider tariffs on $100 billion more in Chinese goods in retaliation for Beijing’s plan to set levies on American products.

**Body**

WASHINGTON — President Trump said Thursday that the ***United States*** would consider slapping tariffs on an additional $100 billion in Chinese goods, escalating a potentially damaging ***trade*** dispute with Beijing.

Mr. Trump said in a statement that he was responding to “unfair retaliation” by ***China***, which published a list on Wednesday of $50 billion in American products that would be hit by tariffs, including soybeans and pork. That move was a direct reaction to the tariffs on $50 billion in Chinese goods that the White House detailed on Tuesday.

“Rather than remedy its misconduct, ***China*** has chosen to harm our farmers and manufacturers,” Mr. Trump said, adding that he had instructed the ***United States*** ***trade*** representative to determine whether tariffs on an additional $100 billion in goods were warranted and, “if so, to identify the products upon which to impose such tariffs.”

The announcement came one day after some of Mr. Trump’s advisers tried to calm markets and tamp down fears of a ***trade war*** between the world’s two largest economies, saying that the tariff threats were the first step in a negotiation process. Mr. Trump said in his statement that the potential for new tariffs would not preclude discussions with the Chinese “to protect the technology and intellectual property of American companies and American people,” but any new tariffs are unlikely to make that already tough task easier.

The move is a high-stakes gamble aimed at cowing ***China*** into backing down and forcing it to make the kinds of changes that the ***United States*** is seeking — namely reducing the coercive tactics American officials say Beijing uses to try to dominate leading-edge industries like artificial intelligence, robotics and autonomous vehicles. But the move could ultimately bring about the kind of retaliation from Beijing that has spooked stock markets.

It also means that the ***United States*** would be somewhat more likely to place levies on Chinese products that American households routinely purchase, like furniture, clothing or shoes — an outcome the Trump administration said it sought to avoid with its initial round of tariffs.

The president’s announcement was immediately criticized by manufacturers, retailers and politicians from states whose economies depend on agriculture.

Senator Ben Sasse, Republican of Nebraska, said Mr. Trump was “threatening to light American agriculture on fire.”

“Hopefully the president is just blowing off steam again, but if he’s even half-serious, this is nuts,” Mr. Sasse said. “Let’s absolutely take on Chinese bad behavior, but with a plan that punishes them instead of us. This is the dumbest possible way to do this.”

A ***trade war*** could derail the current global economic expansion and cripple American businesses that depend on business with ***China***. It could also further complicate geopolitical priorities given the Trump administration has enlisted the help of the Chinese in scheduling historic talks with North Korea next month.

In a statement, Robert Lighthizer, the ***trade*** adviser who is carrying out an investigation into Chinese practices, described the president’s threat as “an appropriate response,” saying ***China*** should have responded to the initial tariffs levied by the ***United States*** by changing its behavior.

On Friday, a spokesman for ***China***’s Ministry of Commerce accused the ***United States*** of starting the conflict and said that “the Chinese position has been made very clear. We do not want to fight, but we are not afraid to fight a ***trade war***.”

He added that if the ***United States*** followed through with its threats, “The Chinese side will follow suit to the end and will not hesitate to pay any price and will definitely fight back. It must take a new comprehensive response and firmly defend the interests of the country and the people.”

Mr. Trump’s effort to raise the stakes on Thursday seemed poised to send financial markets spinning, with futures on the Standard &amp; Poor’s 500-index down and the yen climbing against the dollar. Markets were tame in Asia midday on Friday, which was a holiday in ***China***.

Companies potentially caught in the middle of a ***trade war*** called on the Trump administration to back down and try to work with the Chinese.

“The announcement that the administration may issue $100 billion in additional tariffs on Chinese products is irresponsible and destabilizing,” said Dean C. Garfield, the chief executive of the Information Technology Industry Council, which represents companies such as Amazon, Apple and IBM. “We call on both sides to halt unproductive and escalatory rhetoric, recognizing that these words and actions have global consequences.”

***China*** experts have questioned whether Mr. Trump’s aggressive negotiating style will leave Chinese leaders with enough political room to make concessions to the Americans. Bowing to the president’s demands could be seen internally as weakness, and the changes that the administration wants — reducing ***China***’s dominance in cutting-edge manufacturing and technology — is not something Beijing is likely to agree to.

Wang Shouwen, ***China***’s vice minister of commerce, has repeatedly refused to discuss curbing the Made in ***China*** 2025 industrial plan. The Trump administration contends that the program violates international ***trade*** rules that prohibit countries from using subsidies to help exporters and discourage imports. Mr. Wang and other officials deny that the program is in violation, but have provided few details on how it might comply.

Including this most recent action, the ***United States*** would be placing tariffs on a total of $153 billion of Chinese products. The $100 billion threat came on top of the tariffs on $3 billion in Chinese steel and aluminum that he imposed last month and the tariffs on a further $50 billion in Chinese goods that he has threatened to impose in recent days.

The total is now so large that ***China*** would have trouble finding enough American goods to penalize if it sought to impose a proportional retaliation. ***China*** bought only $130.4 billion worth of American goods last year, while the ***United States*** bought $505.6 billion worth of Chinese goods.

The National Retail Federation blasted the move as a dangerous game of chicken that would put the ***United States*** on the losing end of a ***trading*** relationship that has benefited American companies and consumers.

“This is what a ***trade war*** looks like, and what we have warned against from the start. We are on a dangerous downward spiral, and American families will be on the losing end,” Matthew R. Shay, the president and chief executive of the retail group, said in a statement. “We urge the administration to change course and stop playing a game of chicken with the nation’s economy.”

The Chinese have tools other than tariffs at their disposal, including limiting the operations of American banks and other service providers in ***China***. The government could also urge the Chinese public not to buy American-brand cars like Chevrolets and Fords, even though those are built almost entirely from Chinese-made parts and assembled in factories in ***China***.

The biggest question would be whether ***China*** would start retaliating not commercially but through geopolitical actions. While Trump administration ***trade*** officials appear to have been operating with considerable autonomy from those responsible for issues like North Korea and Taiwan, policymaking is much more unified in ***China***.

That means ***China*** could try to raise the temperature in the dispute by installing more military equipment on the artificial islands that it has recently built across the South ***China*** Sea, almost to the shores of Indonesia, Malaysia and the Philippines.

***China*** could also step up pressure on Taiwan. Beijing leaders are already deeply upset about recent congressional approval of the Taiwan Travel Act, which urged Mr. Trump to send administration officials to the self-governing island. Beijing regards Taiwan as a breakaway province, and has threatened to use force to reunite it.

Chinese experts have made clear that they perceive the ever-larger rounds of American tariffs as part of a broad American challenge that goes beyond dollars and cents. “It is more than just a ***trade*** issue: It involves geopolitical reasons,” Wu Xinbo, the chief of the Center for American Studies at Fudan University in Shanghai, said in an interview this week. “Trump has mentioned before, if ***China*** doesn’t agree on economy and ***trade***, the ***U.S***. will reconsider ***China*** issues — that includes the South ***China*** Sea and Taiwan.”

President Xi Jinping of ***China*** is scheduled to give a major speech on Tuesday at the Bo’ao Forum on the Chinese island of Hainan, which may give more clues to ***China***’s response. The speech has been billed by other Chinese officials as a moment when Mr. Xi would lay out a blueprint for ***China***’s economic overhaul and liberalization, a potential peace offering to the Trump administration, said Scott Kennedy, a ***China*** expert at the Center for Strategic and International Studies.

“President Trump’s move may throw a small monkey wrench into Xi’s plans,” Mr. Kennedy said. “He may now need to couple such a proposal with the warning that ***China*** will continue to defend itself against foreign pressure.”

Ana Swanson reported from Washington, and Keith Bradsher from Shanghai. Alexandra Stevenson in Hong Kong contributed reporting.

PHOTO: President Trump said Thursday that he would consider adding tariffs on an additional $100 billion in Chinese goods. (PHOTOGRAPH BY Tom Brenner/The New York Times FOR THE NEW YORK TIMES)

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* Why ***China*** Is Confident It Can Beat Trump in a ***Trade War***

1. If There’s a ***U.S***.-***China*** ***Trade War***, ***China*** May Have Some ‘Unconventional Weapons’
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**Load-Date:** October 9, 2018

**End of Document**

**Stocks Fall as Wall St. Turns Its Focus to Escalating U.S.-China Trade War**

The New York Times

June 19, 2018 Tuesday 15:03 EST

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**Section:** BUSINESS

**Length:** 611 words

**Byline:** Matt Phillips and Prashant S. Rao

**Highlight:** Investors are worried that worsening relations between the world’s two biggest economies will affect global growth.

**Body**

Wall Street’s focus returned on Tuesday to a fast escalating ***trade war*** and the damage it could do to business confidence and economic growth. Global stock benchmarks and commodity prices fell.

The trigger for the drop was the statement by President Trump on Monday that his administration was prepared to impose tariffs on a further $200 billion of Chinese goods, and that there could be even more penalties if Beijing fought back. The ***United States*** and ***China*** have already announced plans for   tit-for-tat tariffs on $50 billion worth of imports each.

With the latest threat from Mr. Trump, the White House is warning that it could impose ***trade*** restrictions on as much as $450 billion of imports from ***China***, a figure that is nearly equivalent to the total value of goods that ***China*** sold to the ***United States*** last year.

On Tuesday, a spokesman for the Chinese Foreign Ministry, Geng Shuang, said the ***United States*** was “abandoning all the consensus that has been achieved, changing its mind constantly.”

Across financial markets, it appears that investors are starting to take seriously how such a ***trade*** conflict could become a drag on a global economy that’s expected to grow at a relatively strong 3.9 percent in 2018, according to International Monetary Fund forecasts.

In the ***United States***, the Dow Jones Index, the Standard &amp; Poor’s 500-stock index and the tech-heavy Nasdaq composite all fell on Tuesday. The Dow’s drop of 1.2 percent was its worst day this month, and pushed it into slightly negative territory for the year.

Industrial companies including Caterpillar and Boeing weighed heavily on the benchmarks, dropping more than 3 percent each.

The ***trading*** followed declines in stock markets in Frankfurt, London and Paris. Shares in Hong Kong, Tokyo and mainland ***China*** also closed sharply lower.

Investors moved their money into haven assets like 10-year ***United States*** Treasury bonds and the Japanese yen. The yield on the benchmark 10-year Treasury note, which moves in the opposite direction of its price, fell below 2.90 percent early Tuesday, in a sign that at least some investors were concerned about risks to growth.

In the markets for commodities, the raw materials on which the global economy runs, the declines were widespread. Copper, a barometer for industrial activity, was down, as was crude oil.

Some of the sharpest drops were in the agricultural commodities markets, where the price for soybeans — a politically sensitive crop given Mr. Trump’s support among farmers — plunged early Tuesday before stabilizing. ***China***, the world’s largest importer of soybeans and the largest buyer of American soybeans, has threatened to levy tariffs on American exports as part of the growing ***trade*** hostilities.

The reaction of global markets underscores the fact that the dispute between ***China*** and the ***United States*** is part of a broader protectionist drive by the Trump administration that has already disrupted global ***trade***.

“Most damaging for businesses and investment,” analysts at the Swiss bank UBS said in a report on Tuesday, “is perhaps rising uncertainty caused by lasting ***trade*** disputes, which could delay or significantly change business and investment decisions.”

Follow Prashant S. Rao on Twitter: @prashantrao. Elsie Chen contributed research from Beijing.

PHOTO: Investors moved their money into haven assets on fears that worsening ties between the world’s two biggest economies would affect global growth. (PHOTOGRAPH BY Toshifumi Kitamura/Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

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**Load-Date:** October 18, 2018

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**Why China Is Confident It Can Beat Trump in a Trade War**

The New York Times

April 6, 2018 Friday, Late Edition - Final

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**Section:** Section A; Column 0; Foreign Desk; Pg. 8

**Length:** 1189 words

**Byline:** By STEVEN LEE MYERS; Olivia Mitchell Ryan and Echo Hui contributed research.

Follow Steven Lee Myers on Twitter: @stevenleemyers.

**Body**

BEIJING -- ***China***'s leaders sound supremely confident that they can win a ***trade war*** with President Trump.

The state news media has depicted him as a reckless bully intent on undermining the global ***trading*** system, while presenting the Chinese government as a fair-minded champion of free ***trade***. And ***China***'s leader, Xi Jinping, has used the standoff to reinforce the Communist Party's message that the ***United States*** is determined to stop ***China***'s rise -- but that it no longer can. ***China*** is already too strong, its economy too big.

''***China*** is not afraid of a ***trade war***,'' the vice minister of finance, Zhu Guangyao, declared at a news conference to discuss possible countermeasures. More than once, he cited the history of the ''new ***China***'' -- which began its extraordinary economic revival four decades ago -- as evidence that it would ''never succumb to external pressure.''

Missing in the bluster and the propaganda are the questionable methods that ***China*** has adopted to squeeze foreign companies out of key technology markets -- and the fact that in the cold-eyed calculus of economics, ***China*** is more vulnerable to a ***trade war*** than officials admit.

Exports account for a big share of Chinese economic growth. Because the ***United States*** buys so much from ***China***, Washington has many more ways to hit Chinese manufacturers. By contrast, the retaliatory tariffs Beijing has proposed already cover more than one-third of what ***China*** buys from the ***United States***, leaving it fewer options to strike back.

In the political realm, however, Mr. Xi enjoys advantages that may allow him to cope with the economic fallout far better than Mr. Trump can. His authoritarian grip on the news media and the party means there is little room for criticism of his policies, even as Mr. Trump must contend with complaints from American companies and consumers before important midterm elections in November.

The Chinese government also has much greater control over the economy, allowing it to shield the public from job cuts or factory closings by ordering banks to support industries suffering from American tariffs. It can spread the pain of a ***trade war*** while tolerating years of losses from state-run companies that dominate major sectors of the economy.

''My impression is that there is in Washington an exaggerated sense of how painful these tariffs might be'' in ***China***, said Arthur R. Kroeber, managing director of Gavekal Dragonomics, a research firm in Beijing.

At worst, he estimated, the American actions could shave one-tenth of a percentage point off ***China***'s economic growth -- hardly enough to force a drastic reversal of policies, given the enormous benefits that Chinese leaders see in the state-heavy economic model they have relied on in recent decades.

At the same time, Chinese officials seem to believe they can take advantage of what they consider vulnerabilities in the American political system.

''The American agricultural sector is quite influential in the Congress,'' said Wang Yong, a professor of economics at Peking University, explaining why ***China*** has targeted farm products such as soybeans with possible retaliatory tariffs. ''***China*** wants the American domestic political system to do the work.''

The president and his administration have sent drastically different messages this week.

Hours after ***China***'s announcement on Wednesday, administration officials sought to calm fears that a ***trade war*** was imminent, suggesting that they might not pull the trigger on a plan to impose tariffs on $50 billion in Chinese goods.

But late Thursday, Mr. Trump said he would consider levying an additional $100 billion in tariffs on Chinese goods in response to its ''unfair retaliation.'' In a statement, he said, ''Rather than remedy its misconduct, ***China*** has chosen to harm our farmers and manufacturers.''

Mr. Zhu, ***China***'s vice minister of finance, this week had thanked American soybean farmers and the association that represents them for declaring their opposition to the Trump administration's plan.

In addition to soybeans, ***China*** threatened to retaliate with tariffs on American cars, chemicals and other products. The 106 goods, many produced in parts of the country that have supported Mr. Trump, were selected to deliver a warning that American workers and consumers would suffer in a protracted standoff.

''If anyone wants to fight, we will be there with him,'' Mr. Zhu said, more or less outlining the terms for an American surrender: the removal of unilateral tariffs and a resolution of any grievances through the World ***Trade*** Organization. ''If he wants to negotiate, the door is open.''

Globally, ***China***'s strategy has been to isolate the ***United States***, splitting it from allies in Europe and Asia who otherwise share American concerns about heavy-handed Chinese ***trade*** policies intended to protect key markets and to acquire technology from foreign firms.

Mr. Kroeber said a united front against ***China*** would be more effective than American tariffs alone, but so far Mr. Trump has not managed to build one.

Instead, Mr. Xi has largely succeeded in occupying the high moral ground on the world stage, projecting ***China*** as the sober-minded steward of international agreements on issues -- from global ***trade*** to climate change -- that Mr. Trump has been eager to walk away from.

''The American side is ready to launch a ***trade war*** at the slightest pretext,'' the party's flagship newspaper, People's Daily, wrote in a blistering editorial on Thursday, condemning Mr. Trump's tariffs as ''totally against the trend of economic globalization.''

''Today, it targets ***China***, and tomorrow may take aim at other countries,'' it said.

The party has also seized on the ***trade*** dispute as new evidence that the ***United States*** is intent on undermining ***China***'s rise as a global power, a central narrative used to justify the party's, and Mr. Xi's, rule.

In December, the state news media also highlighted the new National Security Strategy unveiled by the Trump administration, which declared that ***China*** ''sought to displace the ***United States*** in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor.''

The document signaled a bipartisan shift in Washington's posture toward ***China*** after decades of economic cooperation and concessions. The party has argued that the ***United States*** is only now challenging ***China*** because it fears losing its privileged place in the world order.

''The latest ***U.S***. measures against ***China*** carry a sense of containment, which purportedly is commonplace among ***U.S***. politicians,'' said an editorial in Global Times, a nationalist state-run tabloid. ''But they have overlooked the fact that ***China*** has grown to be another economic center of the world.''

It went on to note that ***China***'s market was now ''no smaller or less attractive'' than the American one -- a bit of an exaggeration perhaps, but not as big as it would have been a decade ago. And that makes the country a more formidable opponent than Mr. Trump may have anticipated.

''To take ***China*** down,'' the editorial said, ''would mean an unimaginably cruel battle for the ***U.S***.''

https://www.nytimes.com/2018/04/05/world/asia/***china***-***trade-war***-trump-tariffs.html

**Graphic**

PHOTO: Imported soybeans at a port in Nantong, ***China***. The latest tariffs from Beijing were intended to deliver a warning to American producers and consumers. (PHOTOGRAPH BY AGENCE FRANCE-PRESSE -- GETTY IMAGES)

**Load-Date:** April 6, 2018

**End of Document**

**How U.S. Criminal Laws Became Weapons in the China Trade War**

The New York Times

February 5, 2019 Tuesday, The New York Times on the Web

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**Section:** Section ; Column 0; Business/Financial Desk; WHITE COLLAR WATCH

**Length:** 822 words

**Byline:** By PETER J. HENNING

**Body**

Get the DealBook newsletter to make sense of major business and policy headlines -- and the power-brokers who shape them.\_\_\_\_\_\_\_\_\_\_

It is unusual for American criminal laws to be used as tools of global ***trade*** policy. But that is what has happened these past few months, as the ***United States*** has confronted Chinese companies accused of stealing technology and violating economic sanctions laws.

At the center of the controversy: Huawei. The Justice Department has unsealed two indictments against the Chinese technology company and its chief financial officer, Meng Wanzhou. Both are accused of a long-running scheme to steal ***trade*** secrets and conduct business with Iranian companies in violation of economic sanctions against the country.

But can the Justice Department actually obtain convictions that will dissuade Chinese companies from stealing intellectual property?

Huawei Under Scrutiny

In the first indictment, filed in Seattle, Huawei and its American subsidiary are accused of stealing ***trade*** secrets from T-Mobile. The telecommunications company sued Huawei in 2014, and that civil case became the foundation for the Justice Department's charges of conspiracy, attempted theft of ***trade*** secrets and wire fraud. Prosecutors also added an obstruction-of-justice charge, which involves both the civil case and the grand jury investigation.

The ***trade*** secrets statute makes it a federal crime to steal or obtain by fraud a ***trade*** secret related to any product or service. The law defines a ''***trade*** secret'' broadly to include ''all forms and types of financial, business, scientific, technical, economic or engineering information,'' including intangible products like software.

The second indictment, filed in Brooklyn, accused Ms. Meng and Huawei of defrauding four banks into clearing transactions with Iran through a subsidiary, Skycom, with which the parent company claimed it had severed ties. As with the Seattle charges, federal prosecutors also accused the company of trying to impede the investigation, by lying to the federal government, as well as concealing and destroying evidence, which included moving potential witnesses back to ***China***, where they would be beyond the reach of prosecutors.

The Justice Department seeks the extradition of Ms. Meng, who was arrested in Canada, to the ***United States*** to face charges that she participated in a fraudulent scheme to mislead banks, which included lying about the reasons one bank decided to sever ties with Huawei.

A Broader Battle

But the indictments against Huawei are just another step in the pursuit of Chinese companies that have violated ***United States*** laws.

In November, the Justice Department announced that it was devoting resources to a new ''***China*** Initiative'' to identify cases involving theft of ***trade*** secrets by Chinese companies.

The same month, prosecutors unveiled criminal charges in San Jose, Calif., against a Chinese government-owned company, Fujian Jinhua Integrated Circuit; a Taiwanese company, United Microelectronics; and three Taiwanese nationals. The case involves theft of ***trade*** secrets from Micron Technology related to DRAM computer memory chips, which can be found in almost all modern computerized devices.

The Justice Department also filed a civil complaint in the same case, seeking to prevent the companies from transferring any technology involving the memory chips outside the ***United States***.

The Corporate Death Penalty?

The Justice Department has obtained significant penalties from parties that have violated economic sanctions laws, including a nearly $9 billion payment from BNP Paribas after it pleaded guilty to processing billions of dollars of transactions in violation of sanctions imposed on Cuba, Iran and Sudan.

If Huawei's involvement in ***trade*** secret theft and sanctions violations reaches to the highest levels, including Ms. Meng, then under a provision of the federal sentencing guidelines a court could determine that the company was ''operated primarily for a criminal purpose or primarily by criminal means.'' That would authorize a penalty ''sufficient to divest the organization of all its net assets'' -- the corporate death penalty. That is unlikely, but it is the ultimate power that federal prosecutors have to stop a company from committing crimes.

The use of criminal laws to pursue Chinese companies is a new front in the continuing battle over theft of intellectual property and violation of American sanctions. But whether companies based in ***China*** are concerned about possible criminal charges remains an open question, because prosecutors could have a difficult time collecting any fines against them. So the goal of keeping technology safe from theft is unlikely to abate -- making it a point of contention between the ***United States*** and ***China*** for some time to come.

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https://www.nytimes.com/2019/02/04/business/dealbook/huawei-law-***trade***.html

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**How U.S. Criminal Laws Became Weapons in the China Trade War**

The New York Times

February 4, 2019 Monday 00:09 EST

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**Section:** BUSINESS; dealbook

**Length:** 838 words

**Byline:** Peter J. Henning

**Highlight:** The ***United States*** is confronting Chinese companies, like Huawei, that are accused of stealing technology and violating economic sanctions.

**Body**

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PHOTO: The ***United States*** is using American criminal laws to confront Chinese companies, like Huawei, that are accused of stealing technology and violating economic sanctions. (PHOTOGRAPH BY David Mcnew/Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

**Load-Date:** February 6, 2019

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**Looking for an Easy-to-Win Trade War of My Very Own; Essay**

The New York Times

April 13, 2018 Friday 00:08 EST

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**Section:** BUSINESS

**Length:** 1088 words

**Byline:** John Schwartz

**Highlight:** The president says ***trade wars*** are “good” and “easy to win.” Our columnist decided to get in on the fun. But it turns out that winning is not that simple.

**Body**

I am going to start a ***trade war***!

If you’re like me, you used to think ***trade wars*** belonged in the dustbin of history that you learned about in high school and then forgot — something having to do with Hawley-Smoot, or Smoot-Hawley. Whatever.

We don’t fight ***trade wars*** any more, I thought. Instead, we make ***trade*** deals to keep goods flowing around the world.

Boy, was I ever wrong. Apparently, we’ve been doing ***trade*** wrong for years. That’s what the president of the ***United States*** says, and if you can’t trust the president, then what’s your problem?

He’s been talking up ***trade wars*** enthusiastically lately, tweeting about how the ***United States*** is “losing many billions of dollars on ***trade*** with virtually every country it does business with,” which isn’t actually true, but you have to admire the boldness. And, he tells us, “   ***trade wars*** are good, and easy to win.”

The president imposed stiff tariffs on aluminum and steel imports. ***China*** fought back with tariffs as high as 25 percent on 128 products from the ***United States***, including pork, wine and seamless steel pipes, and   followed up with even more proposed tariffs on $50 billion in goods that included exports like soybeans and cars. Which will make it harder on our farmers and manufacturers and steel producers to sell their products, while making ***China***’s imports more expensive for us consumers. From there, things have gotten much more confusing.

See? Fun!

Who doesn’t like ***wars*** that are good and easy to win? I want in on the fun! Therefore, my fellow Americans, I am boldly declaring my own ***war***.

After all, I seem to have a deficit with every one of my ***trading*** partners. A quick look at my receipts from ShopRite and Whole Foods shows that they have been taking advantage of me for years! And don’t get me started on Apple. I spend and spend, and do they send me any money in return? They do not. It’s abusive!

For instructions in how to conduct my personal ***war***, I turned, once again, to the commander in chief. “Example, when we are down $100 billion with a certain country and they get cute, don’t ***trade*** anymore — we win big. It’s easy!”

O.K., then! It turns out that the ***trade*** deficit with Mexico is actually more like $63 billion, but what’s a 59 percent error among friends?

Like the president, I did not have the honor of serving in our armed forces. No problem. This might be my chance to put on a uniform, maybe one with lots of shiny medals and ribbons to commemorate the seamless steel pipe skirmishes I’ve been involved in. Or maybe I could do what the young people do — some kind of cosplay that lets me suit up as a Viking, or a “Star ***Wars***” storm trooper, or even the rampaging DC Comics character Harley Quinn, girding my loins for economic battle.

The problem was that I don’t know enough about economics to understand what exactly I’m supposed to do. My mind must be insufficiently deep or subtle to understand these issues, I decided. And so I called a couple of experts, actual economists.

First I called Douglas Holtz-Eakin, a conservative economist who served in the George W. Bush administration. He told me that my personal ***trade*** deficit is not as bad as I think it is. “I have a tens-of-thousands-of-dollars ***trade*** deficit with P.F. Chang’s every year, but I’m a very happy loser,” he said.

The problem with trying to engage in a personal ***trade war***, he explained, is that individuals don’t often produce things that are easy to put a value on and barter.

“I give lectures in economics,” he said, so “I need to find those suckers who are willing to take them so I can eat.” As for me, he said, I have only one product — basically, paragraphs. “You’re in worse shape than I am! You should be afraid,” he said.

Then the conversation began to get uncomfortable. He said that if I were to try to impose a tariff, this interview we were conducting would cost him money because — bear with me — he would essentially be importing me. I liked that part, until he added that if I went down that route, there would be consequences: “It’ll be the last interview I ever do,” he said.

That, he said, is the lesson of ***trade wars***: “***Trade*** stops, and things that used to benefit both of us go away.”

That sounds like the opposite of good and easy to win.

I decided to check in with an economist from the Democratic side of the aisle, Austan Goolsbee, who was chairman of the Council of Economic Advisers in the Obama administration. I told him about my idea.

“It’s a crazy idea,” he said, helpfully. “It doesn’t make sense to say, ‘I’m going to declare a ***trade war*** on the grocery store and I’m going to be better off.’ The thing that you’ve forgotten is that you get a lot of food there.”

It was as Mr. Holtz-Eakin had told me: While businesspeople often see the world in terms of winners and losers, ***trade*** policy is about trying to find ways to let a swelling economic tide raise all boats.

“***Trade*** deals are about setting the ground rules so other people can get what they want,” Mr. Goolsbee said. When you stop them all from getting what they want, he said, you’ve “got the game wrong.”

I had to admit that the two economists had a point. I may feel that Whole Foods has, in fact, gotten “cute” by charging so much for wild-caught gulf shrimp and those really amazing rotisserie chickens. But if I don’t ***trade*** with Whole Foods any more, will that really let me “win big”?

I really like those shrimp on the grill; they’re my big weekend splurge. And if I stop spending money in grocery stores altogether, well, what will I eat?

Mr. Goolsbee said I was getting the idea: “Building walls to ***trade***, that doesn’t make you rich. That makes you poor.” And, apparently, shrimpless.

Zero sum — the idea that there have to be winners and losers — “is fundamentally the wrong way to think about ***trade***, and doesn’t make any sense,” he said. Mr. Goolsbee added that, “sadly, it seems that the White House is espousing exactly that view.”

So he’s saying that I’m crazy, and I’m wrong, but I’m not alone. Which is comforting, but still not great.

My ***trade war*** might have to wait. Which is really too bad, because I’ve already bought the Harley Quinn outfit.

John Schwartz, a New York Times reporter, is the author of “This Is the Year I Put My Financial Life in Order.” Follow him on Twitter: @jswatz.

PHOTO: (PHOTOGRAPH BY Glynis Sweeny FOR THE NEW YORK TIMES)

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* Trump to Impose Sweeping Steel and Aluminum Tariffs

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3. President Trump’s Exaggerated and Misleading Claims on ***Trade***

**Load-Date:** April 16, 2018

**End of Document**

**Trump’s Trade War Leaves American Whiskey on the Rocks**

The New York Times

February 12, 2019 Tuesday 13:06 EST

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**Section:** US; politics

**Length:** 1342 words

**Byline:** Alan Rappeport

**Highlight:** Squeezed by retaliatory tariffs, the spirits industry is joining a growing chorus of businesses pressuring the president to back off his ***trade*** fights.

**Body**

As President Trump’s global ***trade war*** approaches a pivotal moment, American industry is trying to use Mr. Trump’s love of big economic numbers to get him to stand down.

Mr. Trump faces a series of decisions over the next several weeks about whether to ratchet up tariffs on Chinese goods, impose new   duties on imports of foreign cars and keep   metal tariffs on ***trading*** partners like Canada and Mexico. While Mr. Trump’s economic North Star has long been reducing the ***trade*** gap between what America exports and what it imports, industries from soybean farmers to nail manufacturers are trying to convince Mr. Trump that his policies are having the opposite effect — by dampening exports of some of America’s most cherished products.

On Tuesday, the American spirits industry joined the growing chorus of businesses and ***trade*** groups trying to get Mr. Trump to remove tariffs on Chinese goods and foreign metals by showcasing the economic pain that the ***trade war*** has inflicted.

Since the Trump administration initiated tariffs last year on foreign steel and aluminum, $763 million worth of American spirits exports have been subject to retaliatory tariffs, according to data released by the Distilled Spirits Council, an industry group. The most draconian duties have come from Europe, where the rate on American whiskey is 25 percent.

“The market is on the edge of its seat,” Chris R. Swonger, the chief executive of the industry group, said in an interview on Tuesday. “We hope that the Trump administration can land the plane on these major ***trade*** agreements.”

Mr. Trump’s tariffs have exacted a toll on a range of American businesses by raising costs for imported goods and creating new ***trade*** barriers as Europe, ***China***, Canada and Mexico retaliate with tariffs and reduced market access. Financial markets have been gyrating on signs of optimism or pessimism about the ***trade*** disputes, and economists have blamed the tariff polices for contributing to weaker economic growth and diminished business confidence.

The spirits industry data shows the ***trade war*** is stalling exports at a moment when thirst for products such as American whiskey is surging around the globe. After Canada imposed a 10 percent tariff on American whiskey on July 1, exports from distillers in the ***United States*** went from a 12.4 percent growth rate in the first half of the year to an 8.3 percent decline after the tariffs were in place.

Global exports of American whiskey during the first half of 2018 rose 28 percent from the same period in 2017. Shortly after Mr. Trump’s tariffs went into effect, those sales slumped, declining 8.2 percent between July and November compared with the same period in the prior year.

Mr. Swonger said the targeting of spirits like whiskey is no accident. Besides being a classic American product, bourbon has a manufacturing hub in Kentucky, a politically important state that supports Mr. Trump and is home to Senator Mitch McConnell, the Republican majority leader.

The retaliatory tariffs have affected the industry in different ways. Big spirits makers such as Beam Suntory got ahead of the tariffs by quickly exporting large quantities of their whiskey, delaying some lost sales and price increases. But smaller craft distillers that lacked the capacity to produce enough whiskey to do that have had to dramatically slow their expansion plans.

Scott Harris, the founder of the Catoctin Creek distillery in Virginia, said on Tuesday that he had projected one-fourth of his company’s revenue to come from Europe last year. Because of the tariffs, sales there were scant and plans to expand were frozen. Now he fears that European customers will develop a taste for other spirits, such as German whiskey.

“Once that market is gone, it’s hard to get back into it,” Mr. Harris said. “We presently are treading water.”

The alcohol industry has been hurt by retaliatory tariffs ***China*** imposed after the ***United States*** levied duties on $250 billion worth of Chinese goods. It has also suffered from retaliatory tariffs Canada and Mexico put in place in response to Mr. Trump’s tariffs on steel and aluminum imports. The tariffs have made American spirits more expensive relative to domestic alternatives in those countries, causing demand to drop.

The tariffs have also hurt companies that supply the alcohol industry. Mr. Harris said that when his business gets a contract, it boosts other businesses, such as the farms that supply the ingredients needed to produce whiskey, rye and gin.

The ***United States*** has been trying to reach an agreement with ***China*** to resolve its ***trade*** fight before March 2, when tariffs on $200 billion worth of Chinese goods are set to increase to 25 percent from 10 percent. Mr. Trump suggested on Tuesday that he might be willing to extend the deadline to finalize a ***trade*** pact if the negotiations were going well. A delegation of senior administration officials is in Beijing this week trying to hash out remaining differences.

The fate of the metal tariffs is less clear. The ***United States*** did not lift those levies as part of its new ***trade*** deal with Canada and Mexico, but several lawmakers, including Republican senators, are saying they will not pass the agreement unless the administration removes the tariffs on those ***trading*** partners.

“We’re caught in the middle of ***trade*** disputes which have to do with the steel industry, which have nothing to do with us,” said Christine LoCascio, the Distilled Spirits Council’s senior vice president for international ***trade***.

The administration also faces a deadline this month to deliver a report to Mr. Trump outlining whether imports of foreign cars pose a threat to national security. The Commerce Department is expected to submit a report within the week outlining options for protecting the American auto industry, including tariffs or quotas to limit the influx of foreign cars.

While the spirits industry may not be directly affected by car tariffs, the imposition of additional ***trade*** barriers by Mr. Trump would undoubtedly provoke backlash and more retaliation against American products.

The Trump administration has offered subsidies to farmers hit by tariffs, but has not extended aid more broadly to other industries. And even those offered have been limited and delayed by the monthlong government shutdown.

Economists at the nonpartisan Congressional Budget Office estimated that the administration’s ***trade*** policies would shave an average of 0.1 percentage point per year off economic growth over the next decade.

***Trade*** has become the biggest issue facing the spirits industry, and Mr. Swonger has been canvassing Washington to plead his case to officials from the Treasury Department, Commerce Department and Office of the ***United States*** ***Trade*** Representative. He said that members of the administration appeared sympathetic to concerns about the long-term consequences of the tariffs, but that it was not clear that Mr. Trump was ready to stand down.

Trump administration officials have argued that despite the outcries over ***trade***, most of the country has been unscathed and businesses are still benefiting from lower taxes and strong economic growth.

For spirits, slower exports did not stop the industry from having a booming year, thanks largely to the strong American economy. Revenue across the sector was up 5.1 percent to a record $27.5 billion in 2018, with sales of the most expensive liquors growing the fastest.

This year, the Distilled Spirits Council hosted its annual economic briefing in a gleaming Manhattan skyscraper overlooking the East River. Bloody Marys with top-shelf vodka were on tap.

“Consumers are drinking up and drinking better,” Mr. Swonger said.

PHOTO: Global exports of American whiskey, which had been rising, have slumped since President Trump put his tariffs in place. (PHOTOGRAPH BY Jens Mortensen for The New York Times FOR THE NEW YORK TIMES)

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**Load-Date:** February 15, 2019

**End of Document**

**Bloomberg Moves New Forum for Elites From China Amid Fallout of Trade War**

The New York Times

August 29, 2018 Wednesday 15:44 EST

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**Section:** WORLD; asia

**Length:** 1350 words

**Byline:** Edward Wong

**Highlight:** Organizers are moving the event to Singapore after a Chinese partner for the conference, planned by Michael R. Bloomberg, requested that it be postponed.

**Body**

WASHINGTON — Fallout from the ***trade war*** between the ***United States*** and ***China*** has prompted Michael R. Bloomberg, the billionaire media executive and former mayor of New York City, to relocate what was planned as a conference of global business and political leaders in Beijing to rival Davos, the elite annual conclave in Switzerland.

Organizers in New York are moving the event to Singapore, where it is to take place over two days in the first week of November. Mr. Bloomberg made the decision after a Chinese partner asked organizers last week to postpone the event, according to people with knowledge of the planning.

Instead, the partner told organizers, President Xi Jinping and other leaders in ***China*** want to spotlight an import expo in Shanghai to bolster international interest in ***trade*** with the country.

The move highlights the difficulty of conducting business — or diplomacy — in ***China***, both because of rising tensions with the ***United States*** and because of an accelerating move toward hard   authoritarianism under Mr. Xi. The relationship between Washington and Beijing has become increasingly fraught because of the ***trade war*** started by President Trump over the summer, and Chinese officials are more likely to question American-led events in ***China***, even those that aim to bring business leaders there.

On Wednesday afternoon, President Trump said on Twitter that the ***trade*** dispute would be “resolved in time” by him and “***China***’s great President Xi Jinping.” “Their relationship and bond remain very strong,” he said, continuing to refer to himself in the third person.

The Shanghai event, announced by Mr. Xi last year, has taken on new significance for Chinese leaders because of the ***trade war***, which has lasted much longer than they had anticipated, the people said.

Officials are aiming to use the expo to send a positive message about ***trade*** to other nations. As a result, they are reluctant to allow other events that could compete with it.

The Chinese partner for Mr. Bloomberg’s original Beijing conference, called the New Economy Forum, asked organizers to postpone the event, even though it was supposed to highlight ***China***’s growing dominance in the global economy. Invitations had been sent to 400 business and political figures, 300 of them from outside ***China***.

The involvement of so many prominent people and companies who for years maintained strong ties with ***China*** makes the decision to move the event surprising.

Chairmen of the conference’s advisory board include Henry A. Kissinger, the former secretary of state and national security adviser, and Henry M. Paulson Jr., the former Treasury secretary, both of whom occasionally meet with Chinese leaders and preach engagement with ***China***. Among the international corporate partners are ExxonMobil, HSBC and SoftBank Group, based in Japan.

The Chinese partner, the ***China*** Center for Economic International Exchanges, is a research center based in Beijing that is led by Zeng Peiyan, a former vice premier. Its mission, according to the center’s website, includes “promoting exchanges and cooperation” and “to improve ***China***’s soft power.”

The group did not respond to phone calls and emails seeking comment.

Its request last week came as a blow to Mr. Bloomberg, who wants to engage with ***China*** on issues such as ***trade*** and climate change.

Organizers scrambled to find another site, and prominent Singaporeans agreed to host, the people familiar with planning said. The Chinese center is still expected to send some participants, but there will now be less of a focus on ***China***, and programmers are scrambling to line up speakers after some dropped out, the people said.

“I think it’s more clear that the increasing tensions in the ***U.S***.-***China*** relationship are having an impact on everything,” said Scott Mulhauser, the former chief of staff to Max Baucus, an ambassador to ***China*** under the Obama administration, and founder of Aperture Strategies, a public relations firm. “I think Bloomberg navigated this one impressively. It’s not clear that everyone can.”

The strengthening of authoritarianism in ***China*** poses a dilemma for Westerners who want to engage with the country but also say that they champion liberal thought and freedoms, as Mr. Bloomberg does.

In that context, some experts say, the move to Singapore could benefit the event.

“It’s almost impossible to do anything in ***China*** that’s meaningful,” said Orville Schell, the director of the Center on ***U.S***.-***China*** Relations at the Asia Society, who has organized events in ***China***. “As much as we see a need to have frank and honest discussions, it’s almost impossible to confect such a thing in ***China***. In my opinion, Singapore is a much better choice.”

Mr. Bloomberg is said to again be weighing a run for president in 2020. If that is the case, then keeping a distance from ***China*** could be advantageous, since it has become a punching bag for American politicians across ideologies.

In Washington, some policymakers are taking a more skeptical view of business executives who maintain friendly ties with Beijing.

Organizers of the event said in a statement on Wednesday that their Chinese partner had asked to postpone the conference until fall 2019 and that Singapore was then chosen for this year “because of its position as one of the world’s leading international and business hubs.” The statement was posted online after queries from The New York Times.

Most topics for the forum listed on the event’s website are broad and innocuous — global governance, technology, urbanization, climate, inclusion and finance and capital markets. But one topic — ***trade*** — has new contentiousness associated with it.

One person familiar with conversations between organizers and the Chinese center said the Chinese side did not object to the programming.

Even a mention that Stephen K. Bannon, Mr. Trump’s former chief strategist who is an outspoken critic of ***China***, might participate did not draw an objection, the person said. (Mr. Bannon was invited to Beijing in September 2017 to meet with a senior Communist Party official, Wang Qishan.)

In May, the announcement of the conference was widely covered by major news publications. Mr. Bloomberg told the Financial Times that the forum would differ from Davos in that it would focus on “actionable solutions” and address questions around “***China*** as an emerging power and how we all work together.”

In recent years, Mr. Bloomberg has generally tried to stay on friendly terms with Chinese officials, though the relationship is complicated.

As the mayor of New York, he presided over at least one public display of criticism of the Chinese government. In May 2011, he appeared at an unveiling of a sculpture of Chinese zodiac heads by Ai Weiwei, ***China***’s most famous dissident artist, whom the Beijing police had detained at the time. Mr. Bloomberg described the detention as “very disturbing” and called for his release.

Yet Mr. Bloomberg is also committed to free ***trade*** and global issues that require working with ***China***, including climate change. Both Mr. Bloomberg and Chinese leaders have separately criticized the Trump administration for withdrawing the ***United States*** from the Paris climate agreement.

Bloomberg News, which Mr. Bloomberg founded, was punished by the Chinese government in 2012 for coverage about Mr. Xi’s family wealth. As a result of a government ban on Bloomberg financial terminals being bought by Chinese clients, editors decided to engage in self-censorship. In 2014, a top Bloomberg executive said in a speech in Hong Kong that the company   should have reconsidered articles that deviated from its core coverage of straightforward business news.

Austin Ramzy contributed reporting from Hong Kong.

PHOTO: Michael R. Bloomberg is said to have decided to move his economic forum from Beijing to Singapore after a Chinese partner asked last week to postpone the event. (PHOTOGRAPH BY Simon Dawson/Reuters FOR THE NEW YORK TIMES)

**Related Articles**

* Trump’s Tariffs Are Changing ***Trade*** With ***China***. Here Are 2 Emerging Endgames.

1. Trump’s ***Trade War*** With ***China*** Is Officially Underway
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**Load-Date:** March 19, 2019

**End of Document**

**Will Art Become a Casualty of the U.S.-China Trade War?**

The New York Times

August 29, 2018 Wednesday, The New York Times on the Web

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**Section:** Section ; Column 0; The Arts/Cultural Desk

**Length:** 1214 words

**Byline:** By SCOTT REYBURN

**Body**

The ***United States*** has started a ***trade war*** with ***China***, and art is caught in the cross-fire.

The administration announced this month that President Trump had proposed duties as high as 25 percent on $200 billion worth of imported Chinese goods ''to encourage ***China*** to change its harmful policies.'' The proposed tariffs, initially set at 10 percent, followed two earlier rounds of penalties.

The latest list of targeted Chinese goods ran to 205 pages. It included sand blasting machines; eels, fresh or chilled (excluding fillets); hats; and, at the bottom of the last page, paintings and drawings executed entirely by hand, original sculptures, and antiques more than 100 years old.

The tariffs would apply to all artworks that originated in ***China***, regardless of how they entered the ***United States***. That means American buyers could be required to pay 25 percent more for a Ming dynasty bowl sold by a British owner at an auction in New York, as well as for a painting by a young Beijing-based artist at a gallery in Hong Kong.

The announcement has caused outrage in the art world.

James Lally, the founder of J.J. Lally & Co., a dealer based in New York that specializes in Asian art, said that the proposed tariffs were ''a matter of great concern'' to museums, collectors, curators and dealers worldwide.

''It will have a chilling impact,'' he said. ''It will quickly reduce the market for Chinese art in America to a backwater.''

Professional organizations like the Art Dealers Association of America, the Association of Art Museum Directors and the British Antique Dealers' Association have also stated their opposition to the proposal.

Dozens of companies voiced concerns to ***trade*** officials during six days of public hearings in Washington this past week, many warning that the proposed tariffs would hurt American consumers.

Peter Tompa, a lawyer based in Washington, represented two lobbying groups that work on behalf of museums, dealers and collectors at the hearings on Wednesday. Mr. Tompa said a member of the ***trade*** committee asked him one question: Since art is a luxury item, wouldn't people pay?

Mr. Tompa said he had told the committee that the main problem was slow turnover of inventory in the art ***trade*** and that a tariff would mean greater capital outlays by dealers.

''Dealers will need to pay up front, but it may take a while to make good,'' he said, adding that dealers also had to cope with a recent Supreme Court decision to allow internet sales to be taxed.

Sotheby's, Christie's and the Asia Week New York association of dealers said in a written complaint that the ***United States***, not ***China***, would be affected most. ''Imposing duties on Chinese-origin art will not impact the ***trade*** practices or policies of ***China***, since the vast majority of such artwork is imported into the ***United States*** from countries other than ***China***,'' the complaint read.

And the ***United States*** market is small compared to the amount of Chinese art and antiquities sold in mainland ***China***. Last year, $7.1 billion worth of Chinese art and antiques were sold at auctions across the world, according to a report published this month by Artnet. Of these sales, $5.1 billion came from auctions in mainland ***China***, where the operations of foreign auction houses are restricted; $408 million came from the ***United States***, though that number was up 62 percent from 2016, compared with a 6 percent increase for ***China***.

Dealers have pointed out that adding a 25 percent duty to the fees known as the ''buyer's premium'' could deter both buyers and sellers of Chinese art at auctions in the ***United States***, reversing growth in that sector.

''It's not punishing the Chinese; it's punishing the Americans,'' Gisèle Croës, a specialist in ancient Chinese artworks who is based in Brussels, said of the proposed tariffs. ''The international ***trade*** will go back to London, Paris and Hong Kong.''

In recent years, sales of the finest Chinese antiques have been dominated by Chinese dealers and collectors. The market for international contemporary art, on the other hand, is dominated by American dealers and collectors. They are also alarmed by what the impact of a proposed tariff would be on the Chinese artists they sell.

''One of the strengths of the American economy has been it's a free market for all,'' said Jeffrey Deitch, a leading New York dealer and curator. ''It's made New York City the world capital of the art business. To jeopardize this situation could have very serious consequences.''

Next month, Mr. Deitch is set to open a new gallery in Los Angeles with ''Zodiac,'' a museum-style exhibition of works by the Chinese artist Ai Weiwei, who currently lives in Berlin. The centerpiece of the show will be the 2013 installation ''Stools,'' comprising nearly 6,000 wooden seats that the artist salvaged from across ***China***. Previously seen at the Gropius Bau in Berlin in 2014, the work is to be priced at $2.9 million.

The proposed import tariff would be determined by the ''location of production, not the nationality of the person creating it,'' the office of the ***United States*** ***trade*** representative said in a statement emailed in response to questions. Mr. Ai's works, having been produced in Germany, would be exempt from any penalties.

The situation would be different, however, for works from contemporary artists with studios in ***China***.

The New York gallery Pace, which has branches in Hong Kong and Beijing, represents no fewer than 14 Chinese artists. On Sept. 7, its space on West 24th Street in Manhattan is to host an exhibition of 11 new works by Zhang Xiaogang, who is based in Beijing. The artist's haunting ''Bloodline'' series of family portraits is much coveted by both Western and Asian collectors, with large paintings selling for as much as $12 million at auction.

The show should open before any tariffs are imposed on imported artworks, but Marc Glimcher, the president and chief executive of Pace Gallery, is still concerned.

''It's like putting a tariff on stocks: If the price of an item is significantly altered by a tariff, the market will look elsewhere,'' Mr. Glimcher said.

Purchases in New York are already subject to a local sales tax of nearly 9 percent, he said, adding, ''If we had to raise the prices by 25 percent, it would be difficult to sell the show.''

''Any protection of the ***U.S***. art market will have the opposite effect,'' Mr. Glimcher continued. ''It does nothing positive.''

But the imposition of punitive import tariffs would affect more than the art market in the ***United States***. It would also make it difficult for Chinese artists to exhibit their work, diminishing cultural exchange.

''It's about more than the money,'' said Mr. Deitch, a former director of the Museum of Contemporary Art in Los Angeles. ''This is where the consensus is reached about what art is important.''

''If you're a Chinese artist,'' Mr. Deitch added, ''you want to show your work here, you want to be in the center of the international art discourse.''

So far, the Trump administration has gotten low marks for its concern for cultural matters. But, over the coming weeks, the art world says it will work to convince lawmakers that, if the ***United States*** wants to wage an economic ***war*** with ***China***, taxing art would be a self-inflicted wound.

https://www.nytimes.com/2018/08/24/arts/will-art-become-a-casualty-of-us-***china***-***trade-war***.html

**Load-Date:** August 29, 2018

**End of Document**

**Trump’s Trade War Spooks Markets as White House Waits for China to Blink**

The New York Times

June 19, 2018 Tuesday 17:28 EST

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**Section:** BUSINESS

**Length:** 1778 words

**Byline:** Ana Swanson

**Highlight:** The administration, threatening tariffs on as much as $450 billion worth of goods, believes Beijing has more to lose. Companies, investors and markets are increasingly worried.

**Body**

WASHINGTON — President Trump’s threat to impose tariffs on almost every Chinese product that comes into the ***United States*** intensified the possibility of a damaging ***trade war***, sending stock markets tumbling on Tuesday and drawing a rebuke from retailers, tech companies and manufacturers.

The Trump administration remained unmoved by those concerns, with a top ***trade*** adviser, Peter Navarro, insisting that ***China*** has more to lose from a ***trade*** fight than the ***United States***. He also declared that Mr. Trump would not allow Beijing to simply buy its way out of an economic dispute by promising to import more American goods.

“President Trump has given ***China*** every chance to change its aggressive behavior,” Mr. Navarro said in a call with reporters on Tuesday. “***China*** does have much more to lose than we do.”

In threatening tariffs on as much as $450 billion worth of Chinese goods, the administration is betting that Beijing will blink first. It’s a risky gamble by a White House that appears ready to forgo diplomatic negotiations in favor of punishing tariffs that could pinch consumers and companies on both sides of the Pacific.

The approach fulfills a frequent campaign promise by Mr. Trump. But it has spooked companies, investors and markets, which are increasingly worried that the ***United States*** has no other strategy to resolve a stalemate with ***China*** over its ***trade*** practices. Several rounds of ***trade*** talks with top Chinese officials in Washington and Beijing produced little agreement, and no additional official negotiations are scheduled, administration officials said.

On Tuesday, Mr. Trump suggested he was ready for a fight, saying ***China*** would no longer take advantage of the ***United States***.

“***China*** has been taking out $500 billion a year out of our country and rebuilding ***China***,” the president said during a speech in Washington before the National Federation of Independent Business. “They’ve taken so much. It’s time folks, it’s time. So we’re going to get smart, and we’re going to do it right.”

Markets sank on Tuesday in response to Mr. Trump’s announcement late Monday that his administration was preparing to impose even more tariffs than he originally threatened if ***China*** continued with its plan to retaliate against the ***United States***.

Mr. Trump is now threatening to tax nearly the total value of goods that ***China*** sent to the ***United States*** last year, which was $505.6 billion.

The benchmark Dow Jones index, the Standard & Poor’s 500-stock index and the tech-heavy Nasdaq composite all fell on Tuesday, following stock markets in Frankfurt, London, Paris, Hong Kong, Tokyo and mainland ***China***. Investors moved money into assets that are considered safe havens, like 10-year ***United States*** Treasury bonds and the Japanese yen.

Shares of Boeing and Caterpillar, which are among America’s leading exporters to ***China***, fell sharply on Tuesday, along with soybean futures. ***China*** is the world’s largest importer of soybeans, a key livestock feed, and Beijing has targeted American soybeans for retaliation with its own tariffs.

Soybean prices dropped more than 7 percent at times during the morning before stabilizing in afternoon ***trading***. Prices are at their lowest level in more than two years, creating a politically delicate issue for Mr. Trump, who has strong support from rural voters in farm states but whose ***trade*** policies have angered farmers and lawmakers who represent them.

Senator Joni Ernst, an Iowa Republican, said in a statement, “These aggressive ***trade*** actions will continue to have damaging consequences, including an impact on our commodity prices and farm futures, and increasing anxiety among the agricultural and business communities in Iowa.”

But Mr. Navarro, who is among Mr. Trump’s most strident anti-***China*** advisers, dismissed those concerns, saying the ***United States*** had no choice. He said that the White House had given ***China*** numerous opportunities to negotiate and alter policies that have cost Americans millions of jobs, and that the Trump administration was now prepared to impose tariffs on $450 billion of Chinese goods in order to force Beijing to bend.

“I think that the other side may have underestimated the strong resolve of President Donald J. Trump,” Mr. Navarro said. “If they thought that they could buy us off cheap with a few extra products and allow them to continue to steal our intellectual property and crown jewels, that was a miscalculation. We hope going forward there are no more miscalculations.”

Mr. Navarro said a ***trade*** clash would hurt ***China*** much more than the ***United States***, given that the value of ***China***’s exports to the ***United States*** was nearly four times the value of what the ***United States*** exports to ***China***.

For weeks, the ***United States*** and ***China*** had appeared close to a deal that would have forestalled tariffs. Top advisers like Steven Mnuchin, the Treasury secretary, and Wilbur Ross, the commerce secretary, had advocated a deal that could avoid the devastating effects of a ***trade war***, and spent hours in negotiations with Chinese officials.

But after the Chinese refused to commit to a target for reducing their ***trade*** surplus with the ***United States*** or limit industrial subsidies, Mr. Trump rejected those proposals. And his resolve only hardened after lawmakers, including Democrats, criticized him as being weak on ***China*** when he agreed to help ease penalties on ZTE, a Chinese telecommunications company accused of violating American sanctions.

That decision has triggered a huge fight between the White House and Congress. On Monday,   the Senate passed legislation that would reinstate penalties on ZTE and rescind a Commerce Department deal that allowed the company to stay in business in exchange for paying a large fine and agreeing to a series of management and compliance changes. The White House has vowed to remove that provision before the bill becomes final, and Mr. Trump is expected to meet with lawmakers on Wednesday to discuss the fate of ZTE.

The president’s approach has irritated some of Mr. Trump’s own advisers, including Mr. Mnuchin, who has been frustrated by the process of the ***China*** talks, according to an official familiar with his thinking. Mr. Mnuchin has tried to explain in recent meetings how ***China*** is likely to respond to America’s threats and the impact that retaliation could have on financial markets and the economy.

He has also been trying to persuade Mr. Trump not to proceed with harsh restrictions on Chinese investment that would limit ***China***’s ability to do business in the ***United States***. The Treasury Department is expected to release a proposal this month. Mr. Mnuchin, who is leading the effort, has been trying to convince Mr. Trump that the restrictions are unnecessary, given pending legislation that would expand national security reviews performed by the Committee on Foreign Investment in the ***United States***.

In late May, Mr. Mnuchin helped orchestrate a meeting between the president, top White House advisers and Republican lawmakers, where the Treasury secretary asked lawmakers to help make the case that legislation would be a more targeted way to police Chinese investment, three people with knowledge of the meeting said. But Mr. Navarro and Robert E. Lighthizer, the ***United States*** ***trade*** representative, who were also in the meeting, objected to that approach. The president ultimately overruled Mr. Mnuchin, saying that he supported the congressional legislation but that it alone wasn’t enough.

The decision to proceed with tariffs is a victory for hard-liners in the administration, like Mr. Navarro and Mr. Lighthizer. They had argued that the ***United States*** should not back down from trying to force ***China*** to make more fundamental changes to its economy, even if such measures would cause short-term pain for American businesses and consumers.

On Tuesday, Mr. Navarro minimized the divisions between administration officials, saying the ***United States***’ negotiating process had not wavered and was “linear.” He said the idea of dropping the ***trade*** case in exchange for purchases — something the Chinese had offered the Americans in negotiations — had always been a “nonstarter.”

In his remarks Tuesday morning, Mr. Navarro took aim at ***China***’s internal plan to develop cutting-edge industries like robotics, new-energy vehicles, advanced rail and shipping, and aerospace. He said the country could not be allowed to dominate technologies that would be an important source of jobs and growth for the ***United States*** in decades to come.

***China*** has engaged in unfair practices, including cybertheft and “information harvesting,” to obtain technological secrets from the ***United States*** that would allow ***China*** to pull ahead in these industries, Mr. Navarro said.

“It is important to note here that the actions President Trump has taken are purely defensive in nature,” he said.

There is broad agreement that ***China*** has engaged in unfair ***trade*** practices that have hurt American companies. But Mr. Trump’s resort to tariffs as his primary negotiating tool has prompted swift condemnation from retail, technology and manufacturing companies, who said the approach could hurt American consumers and companies more than the White House realized.

Jose Castaneda, spokesman for the Information Technology Industry Council, called the escalation of ***trade*** tensions with ***China*** “irresponsible and counterproductive.”

“We appreciate President Trump’s efforts to protect the ***United States***’ ‘crown jewels,’ but tariffs are simply the wrong way to do it,” he said. “The White House needs to work with our allies to create lasting change with ***China***. Too many jobs and livelihoods are at stake to get this wrong.”

Matt Priest, the president of the Footwear Distributors and Retailers of America, said it was difficult to see how tariffs on an additional $200 billion of Chinese goods wouldn’t “negatively impact all Americans of every walk of life.”

“The president claimed that ***trade wars*** are easy to win, but what our industry has always known is coming true: ***Trade wars*** are costly, unnecessary and do harm to the American economy,” he said.

Follow Ana Swanson on Twitter: AnaSwanson. Alan Rappeport contributed reporting from Washington, Prashant S. Rao from London, and Matt Phillips from New York.

PHOTO: President Trump is threatening to impose tariffs on $450 billion of Chinese goods in order to force Beijing to change what he has called “unacceptable” ***trade*** practices. Markets fell Tuesday in response. (PHOTOGRAPH BY Visual ***China*** Group, via Getty Images FOR THE NEW YORK TIMES)

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**Load-Date:** December 11, 2018

**End of Document**

**Chinese Companies Flocked to U.S. Markets in 2018. The Trade War May Have Had a Role.**

The New York Times

January 2, 2019 Wednesday 00:23 EST

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**Section:** BUSINESS; dealbook

**Length:** 369 words

**Byline:** Stephen Grocer

**Highlight:** More Chinese companies went public in the ***United States*** in 2018 than in any year since 2014.

**Body**

Get the DealBook newsletter to make sense of major business and policy headlines — and the power-brokers who shape them.\_\_\_\_\_\_\_\_\_\_

The ***trade war*** didn’t seem to discourage Chinese companies from listing their shares on American exchanges last year. In fact, it might have brought more Chinese companies to Wall Street.

Tencent Music’s ***trading*** debut on the New York Stock Exchange in December capped a wave of Chinese companies going public in the ***United States***. In total, 33 Chinese firms raised $9.2 billion through initial public offerings on American exchanges — up 140 percent from 2017 and the highest level since 2014, according to Dealogic.

Of course, 2014 comes with an asterisk of sorts. Alibaba went public in September that year, raising $25 billion. Subtract the value of Alibaba’s offering and Chinese firms raised just $3 billion that year.

Last year, however, offerings from Chinese firms dominated the ***United States*** market for initial public offerings. The three largest I.P.O.s by market value were Chinese companies. And Chinese firms accounted for four of the 10 largest such offerings in 2018 ranked by amount raised on American exchanges, the most of any country, including the ***United States***, according to Dealogic.

Why list in America?

American exchanges offer prestige and a broader investor base that Chinese entrepreneurs can find attractive. The ***United States*** also offers a quicker route to the public markets. While Chinese regulators have taken steps to reduce the long wait, it still takes 18 months or longer for shares to begin ***trading*** from the time a company files to go public. That compares with just 42 days to list in the ***United States***, according to Dealogic.

But the ***trade war*** may also have been a factor.

A slowing Chinese economy and escalating ***trade*** tensions dragged down markets in Hong Kong and ***China*** before stocks in the ***United States*** turned seriously wobbly. At their lows in late October, the Hang Seng stock index and the benchmark stock indexes in Shenzhen and Shanghai were down 15 percent to 35 percent for the year. By comparison, the S & P 500 was still up 2.5 percent at that point, making it far more attractive for offerings.

PHOTO: (PHOTOGRAPH BY FOR THE NEW YORK TIMES)

**Load-Date:** January 4, 2019

**End of Document**

**The American Casualties of Trump’s Trade War; Feature**

The New York Times

November 28, 2018 Wednesday 23:43 EST

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**Section:** MAGAZINE

**Length:** 4890 words

**Byline:** Guy Lawson

**Highlight:** Tariffs on Chinese imports have endangered small business around the ***United States*** — a growing nightmare that critics say the president could have avoided.

**Body**

Sam Cobb was surprised to see so many people lined up for a hearing at the International ***Trade*** Commission in Washington on the morning of Monday, Aug. 20. The chief executive of Real Wood Floors, Cobb was a veteran of such proceedings, which were usually sleepy affairs, populated by white-shoe attorneys fighting over arcane legal definitions. For this hearing, though, the line stretched out the door and onto the sidewalk along E Street, where the people waiting to get in were surrounded by a scrum of television cameramen. In the preceding weeks, the Trump administration had floated a proposal to place punitive import tariffs on $200 billion of Chinese goods, and the politics of global ***trade*** had suddenly burst into the headlines.

In the packed hearing room, Cobb listened as dozens of witnesses detailed how tariffs on Chinese-made bicycles and tires and fruit juice — and the reciprocal taxes that would inevitably be imposed on American exports to ***China*** in response — would lead to higher prices and lost jobs in the ***United States***. This was part of a series of public hearings to address a proposed Section 301 tariff list, named after the provision of the ***Trade*** Act of 1974 that permits the ***United States*** to impose tariffs on other nations in response to unfair ***trade*** practices — in this case, the administration claimed, the Chinese theft of intellectual property. The proposed tariffs would hit businesses from virtually every industry, including many that had little to do with intellectual property.

For Cobb and the 247 employees of Real Wood’s affiliated companies, the stakes were high. Their business is exporting hardwood from the forests of southern Missouri to their partners in ***China***, who mill it into veneer, laminate it to a plywood subsurface and finish it into designer flooring. The partners then ship the engineered hardwood back to Real Wood, which sells it to high-end builders from coast to coast — an ocean-spanning supply chain that nevertheless keeps costs down. The simple possibility of tariffs had killed virtually all the company’s orders for engineered hardwood from ***China***. Real Wood was already paying an anti-dumping duty of as much as 25 percent on much of the flooring it imported from that country, a tariff that the International ***Trade*** Commission had levied on a number of Chinese flooring companies whose prices it deemed to be below market value. The Trump administration’s proposal called for an additional 10 percent tariff, with the threat of a further 15 percent in 2019, which Cobb claimed would force Real Wood to make large price increases and would hamstring the whole industry.

Cobb, 42, a genial, bearlike, bearded father of seven, stayed up late the night before the hearing, rehearsing his performance in the mirror of his hotel room, cutting it in half to make sure it stayed within the strict time limit. He was dressed sharp for the event, in a three-piece suit, with a pocket square and nonprescription eyeglasses to make him look smart, or so he hoped. He purchased the entire outfit in ***China*** while on one of his countless trips there.

Now he got up to make his pitch for real. “You have five minutes,” an official from the Office of the ***United States*** ***Trade*** Representative told Cobb.

“Our group of companies comprise the second-largest employer in the poorest county in Missouri,” Cobb said. He talked about how high-quality engineered flooring couldn’t be manufactured domestically at a competitive price. He talked about the hardship of the potential loss of good jobs in his heartland hometown. As he spoke, Cobb suspected that the hearing, despite the presence of career officials from a broad cross-section of departments and agencies, wasn’t designed to give him a meaningful voice in the process. Questions from the government panel were perfunctory, typically one per witness, and it seemed to him that the decision to levy the tariffs had already been made.

As the session adjourned, Cobb started to chat with one of the Chinese reporters covering the proceedings, who was astounded at the damage the tariffs might do to American companies. A senior policy adviser from the Department of Agriculture, who had sat stone-faced listening to the testimony, approached Cobb — an unprecedented breach of protocol, in Cobb’s experience. “I’m sorry you have to go through all this,” the official said to him quietly, according to Cobb. “We have no idea what’s going on here, either.”

Companies were also permitted to submit written arguments for why they should be excluded from the tariffs, and the deadline for those written submissions was in less than three weeks, at midnight on Sept. 6. Liz Levinson, a ***trade*** lawyer whom Real Wood and a group of other flooring companies had retained, made sure her tightly reasoned 11-page brief arrived on time. Thousands upon thousands of other companies from across the private sector had made similar submissions, arguing that the tariffs would gut their businesses, and that the reasoning behind the Trump administration’s proposal made no sense. “Duties on flooring would accomplish nothing with respect to encouraging ***China*** to reform its intellectual-property regime,” Levinson wrote. “Flooring is not a high-tech industry.”

For a person to read and weigh all the submissions would take weeks, if not months, but the day after the deadline — as if to prove his indifference to the formality of the investigation — President Trump announced that the tariffs on $200 billion in goods could “take place very soon.” He also upped the ante, saying, “Behind that there is another $267 billion ready to go on short notice if I want.”

The tariffs, which took effect on Sept. 24, have been front-page news, but their impacts on the domestic economy — which ***traded*** $710 billion in goods and services with ***China*** in 2017 — have not been reckoned with yet. Tariffs are a powerful weapon in a ***trade war***, but finding the right targets can prove challenging. “It’s very hard to impose tariffs on billions of dollars in imports without shooting yourself in the foot,” says Wendy Cutler, a former acting deputy ***United States*** ***trade*** representative. Historically, Cutler says, the various branches of government that deal with global ***trade*** — the Departments of Commerce and of the Treasury, and the Office of the ***United States*** ***Trade*** Representative — have tried to carefully study the domestic impacts of sanctions like tariffs before they were imposed, aiming to anticipate unintended consequences, calculating ways to minimize harm to the ***United States*** while maximizing pain for the intended target.

By contrast, in Trump’s new tariff regime, Cobb and other business owners see a hurried and blunt approach that has been carried out, they believe, with little public debate about how it could affect the American economy and equally little sense of the long-term strategy. Was Trump playing a giant game of geopolitical poker with President Xi Jinping, or was he unilaterally declaring ***war***?

“At first, the Chinese saw Trump as a businessman and assumed he wanted a deal,” says Chad P. Bown of the Peterson Institute for International Economics, a nonpartisan think tank devoted to economic policy. “Now they don’t know what Trump wants.”

West Plains, Mo., population 12,000, is an unlikely front in a global ***trade war***. A four-hour drive south and west of St. Louis, the small city in the Ozarks was a North-South fault line during the Civil ***War***, a place where brothers really did wind up fighting against one another. Today the town looks like many others in the region, with abundant churches, pickups and strip malls and the occasional fluttering Confederate battle flag. “The center of nowhere,” as a resident described it to me, West Plains voted overwhelmingly for Trump in 2016.

Real Wood’s headquarters sits down a gravel road off the main highway, a collection of warehouses filled with various kinds of flooring packed onto shrink-wrapped pallets. When I visited in late October, one side of the main warehouse was piled high with finished flooring from ***China***, veneered in different varieties of American hardwoods like white oak and walnut and hickory. On the other side were finished boards that had been manufactured in Cambodia and Indonesia. Real Wood’s 55,000-square-foot facility was filled with more than $6 million in flooring, the most the company had ever had in inventory; Cobb was racing to import as much as possible from ***China*** before the additional tariff of 15 percent was imposed at the end of the year.

The weeks after Trump’s announcement on tariffs were unsettling for Cobb, as he tried to cope with the impact of the new tax and guess at the intentions of a president who seemed to be intent on escalation but also quite possibly bluffing. Engineered hardwood was just one type of good among more than 5,745 product lines tariffed; in this one sector, nearly 500 million square feet of engineered hardwood flooring is sold in the ***United States*** annually, and roughly a third of that is imported from ***China***. In the wake of the tariffs, Real Wood had postponed five new hires, along with the purchase of a new van and truck. For the past three years, the company grew at a healthy rate of 15 percent. But now, with the new 10 percent tariff, the best-case scenario was for revenue to be flat next year — and even that seemed improbable.

“The economy is going to slow down,” Cobb told me. “People will figure out how to get around the tariffs over time, but it’s definitely going to have an impact on our business and lots of others.”

The range of consequences wasn’t entirely negative, or even understood yet. The day before I arrived, Cobb discovered that it might be possible to rebid on a flooring contract for a Los Angeles apartment project that he had narrowly lost; the winner, it turned out, proposed a tariffed product, while Real World hadn’t. Cobb’s existing Chinese suppliers were able to provide products at low prices largely because of their lower labor costs. The question was how competitive their prices would still be after the tariff. Cobb said that a project he was pricing for 325,000 square feet of flooring in an upscale Manhattan residential development perfectly illustrated the new reality. Finished Indonesian flooring cost the company $4 per square foot, while flooring from the Netherlands was $4.50 and Italian flooring $5.70. The flooring Cobb preferred to sell — and that many interior designers liked most, he said, because of its distinctive artisanal appearance and low price — was Chinese-made and cost about $3.50 per square foot before the tariff.

Real Wood’s main supplier was a company in Liaoning Province in northern ***China***. Some of its other Chinese suppliers refused to share the cost of the tariff, but the Liaoning company agreed to split the 10 percent tax on one product line, as well as the pending 25 percent step-up. Cobb, though, wasn’t confident the deal was sustainable. There was one factor that might help Real Wood, however. Its main supplier had already shifted some of its production to Cambodia, where labor was even cheaper — and the anti-dumping duty didn’t apply. This early migration put the manufacturer in a good position to rush even more of its operations to Cambodia, Cobb told me. Doing the work in Cambodia, which had carved out an economic zone where many other Chinese companies had moved, meant that ***China***-specific tariffs wouldn’t be levied, even as all the profits would continue to accrue to Chinese companies.

“Everyone speaks Chinese there,” he said. His supplier “sent their skilled managers to Cambodia. There are real job losses going on in ***China***. Our main supplier is going to get as much as he can to Cambodia as soon as possible.”

The notion that jobs being lost in ***China*** would somehow magically result in jobs being created in America was risible to Cobb. Making flooring was hard and relatively low-paying. Cobb said he couldn’t find enough local workers for the company’s local affiliated mill as it was, and the cost structure for the products it sold made the economics impossible. Turning lumber into veneers required the quarter-inch-thick planks to be separately tempered, a very labor-intensive process. One of the new veneers Cobb had recently perfected, in collaboration with the Liaoning company, required every plank to be hand finished to make it look as if the wood had been reclaimed from old buildings. Cobb thought it was preposterous to believe that this could be done in the ***United States*** for a competitive price. Even if it could, he went on, building a factory in the ***United States*** would be not just expensive but extremely risky, given that the tariffs on ***China*** could be removed at any time by the president or some future administration. Cobb noted that some of his competitors manufactured engineered hardwood flooring in America through the use of prison labor — an arrangement that illustrated the economic reality of the global market, where inexpensive labor makes high-end flooring affordable.

“It makes me wonder if anyone is pro-***trade*** in this country anymore,” he said.

When the first list of ***China*** tariffs, amounting to $50 billion on high-tech goods, was announced in April, career officials at the Office of the ***United States*** ***Trade*** Representative could see that the broad-brush taxes could have negative effects on many American businesses.

Tariffs totaling $200 billion on nearly every part of the American economy presented an entirely different magnitude of complexity, and the ***U.S***.T.R. was ill prepared to cope with the challenge. One former ***trade*** executive, who asked to remain anonymous, told me he saw it as his duty to try to avoid harming American interests as much as possible. He began advocating that the ***U.S***.T.R. develop a method to determine, as accurately as possible, the effects of the proposed tariff package: the number of American factories that would close, the number of jobs eliminated, the value of sales lost and so on.

“I thought the ***U.S***.T.R. needed a systematic approach so if a court reviewed the tariffs it would be able to see a consistent analytical framework,” he said. “This was for domestic legal challenges. We could show that there wasn’t favoritism or politics involved in who the tariffs were applied to. I thought we should have something like that.”

A formalized methodology for determining harm might also have helped the ***U.S***.T.R. deal with the tsunami of applications for exclusion from the tariffs that arrived this fall. It became increasingly evident to some within the agency that the decision-making process was now very top down, involving the president and the cabinet with little input from career officials.

As it happened, almost none of the applications were accepted. The rejection letters were perfunctory and often cited a failure to show severe economic harm, without saying how that was defined. Another frequently cited justification was that the product in question was strategic to the Made in ***China*** 2025 policy, a Chinese government initiative to make ***China*** a direct high-tech competitor of the ***United States*** by that year. The implication seemed to be that if ***China*** said it wanted to compete in an industry, that was enough to drive America’s own ***trade*** policy for that industry.

The implementation of the tariffs and the tariffs themselves elevated the ideology of Robert Lighthizer, who is 71 and came out of retirement to occupy the normally obscure cabinet-level position of ***United States*** ***trade*** representative. A former corporate lawyer, Lighthizer developed his views on ***trade*** during and after a long career in Washington, both inside and outside the government. A formative experience came during his tenure as deputy ***United States*** ***trade*** representative during the Reagan administration, which in the 1980s forced Japan to curb auto and steel exports to the ***United States***.

That success is often cited by tariff advocates today, but some historians question the analogy. “***China*** is much bigger than Japan was,” says Douglas Irwin, the Dartmouth economist and author of “Clashing Over Commerce: A History of ***U.S***. ***Trade*** Policy.” “It’s not an ally; it’s a rival. We don’t have the leverage with ***China***. Japan never retaliated, but ***China*** did so immediately. The Chinese lived through the Opium ***Wars*** and the unequal treaties, which involved Western interference. The Chinese clearly resented that and will make sure it doesn’t happen again. ***China*** won’t be pushed around on ***trade*** matters.”

After leaving the government, Lighthizer spent decades practicing law, doing advocacy work for American steel producers during their downward spiral and ***China***’s inexorable rise. In this role, Lighthizer was often taking the petitioner side of ***trade*** disputes in front of federal authorities, portraying ***China*** as a menace and a cheater, a view shared by many leading ***trade*** unions and Democrats. “An identity of interest with your clients develops,” says Alan Wolff, a deputy director of the World ***Trade*** Organization, who worked alongside Lighthizer for decades. “You think in similar terms — client and country don’t diverge.”

Along the way, Lighthizer developed an America-first ideology long before Trump used the slogan. Testifying before the ***U.S***.-***China*** Economic and Security Review Commission in 2010, Lighthizer laid out at length his argument that ***China*** was America’s biggest source of ***trade*** difficulties, costing millions of jobs and destroying domestic manufacturing. Since ***China*** ascended to membership in the World ***Trade*** Organization in 2001, he said, it had failed to turn into a market economy in the mold of Western nations, as many hoped. To the contrary, Lighthizer claimed that ***China***’s form of state capitalism did not respect intellectual-property rights or the rule of law.

Now in the White House, Lighthizer has a firm ally in the presidential adviser Peter Navarro, director of Trump’s Office of ***Trade*** and Industrial Policy. An economist who has run unsuccessfully for a variety of political positions in California, Navarro is a rabid antagonist to everything Chinese; in his 2011 book, “Death by ***China***,” he calls the ***U.S***.-***China*** relationship “parasitic” and refers to ***China*** as “the dragon.” Lighthizer, who rarely appears in the press, declined to comment for this article, as did Navarro, but Navarro is routinely on cable television making vociferous arguments against ***trade*** with ***China***. In his book, he described companies doing business with the “murderous gangster regime” of ***China*** as “corporate turncoat lemmings.”

“At some point,” Lighthizer noted in his 2010 testimony, “one must ask whether potential retaliation from ***China*** really would or could even remotely offset the benefits to the ***United States*** of more aggressive ***trade*** measures.” He also said, “We need strong leaders who are prepared to make tough decisions, and who will not be satisfied until this crisis has been resolved.”

The real process of deciding what Chinese-made goods would receive tariffs took place behind closed doors. When the tariffs were proposed earlier this year, a long list of target products started circulating within the upper reaches of the government, according to a former senior administration official, who spoke on the condition of anonymity. A list was created by the ***U.S***.T.R. identifying products that America bought from ***China*** that could also be bought from other countries, so domestic supply wouldn’t be hurt by tariffs; the list also included products that only ***China*** manufactured and that therefore should be exempted to avoid needlessly damaging the American economy. Certain industries were also recommended for exclusion. One of these was housing, and so flooring, nails, trim and all manner of building-related products were dropped from the preliminary list.

But ***trade*** hawks in the administration challenged the recommendations, the former senior official said, pushing the president to make the tariffs as broad as possible and reminding him that he had made a campaign pledge to take action against ***China***. On one side of the argument stood anti-***China*** figures like Navarro and Lighthizer, who advocated tariffs; on the other, the people Trump and his inner circle called “globalists,” including Secretary of the Treasury Steven Mnuchin and the former National Economic Counsel director Gary Cohn, who chiefly advocated protecting intellectual property and gaining access to Chinese markets for American companies and resisted widespread and untargeted tariffs. Ultimately, the former senior official recalled, the president decided that he was going to put tariffs on “all of it,” and the decision was final. (The White House declined to comment on the decision-making process.)

“There was no sense of reality,” the official said. It would take years to build factories in America, and who would want to spend that kind of capital with uncertainty about Trump’s re-election, or the real possibility of Trump’s changing his mind and tariffs being lifted? There was no evidence any of that would happen. “All the president needs is one or two people to tell him he’s right.”

Shortly before he announced the ***China*** tariffs, the president imposed a tariff on all steel and aluminum imports, angering allies like Germany, Canada and Britain and isolating the ***United States*** in its most important dispute with the Chinese. Greg Scheurich, the owner of a bearing-components manufacturer in Joplin, Mo., was nearly beside himself with frustration at the way the steel tariffs were threatening the 100-employee company he had built over 30 years. He needed a specific kind of steel for his bearing components, which were used in medical equipment and wind turbines. The only domestic source couldn’t produce enough to keep up with demand. His business was already down 15 percent, he said, and it felt as if the government were cutting his throat, so much so that he had started thinking about the last resort: moving his plant to Canada or Mexico, where he could get the steel he needed tariff-free.

“People are making these decisions that don’t know what the hell they’re talking about,” he said. “They don’t have a clue.”

Scheurich, a Trump supporter, said he couldn’t believe the president intended to hurt his business, but the process for getting an exclusion nonetheless seemed overwhelming. He would have to fill in 84 different forms, one for each product he imported, with various law firms offering to assist at a price of $3,500 to $5,000 per form, which he couldn’t afford. After completing the forms himself, he received only a handful of exemptions.

“Maybe the ends justify the means,” Scheurich said. “I don’t know. If only I could get in front of the president, I could change his mind. Businessman to businessman. I would hope that a light would come on.” He paused. “Good lord,” he sighed.

The co-founder of Real Wood Floors, Sam Cobb’s father-in-law, Clyde Elbrecht, chuckled when I told him about the idea of appealing to Trump as a businessman. A lifelong Republican, Elbrecht didn’t think Trump was much of a businessman. Elbrecht, 73, had recently invested $3.5 million in a mill called Missouri Hardwood, he said, saving roughly 100 jobs in tiny Birch Tree, population 656, only to lose 25 percent of its business with customers in ***China*** because of the ***trade war***. Likewise, a lumber yard that he had started developing in Arkansas, employing a dozen people, with many more to be hired as it expanded, had come to what he called a screeching stop.

“I was shipping a container of timber a day to ***China***,” he said. “That’s around $20,000 per day, or $5.5 million annually, and I’ve stopped shipping entirely.”

As painful as the tariffs in the ***United States*** appeared to be as they took hold, they seemed to be having their intended effect in ***China***. Elbrecht had just returned from a trip to visit his main manufacturer in Liaoning, and he said that the owner was very frightened by what was happening to his business. He described the owner as “almost Western” in his thinking, a phrase he meant as praise for the man’s keen business sense and integrity; the affection and empathy for his partner were palpable.

“He’s moving to Cambodia as quickly as he can,” Elbrecht said. “If we hadn’t made the decision to move some of the production there years ago, we’d be in big trouble. Our other Chinese suppliers who haven’t already set up in Cambodia or somewhere else will get hurt the worst. They don’t have an escape plan.”

Elbrecht said that only a fraction of the value per square foot went to ***China***, while Real Wood had to pay the tariff on the entire price of the flooring. But he wasn’t sure anyone in Washington wanted to hear about his struggles. West Plains’s member of Congress, Representative Jason Smith, toured the mill in March, and at the end of the visit, Elbrecht tried to explain the permanent and real damage tariffs could do to his companies and the fragile economy of the Ozarks. “With tariffs you won’t have a business model,” Elbrecht said. He explained to the young Republican congressman that ***China*** was the biggest market for red oak, and that was the predominant species in the forests in those parts. But the congressman seemed indifferent. (Smith, who serves on the House committee that oversees ***trade*** and tariffs, declined to comment for this article; he was re-elected in the midterms with 73 percent of the vote.)

“It was like he didn’t care, he didn’t understand it and he didn’t care to understand it,” Elbrecht said. “I’ve never been so disappointed in my representative my whole life. I expect him to care about the people in his district. This impacts their lives. He should try to understand the facts.”

On my last day in West Plains, I had lunch with the Real Wood team in their conference room, a feast of smoked beef tenderloin. The main subject of conversation was deciding who would get to go to Cambodia to install the play set they had just purchased for an orphanage there. For the Real Wood staff, people in ***China*** weren’t a distant abstraction or enemy. ***China*** was in the family. Cobb had three adopted Chinese-born daughters under the age of 8, and Real Wood employees had taken in or helped dozens of other orphaned Chinese children over the years.

“I love ***China***,” Scott Gill, Real Wood’s vice president of sales, told me. “The people. The food. I was amazed by the beauty of the country.” He was a reluctant Trump voter and himself the father of a recently adopted Chinese boy, now 15. “Why can’t we both win from ***trade***?” he went on. “Why does it have to be zero sum?”

A member of Real Wood’s finance team walked into the room. “We got our first invoice for the tariff,” he said.

“We’ve been Trumped,” someone joked.

The summary for the Harmonized Tariff Schedule provided a multidigit code for engineered wood flooring. The purchase price to Real Wood on the invoice was $65,842, and in a column across the page was a line item for the additional tax the company had to pay: $6,584.20. The sum seemed small, perhaps, but Cobb says he expects to pay more than $200,000 in tariffs before the year is out.

The president could remove the tariffs at any moment, but identifying the winners this early in the age of the Trump tariffs is difficult, if not impossible. Economists tend to agree that all sides are likely to lose, at least in the short term. Employees of a nail manufacturer in Poplar Bluff, Mo., recently told a local television station that they were counting on presidential intercession to save their jobs. In South Carolina, a television maker named Element Electronics announced that it was closing down and laying off 126 workers as a result of the tariffs, only to gain salvation when Gov. Henry McMaster and other state political figures personally interceded to get the company an exclusion, the kind of random political intervention that ***trade*** policy is meant to prevent.

In recent days, Cobb and his sales force traveled to Phoenix, Ariz., for a series of meetings with builders, hoping to win contracts to supply hardwood floors to small and midsize single-home companies across the country. The sessions went well, with Real Wood presenting its nontariffed products from Cambodia and Indonesia, not even bothering to show the favored ***China***-made flooring styles. One builder mentioned that for his next project he might swap out hardwood flooring from ***China*** for vinyl, to save on costs.

“Do you know your vinyl flooring is on the tariff list?” Cobb asked. “It’s also tariffed.”

“I’ve heard rumors,” the builder said. “What else is on the list?”

“Nails, molding, cabinetry, all types of flooring,” Cobb said, citing only a few of the thousands of items subject to tariffs — no exclusions allowed — that will hit the entire American economy.

“Is that really going to happen?” the builder stammered.

“It already has,” Cobb replied.

Guy Lawson is the author of “***War*** Dogs,” which inspired the film of the same name. He last wrote about ***U.S***.-Canada ***trade*** relations.

PHOTO: Sam Cobb, chief executive of Real Wood Floors, which has lost 25 percent of its business with customers in ***China*** because of the ***trade war***. (PHOTOGRAPH BY Brian Ulrich for The New York Times FOR THE NEW YORK TIMES)

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1. Trump Administration Is Said to Open Broad Inquiry Into ***China***’s ***Trade*** Practices
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**Load-Date:** December 3, 2018

**End of Document**

**China Seeks Allies as Trump’s Trade War Mounts. It Won’t Be Easy.**

The New York Times

November 4, 2018 Sunday 00:04 EST

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**Section:** BUSINESS

**Length:** 1413 words

**Byline:** Keith Bradsher

**Highlight:** President Xi Jinping kicks off a Shanghai event showing a growing Chinese appetite to buy from the rest of the world. Even critics of the ***U.S***. have doubts.

**Body**

SHANGHAI — Faced with mounting American tariffs that could slow ***China***’s already weakened economy, President Xi Jinping is pressing the case to the rest of the world that ***China*** can be a positive force for global ***trade***.

The challenge will be convincing the world he means it.

Mr. Xi, the country’s top leader, on Monday kicked off a six-day expo intended to show ***China*** as a big buyer of foreign goods. He extolled ***China***’s appetite for what the rest of the world makes, and he reiterated promises that Beijing would lower import tariffs and improve intellectual property protection to help make that happen.

“Openness has become a trademark of ***China***,” Mr. Xi said. “***China*** has grown by embracing the world, and the world has also benefited by ***China***’s opening up.”

“Today, as economic globalization deepens and develops,” he added, “the ideas of the law of the jungle and winner take all increasingly lead to a dead end.”

Mr. Xi’s import expo is expected to bring 150,000 Chinese buyers to Shanghai this week to a vast exhibition center with more than five times the exhibition space of the Jacob K. Javits Convention Center in New York to peruse imports offered by businesses from 130 countries. It was intended to show that ***China*** offers more to the world than its vast manufacturing sector, which has flooded the world with goods and prompted leaders in the ***United States*** and elsewhere to worry about their own domestic industries.

***China***’s challenge was on display, as well, particularly when you consider who skipped the event. Despite months of energetic efforts by ***China*** to persuade foreign leaders to attend, only about a dozen presidents and prime ministers — from Hungary, the Dominican Republic and El Salvador, among others — showed up Monday morning. Many were leaders of countries, like Kenya and Laos, that have borrowed heavily from Beijing as part of Mr. Xi’s Belt and Road Initiative, which is lending money for infrastructure projects across Asia, Eastern Europe and East Africa.

Notably absent were the leaders of major ***trading*** nations like Germany, Britain, South Korea and Japan. The ***United States*** did not send an official delegation at all.

Even some who attended struck a discordant note. Speaking on Monday morning in Shanghai, President Uhuru Kenyatta of Kenya said that his country’s ***trade*** with ***China*** has grown eightfold in the past decade. “This ***trade***, however, was heavily skewed in favor of ***China***,” he said.

Even while seeking a ***trade*** deal with Washington, Beijing has increasingly tried to appeal to the rest of the world, both for political support in the clash with the ***United States*** and to make sure ***China*** has more places to sell its products. Illustrating that effort, Mr. Xi met recently with Shinzo Abe, Japan’s prime minister, in a move widely seen as a signal that President Trump’s tough ***trade*** stance against Japan and ***China*** could bring the two regional rivals closer together.

Governments in Europe and East Asia have found themselves increasingly caught in the middle of the ***trade war*** between Washington and Beijing. Mr. Trump is deeply unpopular among the public in many countries, particularly in Western Europe, making it politically difficult for leaders there to support him in the ***trade*** dispute.

But many European and East Asian leaders have complaints similar to Mr. Trump’s. They say ***China*** discriminates against foreign companies doing business here and unfairly supports local companies. Some have begun to favor taking a similarly aggressive stance against ***China***.

Adam Dunnett, the secretary general of the European Union Chamber of Commerce in ***China***, said that in the past few months some European companies had begun to favor a tougher, American-style position. They want restrictions on Chinese exports to Europe unless Beijing provides the same access to its markets for European companies that Europe has long provided for Chinese companies.

“This is a fundamental change,” he said. “The fact that we’ve got members talking that way is a real concern.”

Mr. Dunnett declined to identify the companies, and added that the chamber of commerce had not shifted its own position. The chamber has long called for greater openness of ***China***’s markets without endorsing threats of tariffs or other measures on Chinese exports to Europe.

Some European business leaders have begun echoing American complaints that ***China*** was allowed into the World ***Trade*** Organization in 2001 without enough rules to force it to become more of a market-based economy.

“We decided to open the door to ***China*** probably in a little bit naïve way,” said Patrick Pouyanné, the chairman and chief executive of Total, the French energy giant.

The shift in business attitudes has coincided with a shift in Trump administration policies in recent months toward rallying other countries to oppose Chinese ***trade*** policies, and away from unilateralism.

The ***United States*** imposed tariffs on steel and aluminum imports this year on a long list of countries that included many allies, pushed to   overhaul the North American Free ***Trade*** Agreement and threatened tariffs on   imports of European cars.

But Robert E. Lighthizer, the ***United States*** ***trade*** representative, has spent the past few months focusing on ***China*** while mending fences with European and East Asian nations and seeking bilateral free ***trade*** deals with a growing number of them.

The effort has potential appeal for American allies. The ***trade*** ministers of the European Union, Japan and the ***United States*** issued a joint statement in late September that denounced forced technology transfers, industrial subsidies and government-backed efforts to turn state-owned enterprises into national champions. The statement clearly referred to ***China***, although it was not mentioned by name.

***China*** is looking to resolve the ***trade war*** before it further damages the country’s slowing economy. Growth has been hurt by debt worries and declining business and consumer confidence.

Mr. Xi on Monday emphasized that ***China*** had opened up more sectors this year to foreign investment. Big companies like BASF, the German chemical giant, and Exxon Mobil, the oil and gas company, have made use of the opportunity to rush in and sign deals in recent months. In a nod to one major concern among foreign companies, he also said ***China*** would strengthen intellectual property protections so that firms would worry less about theft and copycats.

***China*** will “put in place a punitive, comprehensive system to significantly raise the cost for offenders,” Mr. Xi said Monday, without providing a timetable or details.

***China***’s imports have indeed been climbing in recent months. Its ***trade*** surplus with the rest of the world has shrunk when compared with the size of the country’s economy, Christine Lagarde, the managing director of the International Monetary Fund, noted in a brief speech on Monday. But much of that comes from importing commodities, not importing the kinds of manufactured goods that can lead to factory jobs abroad.

That is not to say the world is on the side of the ***United States***. American ***trading*** partners continue to warn that Mr. Trump’s unilateral moves to impose tariffs and rip up ***trade*** agreements could upset the global economic order. That bothers American ***trading*** partners, in particular moves by the ***United States*** that fall outside the World ***Trade*** Organization, the global accord that sets many of the rules of global commerce.

“What we are worried about is this unilateral approach,” Valdis Dombrovskis, the European Commission vice president for the euro and social dialogue, said in a recent interview. “We think ***trade*** should be dealt with in a multilateral framework.”

Keith Bradsher is the Shanghai bureau chief for The Times, and previously served as Hong Kong bureau chief and Detroit bureau chief. He covered the creation of the World ***Trade*** Organization and North American Free ***Trade*** Agreement as a Washington correspondent for The Times in the early 1990s. Follow Keith Bradsher on Twitter: @KeithBradsher. Ailin Tang contributed research.

PHOTO: President Xi Jinping of ***China*** at the opening ceremony of the first ***China*** International Import Expo in Shanghai on Monday. Mr. Xi is pressing the case that ***China*** can be a positive force for global ***trade***. (PHOTOGRAPH BY Aly Song/Agence France-Presse — Getty Images FOR THE NEW YORK TIMES)

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**Load-Date:** November 7, 2018

**End of Document**

**A $12 Billion Program to Help Farmers Stung by Trump’s Trade War Has Aided Few**

The New York Times

November 19, 2018 Monday 09:19 EST

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**Section:** US; politics

**Length:** 1649 words

**Byline:** Alan Rappeport

**Highlight:** Only $838 million has been paid out so far, despite a promised $12 billion in subsidies to farmers whose products have been retaliated against in the ***trade war***.

**Body**

WASHINGTON — America’s farmers have been shut out of foreign markets, hit with retaliatory tariffs and lost lucrative contracts in the face of President Trump’s ***trade war***. But a $12 billion bailout program Mr. Trump created to “make it up” to farmers has done little to cushion the blow, with red tape and long waiting periods resulting in few payouts so far.

According to the Department of Agriculture, just $838 million has been paid out to farmers since the first $6 billion pot of money was made available in September. Another pool of up to $6 billion is expected to become available next month. The government is unlikely to offer additional money beyond the $12 billion, according to Sonny Perdue, the agriculture secretary.

The program’s limitations are beginning to test farmers’ patience. The ***trade war*** shows no signs of easing, with ***China*** and the ***United States*** locked in a stalemate that has reduced American farmers’ access to a critical market for soybeans, farm equipment and other products. Europe is planning more retaliatory tariffs on top of those already imposed on American peanut butter and orange juice, and Canada and Mexico continue to levy taxes on American goods, including on pork and cheese.

Mr. Trump, who has had broad support in many farm states, still insists that his get-tough approach to ***trade*** will ultimately help American farmers, a position Mr. Perdue reiterated last month when he said farmers are “resilient” and can plan ahead for market conditions.

[Soybean farmers hope the ***trade war*** ends before their harvest rots.]

Farmers are no strangers to foreign tariffs or to government subsidies. But receiving monetary support in response to a ***trade*** dispute set off by the ***United States*** government is unusual. The program, which is using a Depression-era fund, allows farmers earning less than $900,000 a year to receive money if they produce one of the agricultural products that has faced retaliation. Different types of commodities receive different rates — for instance, hog farmers get $8 per head for 50 percent of their herd, while dairy farmers get 12 cents for every hundred pounds of milk.

The government also plans to purchase about $1.3 million worth of certain products, such as apples, oranges and pork, which it will distribute through nutrition assistance programs.

Farmers had mixed feelings about the bailout when it was announced last summer, as they tend to prefer free enterprise over government intervention, but many are disappointed as the subsidies have not made up for their losses.

“I don’t think this is going to be enough to compensate them,” said Eric Belasco, an economist at Montana State University and a scholar at the American Enterprise Institute. “It seems like there’s not really an end in sight.”

The dairy industry has been particularly critical of the program and, in a letter to Mr. Perdue, asked the administration to rethink how it calculates subsidies and to make them more generous to dairy farmers. The milk federation expects dairy farmers to lose $1.5 billion from the tariffs in the second half of this year and it has received only $127 million in aid.

“This was supposed to make sure farmers were not the victims of this ***trade*** policy,” said Jim Mulhern, president of the National Milk Producers Federation. “I think most agriculture producers feel that the payments have not come close to making up for the damage for the tariffs.”

So far, farmers in Illinois, Indiana, Iowa, Kansas and Minnesota have been the biggest recipients of assistance, the ***U.S***.D.A. said, with soybeans, wheat, corn, dairy and hogs being the goods most in need of support.

The bailout has also benefited two ***United States*** senators who continue to run active farms: Charles E. Grassley, the Republican of Iowa, and Jon Tester, a Montana Democrat.

Like any program offering free money, there are also opportunities to game the system. On Monday, the watchdog organization Environmental Working Group released a reportthat shows city residents who own shares in farms and relatives of farmers have been capitalizing on the bailout and that some farmers appear to have been paid large sums of money.

The program caps the amount farmers can receive, limiting payments to $125,000 per person or legal entity. But farms are often structured as partnerships, meaning that people who are not physically working on farms can still receive subsidies. Mr. Grassley, who owns a farm in Iowa but spends most of his time in Washington,   told The Des Moines Register last month that he planned to split his subsidy with his son, who operates the 750-acre farm with him.

The Environmental Working Group’s analysis of 87,704 payments made through October found that 1,142 farmers in the nation’s 50 largest cities have received bailout payments.

The program has also been bogged down by bureaucracy as well as practical challenges, which made it slow to roll out. Farmers who want payments must fully complete their harvests before they can apply for aid — presenting a challenge for some crops that have been delayed by bad weather.

Roderick A. De Arment, who grows soybeans and corn in Virginia, said that the subsidy application paperwork had been sitting on his desk because he had been waiting for his beans to dry for harvest. The wet weather has delayed the entire process, but he expects that if he gets 1,000 bushels of beans, he may be entitled to about $800 in return from the government.

“It’s kind of a patch,” said Mr. De Arment, who is an old friend of Robert E. Lighthizer, the Trump administration’s top ***trade*** negotiator. “It’s a bad situation, but it provides some relief for the farmers who are impacted.”

That relief has not been enough to keep many farmers from feeling the pain of Mr. Trump’s ***trade war***.

Lynn Rohrscheib, who farms 7,000 acres of soybeans and corn in eastern Illinois, said she needed to sell soybeans at $10 a bushel to break even, and she can get only $8 a bushel. She’s holding on to some of her beans, hoping for higher prices, but she had to sell a significant portion of this year’s crop to pay her bills. If the standoff with ***China*** continues, she said she would need to lay off some of her 18 employees.

“We don’t want a handout,” she said. “We want ***trade***. We want to sell the crop.”

She said she was losing patience with the Trump administration. “We were all really supportive at the beginning,” she said. “We figured we didn’t know all the facts and something would happen and this won’t be a long-term thing. Now it looks like this is going to be a several-year thing and people are getting frustrated.”

Farmers in general are having a tough year. The Agriculture Department’s economic research service predicts net farm income in the ***United States*** this year will fall by $9.8 billion,to $65.7 billion, a 13 percent drop from 2017. Weak pricing, tight credit and corporate monopolies have put pressure on farms in recent years, and new ***trade*** barriers have exacerbated their economic problems.

Soybean farmers have received the most generous subsidies, but even for them it has been too little, too late. Through mid-October, according to federal data, American soybean sales to ***China*** — the world’s largest importer of soybeans — have declined by 94 percentfrom last year’s harvest. The subsidy rate of 82.5 cents per bushel is covering less than half the losses of American soybean farmers.

Pork has also been getting pinched. The National Pork Producers Council estimated that ***China***’s pork tariffs, which were a response to Mr. Trump’s steel and aluminum tariffs, could cost the industry more than $2 billion this year.

Lawmakers from both parties have been skeptical of subsidizing farmers to blunt the impact of ***trade*** policies that they disagree with. Senator Brian Schatz, a Democrat from Hawaii, mocked the administration for essentially borrowing money from ***China*** to pay farmers to not sell their crops to ***China***.

For many Republicans who oppose Mr. Trump’s ***trade*** policies, the program treats a self-inflicted wound. Senator Patrick J. Toomey, the Pennsylvania Republican, has said that the bailout “compounds bad policy with more bad policy.”

Government intervention in markets can have unintended consequences, and subsidizing agricultural industries is no exception.

After dairy prices plummeted in the 1970s, President Jimmy Carter poured money into the sector to prop it up. Flush dairy farmers then ramped up production and the federal government ended up having to buy the oversupply of butter, cheese and milk powder that could not be sold. It was stored in hundreds of warehouses across the country.

By the early 1980s, the Reagan administration was stuck with $3 billion of surplus dairy products and was spending up to $100 million a year to transport and store them.

Mr. Belasco suggests that the Trump administration could be treading carefully by saying that it will end the subsidies next year in an effort to avoid skewing markets further. However, using subsidies defensively in a ***trade war*** is different than employing them as a cushion during an economic downturn or because of weather fluctuations, he said, because consumers around the world who begin buying beans, corn and pork elsewhere might be slow to switch back to American producers.

Mr. De Arment, who has known Mr. Lighthizer since they were law students in the early 1970s, does not know how things will play out. He said he recently in jest urged Mr. Lighthizer to get a deal with ***China*** done before his harvest is ready.

“Who knows if and when they’ll do that,” he said.

Binyamin Appelbaum and Jennifer Steinhauer contributed reporting.

PHOTO: A soybean farm in Buda, Ill. American soybean sales to ***China*** — the world’s largest importer of soybeans — have plunged by 94 percent from last year’s harvest. (PHOTOGRAPH BY Daniel Acker/Reuters FOR THE NEW YORK TIMES)

**Related Articles**

* Their Soybeans Piling Up, Farmers Hope ***Trade War*** Ends Before Beans Rot

**Load-Date:** November 27, 2018

**End of Document**

**Trump Starts a Trade War, but the Path to Success Remains Unclear**

The New York Times

July 6, 2018 Friday 19:59 EST

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**Section:** US; politics

**Length:** 1714 words

**Byline:** Ana Swanson and Neil Irwin

**Highlight:** President Trump has said that ***trade wars*** are “easy to win,” but the question is whether he has a plan to achieve the results he wants.

**Body**

WASHINGTON — The ***United States*** and ***China*** hit each other with punishing tariffs on Friday as the two nations tipped into a long-feared ***trade war*** that is only expected to escalate.

President Trump has said that ***trade wars*** are “easy to win.” Now, as he opens a global skirmish with allies and adversaries alike, the question is whether he has a plan to achieve the results he wants or whether he is heading into a costly and futile clash without resolution.

The president appears to be betting that threatening ***trading*** partners like ***China***, the European Union, Mexico and Canada with tariffs will eventually force them to bend to the ***United States***.

His strategy is being buoyed by a strong economy that is giving Mr. Trump more latitude to impose tariffs that might otherwise pose too much risk. Job growth was strong in June, according to a new government report, as employers added 213,000 net new jobs and the unemployment rate rose as more people entered the labor market and began looking for work. Manufacturing job growth was particularly robust.

Those numbers are backward-looking, but there is little reason to think that the initial batch of tariffs will knock the entire economy off course. The $34 billion worth of Chinese goods subject to tariffs, and an equivalent retaliation by ***China***, is tiny compared to the $20 trillion ***United States*** economy. Global stock markets largely shrugged off the ***trade war*** on Friday.

But the tariffs are still inflicting pain on some industries in particular, including farmers and small manufacturers who have long supported Mr. Trump. And with little sign of a negotiated resolution between the ***United States*** and ***China*** — or any other ***trading*** partner — the conflict threatens to escalate, eventually affecting hundreds of billions of dollars of additional products.

“Trump’s soundest argument in his election campaign was that he would not waste American lives and treasure in pointless ***wars*** of choice,” Adam Posen, the president of the Peterson Institute for International Economics, wrote in March in an op-ed article. “His launching a ***trade war*** would prove, however, to be his economic Afghanistan — costly, open-ended, and fruitless.”

On Friday, the Trump administration took its most aggressive step yet as it imposed tariffs on $34 billion worth of Chinese goods, including medical devices and airplane parts, and threatened billions of dollars more in the coming months. The Chinese immediately responded with tariffs on an equal volume of American soybeans, pork, automobiles and other products.

Mexico, Canada and the European Union have similarly retaliated against Mr. Trump’s steel and aluminum tariffs and have threatened to push back if the president moves ahead with his threat to place a 20 percent tariff on imported cars and car parts.

The president and his advisers insist that history is on their side and that Mr. Trump’s approach will yield better results than years of diplomatic niceties, including bilateral talks with the Chinese, that have produced bad deals for the ***United States***.

“We have the worst ***trade*** deals in the world. We lose money with everybody,” Mr. Trump said last week. “Every country is calling every day, saying, let’s make a deal, let’s make a deal. It’s going to all work out.”

His approach has garnered support from certain corners of American industry, particularly sectors that have seen significant job losses connected to ***China***’s rise.

“These aren’t the first shots of a new ‘***trade war***,’” Scott Paul, the president of the Alliance for American Manufacturing, which represents steelworkers and manufacturers, said Thursday in a Twitter post. “***China***’s been conducting a highly effective ***war*** on American workers,” he said, adding that the “difference now is that we are systematically pushing back.”

But many of Mr. Trump’s supporters say they are unsure, exactly, how the ***trade war*** will work out, given the escalating threats emanating from the White House and the lack of a clear strategy toward resolving the president’s differences with the ***United States***’ ***trading*** partners.

Mr. Trump’s steel and aluminum tariffs had barely gone into effect before he upped the ante and threatened auto tariffs on those same allies, pushing ***trade*** relations with Europe and Canada to their rockiest point in decades. With ***China***, the president’s advisers have vacillated between asking Beijing to purchase more American products to lower the ***United States***’ ***trade*** deficit and pushing for more substantive economic reforms. And talks to revise the North American Free ***Trade*** Agreement with Canada and Mexico remain stalled over deep differences with the ***United States***.

If the conflict with ***China*** is not resolved soon, Mr. Trump has threatened to place tariffs on nearly everything ***China*** exports to the ***United States***, in addition to tightening Chinese investments in the ***United States*** and limiting visas for Chinese citizens. While many supporters describe the president’s bold statements as a negotiating tactic, talks between the Chinese and the ***United States*** have faltered for now, with no additional discussions in sight.

“There is no apparent plan,” said Daniel Price, a managing director of Rock Creek Global Advisors, an advisory firm, and a former ***trade*** official in the George W. Bush administration. “The administration has given no indication what the off-ramp is or what their objectives are.”

“Trump is treating ***trade*** policy as though it were a real estate deal, where the goal is to beat your opponent, step on his throat and humiliate him,” said Daniel Ikenson, the director of ***trade*** policy studies at the Cato Institute.

Even if it works and nations like ***China*** blink, Mr. Ikenson said, “the cost to that will be trust in the ***U.S***., and it will encourage other governments to behave this way when their backs are against the wall.”

Many farmers and manufacturers remain staunch supporters of Mr. Trump. But their faith is starting to waver as tariffs take effect and they feel the impact of reduced market access and higher costs.

“I would just like the administration to be clear, at least with us, on the goal,” said Jay Hollowell, the mayor of Helena-West Helena, Ark., an area that produces soybeans, which are now being heavily taxed by ***China***. “Is it to lower ***trade*** deficits with other countries like ***China***, or is it to protect American industries?”

“People’s livelihoods are on the line here,” Mr. Hollowell added.

For now, the current ***trade*** measures affect a small portion of the economy and come at a time of economic strength, giving Mr. Trump more latitude to take the type of aggressive measures that, in weaker economic times, would provide a drag on the economy much more quickly.

Businesses have been warning for months that tariffs will cause them to scale back on hiring and investment, and pass higher prices on to consumers. But those effects are not evident in the data, so far.

Oxford Economics, for example, calculated that the tariffs with ***China*** would shave only 0.1 percent off both American and Chinese gross domestic product in the next two years, though that would rise to 0.3 percent if the Trump administration follows through on threats to expand the tariffs to $200 billion worth of goods.

But tariffs could still cause plenty of trouble in specific sectors and industries, even if the levies do not provide a significant drag on overall economic growth.

For example, soybean futures prices have fallen 15 percent since May 25 in anticipation of the Chinese retaliatory tariffs. With a stiff tax on soybean imports, American farmers will face lower demand from overseas and a hit to their incomes. Those farmers, in turn, would spend less on equipment and materials, which could eventually trickle through to the broader economy.

John Heisdorffer, a soybean grower from Keota, Iowa, and the president of the American Soybean Association, said he and others in the industry had spent years trying to develop markets in ***China*** that were now being closed with the stroke of a pen. “My son, who farms with me, is going to spend the rest of his lifetime trying to get that back, and that scares the hell out of me,” Mr. Heisdorffer said.

The ***United States*** ***trade*** representative said Friday that it would allow American companies to apply for exclusions to the tariffs if the product they need to import is not available outside ***China***, or if the tariffs on it would cause “severe economic harm.”

Some of the products involved in earlier phases of the Trump administration’s ***trade*** battles offer evidence of how American consumers may eventually be affected.

In January, the president announced new tariffs on imported washing machines. Since then, the price of laundry equipment is up 10 percent, according to the Bureau of Labor Statistics.

And the administration has either entered or threatened to enter ***trade wars*** on multiple fronts at the same time, compounding the risks. A tariff on automobile imports that is in the works, for example, could expand the dollar value of goods the ***United States*** places tariffs on by tenfold and set off a new wave of retaliation that endangers companies that export to Europe, Japan, South Korea and elsewhere.

Leaders of the Federal Reserve appear concerned that this overlay of risk in the economy could dampen investment spending, according to minutes of a June policy meeting released Thursday. Fed officials “noted that uncertainty and risks associated with ***trade*** policy had intensified and were concerned that such uncertainty and risks eventually could have negative effects on business sentiment and investment spending.”

The economy appears strong enough to withstand the relatively moderate tariffs that have already been put in place. The question is what will happen if things continue to escalate to eventually encompass hundreds of billions or even trillions of dollars worth of goods.

“If we get up to a trillion dollars in the cross hairs, then that means we’re talking about 25 percent of ***trade*** in goods,” Mr. Ikenson said. “People will begin to notice that.”

PHOTO: President Trump has said that ***trade wars*** are “easy to win.” Now that he has started one with ***China***, it remains to be seen what his strategy is. (PHOTOGRAPH BY Gabriella Demczuk for The New York Times FOR THE NEW YORK TIMES)

**Related Articles**

* How to Lose a ***Trade War***

1. Making America Unemployed Again

**Load-Date:** July 9, 2018

**End of Document**

**DealBook Briefing: The Trade War Isn't Over. It's Just on Hold.**

The New York Times

December 4, 2018 Tuesday, The New York Times on the Web

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**Section:** Section ; Column 0; Business/Financial Desk

**Length:** 1847 words

**Body**

Good Monday. Want this by email? Sign up here.

Don't think that the ***trade war*** is going away

President Trump and President Xi Jinping of ***China*** struck a deal on Saturday evening to ease ***trade*** tensions between their two countries. Global markets breathed a sigh of relief, with ***U.S***. stock futures rising significantly -- but there's plenty of negotiating left to do, and little sign yet that meaningful progress can be made.

What happened: Over dinner at the Group of 20 meeting in Buenos Aires (on the menu: grilled sirloin and seasonal vegetable salad), Mr. Trump agreed that the ***U.S***. would hold off on raising tariffs on $200 billion worth of goods to 25 percent from a current level of 10 percent. Mr. Xi said ***China*** would lower levies on ***U.S***. car imports, Mr. Trump tweeted.

Why it happened: The two sides recognized that they were both suffering from a prolonged ***trade*** battle. ***China***'s economy has slowed more than expected, partly because of the tariffs, and ***U.S***. businesses and stocks have been hurting from the uncertainty. Tyler Cowen of Bloomberg Opinion argues that Mr. Trump deserves some real credit for forcing action on many of the long-running disputes between the two countries.

What could go wrong: ***China*** might not follow through on promises to toughen protections for intellectual property and to further open its markets. Hard-liners in the Trump administration may derail negotiations. And experts are skeptical that fruitful progress can be made by a March 1 deadline.

More G-20 news: Mr. Trump reportedly said ''Get me out of here'' onstage before a group photo. And ***China*** appeared to have partly censored a statement by the ***U.S***. Embassy in Beijing about the agreement.

Trump threatens to withdraw from Nafta

On the sidelines of the G-20 meeting, President Trump signed his new ***trade*** deal with Canada and Mexico. But he added that he would waste no time in ditching its predecessor.

What he said: ''I will be formally terminating Nafta shortly,'' Mr. Trump told reporters aboard Air Force One during his flight back to the ***U.S***.

Why he said it: He hopes to force House Democrats to approve the revision of Nafta, known as the ***United States***-Mexico-Canada Agreement. Some Democratic lawmakers fear that the new deal is not in the interest of American workers.

The risk it poses: ''If he follows through on his threat, congressional leaders will have six months to pass the new ***trade*** measure,'' Glenn Thrush of the NYT writes. ''If no deal can be reached, both versions of the treaty would be void, which would result in far more restrictive ***trade*** that could have a severe impact on industry and agriculture in all three nations.''

Is it time for crypto to catch up with the law?

Late last week, Andrew sat down with the S.E.C. chairman, Jay Clayton, at a TimesTalk event in New York to discuss the future of blockchain and cryptocurrency. (You can watch the discussion here.) Some highlights:

Mr. Clayton reaffirmed a need for caution. On the topic of initial coin offerings, he said, ''We tried to get the word out that although the ***trading*** looks like the ***trading*** you would see on Nasdaq or on the New York Stock Exchange, these markets do not have the same kinds of safeguards for you.''

But he sees no need to modernize for modernity's sake. ''My view is that our rules have stood the test of time,'' he said. ''I'm not going to change rules just to fit a technology.'' Any regulation that it does impose on crypto, he said, is ''not picking winners and losers'' but ''protecting investors.''

Cryptocurrencies are still struggling. Bitcoin remains under $4,000, down about 80 percent from its high last December. It's hurting in part because of regulatory scrutiny, and many people in the community would like some support from the establishment.

The bottom line: For a while, it looked as if laws might have to be changed to work with crypto. Mr. Clayton's comments hinted that crypto might be the one to change, to meet the law.

Coming up: World powers seek new rules to save the climate

Officials from around the globe are meeting in Katowice, Poland, today at the United Nations's annual climate talks.

Big decisions are on the agenda. Bloomberg explains that delegates ''will seek to transform pledges made in Paris three years ago into an international rule book aimed at curbing greenhouse gas emissions.'' We're now in the hard part, where goals must be turned into functioning policy.

They will look to the private sector for help. ''While government leadership on climate is essential, 70 percent of world economic activity is in the private sector,'' President Emmanuel Macron of France and Prime Minister Andrew Holness of Jamaica write in a WSJ op-ed. ''Humanity's ability to correct course depends on how quickly companies adapt.''

President Trump remains uninterested. A statement from the G-20 meeting explains that ''the ***U.S***. reiterates its decision to withdraw from the Paris Agreement, and affirms its strong commitment to economic growth and energy access and security, utilizing all sources and technologies, while protecting the environment.''

Starwood missed a chance to spot its huge data breach years ago

Last week's revelation that hackers stole the personal data of up to 500 million Starwood guests drew outrage. But experts told Robert McMillan of the WSJ that the company should have used the discovery of a 2015 security intrusion to uncover this breach:

Marriott says that the 2015 incident was different and not related to the attack made public Friday. But security specialists say that while it's not unusual for breach investigations to miss a second intruder, a more thorough investigation into the 2015 intrusion could have uncovered the attackers, who instead were able to lurk in its reservation system for three more years.

''With all the resources they have, they should have been able to isolate hackers back in 2015,'' said Andrei Barysevich, a researcher with the security company Recorded Future Inc.

Marriott, which bought Starwood in 2016, will pay for the breach: New York's attorney general and European regulators are both investigating the episode, and Marriott may become the first company to pay a huge fine under Europe's new data protection law.

Shares in Marriott fell 5 percent on Friday and will probably drop again today.

Meanwhile, not only were customers' personal details compromised in the hacking, but their valuable rewards points may have been stolen.

Theresa May faces a tough week for her Brexit plan

The British prime minister takes her Brexit deal to a vote in Parliament next week, and the eight days leading up to that look to be painful:

Four political parties -- including the Democratic Unionist Party of Northern Ireland, a putative ally of Mrs. May's -- have suggested that the prime minister was in contempt of Parliament for not publishing the government's full legal advice on Brexit.

The Labour Party leader, Jeremy Corbyn, is under growing pressure to support a second referendum on leaving the E.U., a proposal he had previously ruled out. That may be the best shot that critics have of keeping Britain in the E.U.

Critics continue to argue that Brexit in any form would harm the British economy. Felix Salmon of Axios contends that it could even contribute to a global economy slowdown.

Qatar quits OPEC before a pivotal meeting on oil prices

The Middle Eastern country said this morning that it would leave the oil cartel in January to focus on its natural gas industry. It's the latest sign of divides in OPEC days ahead of a meeting at which the group is to decide how to steady the price of oil.

Qatar's leaving OPEC isn't a blow to the cartel's power, per se: The emirate is one of the cartel's smallest members. But as Bloomberg points out, ''its departure is most significant for any potential impact on the group's cohesion.'' With oil prices having plunged last month, it's crucial for the cartel to keep its members unified if it is to benefit from any production cuts.

More oil news: Royal Dutch Shell will link carbon emissions targets to executive pay.

Revolving door

The online lender SoFi plans to lay off 100 employees, or about 7 percent of its staff, as part of a revamp of its mortgage department.

The speed read

Deals

UBS will take a majority stake in its Chinese joint venture, the first foreign bank to do so. (FT)

Qualcomm said that America's ***trade*** truce with ***China*** wouldn't revive its takeover bid for the chip maker NXP Semiconductors. (CNBC)

Nexstar agreed to buy Tribune Media for $4.1 billion, becoming the biggest operator of local TV in the ***U.S***. (WSJ)

Uber reportedly approached the electric scooter companies Bird and Lime about potential takeovers. (FT)

Juul employees are said to be upset about a possible investment in their vaping company by Altria. (Axios)

Politics and policy

Washington mourned former president George Bush, who died on Friday. Some are contrasting his bipartisan approach with President Trump's leadership style. (***U.S***. stock markets will be closed on Wednesday to commemorate Mr. Bush.)

Lawmakers are discussing an interim spending bill to delay any government shutdown until after Mr. Bush's funeral. (NYT)

James Comey struck a deal with Republican lawmakers to testify about investigations into Hillary Clinton's email and whether the Trump campaign colluded with Russia in 2016. (NYT)

***Trade***

Senator Chuck Grassley, the incoming chairman of the Senate Finance Committee, wants to rein in President Trump's ***trade*** authority. (Axios)

Marijuana is such big business in Canada that companies are importing workers. (Bloomberg)

Tech

American authorities ordered a co-founder of Six4Three, the company at the center of Facebook's most recent data privacy scandal, to surrender his laptop after he admitted to giving British lawmakers documents that had been under seal in the ***U.S***. (Bloomberg)

Amazon is reportedly testing its cashierless technology for use at larger stores. (WSJ)

Solving the digital divide wouldn't necessarily create equality online, and doing so could even drive further inequality. (Axios)

Best of the rest

Goldman Sachs may start monitoring high-risk employees in the wake of its 1MDB scandal. (FT)

The C.I.A. reportedly has more evidence to support its claims that Mohammed bin Salman, the Saudi crown prince, ordered the killing of Jamal Khashoggi. (NYT)

The Justice Department accused McKinsey & Company of hiding dual roles that it played in bankruptcy cases in order to profit. (NYT)

E.U. finance officials hope to create tools to prevent financial crises. (FT)

The Justice Department is considering changing rules that govern the movie industry. (WSJ)

Should measures of inflation include house prices? (FT)

G.E., Tesla and Snap are under investigation for their accounting practices. Here's what they should worry about. (DealBook)

Take a peek at the airports of the future. (NYT)

Thanks for reading! We'll see you tomorrow.

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https://www.nytimes.com/2018/12/03/business/dealbook/***trade-war***-truce.html

**Load-Date:** December 4, 2018

**End of Document**

**Trade War Escalates. Stock Markets Shrug. Here’s Why.**

The New York Times

September 18, 2018 Tuesday 15:00 EST

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**Section:** BUSINESS

**Length:** 791 words

**Byline:** Matt Phillips, Jack Ewing and Alexandra Stevenson

**Highlight:** In ***China***, Europe and the ***U.S***., stock indexes rose slightly, after President Trump imposed new tariffs on ***China*** and ***China*** retaliated with its own tariffs.

**Body**

Investors tuned out the latest escalation in the ***trade war*** between the world’s two largest economies, with markets around the world climbing slightly as President Trump announced new tariffs on ***China*** and Beijing responded in kind.

Stock markets in Japan, Germany and South Korea — where many companies’ fortunes hinge on international ***trade*** — were all up. Even in ***China***, where major equities markets had been down about 20 percent this year, the benchmark index in Shanghai closed almost 2 percent higher.

In the ***United States***, the Standard &amp; Poor’s 500-stock index rose more than 0.5 percent, as American investors continued to see few signs that companies would be hurt by Chinese attempts to retaliate against Mr. Trump’s confrontational stance on ***trade***. In the latest tit-for-tat, the president said Monday that the ***United States*** was imposing tariffs on another $200 billion in Chinese imports, and ***China*** responded by saying it was adding tariffs on $60 billion in American goods.

Why are markets so sanguine about a ***trade war*** that could affect hundreds of billions of dollars in international commerce?

One reason is that corporate profits in the ***United States*** have been booming — they were up more than 20 percent in the first two quarters of the year, compared to last year — thanks to the Trump administration’s tax cuts and a strong domestic economy. That makes an intensifying ***trade war*** much less scary.

“I think the bottom line is that the earnings have continued to accelerate,” said Marc Pouey, a strategist at Bank of America Merrill Lynch. “If the ***trade*** tension were to dissipate, it would help sentiment, but this market is being held up by fundamentals, which are very good.”

Stock markets in the ***United States*** are beating their foreign counterparts. The Nasdaq index is up more than 15 percent this year. The S. &amp; P. 500 is up 8.6 percent, even though the companies in the index generate about 38 percent of their sales outside the ***United States***, according to the market data company FactSet.

By contrast, Japan’s Nikkei 225 is up only about 2.9 percent for the year, and France’s CAC-40 — one of the best-performing large European stock markets — had eked out a gain of less than 1 percent.

Some sectors of corporate America have lagged. Industrial companies in the S. &amp; P. 500 — Boeing, Honeywell and 3M among them — are up only 4.7 percent for the year.

Such companies are especially vulnerable to ***trade*** disputes. They consume large amounts of products like steel and aluminum, whose prices have jumped because of the administration’s import tariffs. Some of these companies also do lots of business in ***China***, where they may be subject to that country’s tariffs, a general economic slowdown because of the ***trade war*** or both.

“***China***, for sure, is impacting some of these stocks,” said Anik Sen, global head of equities at asset manager PineBridge Investments. “These are the ones that have actually borne the brunt of this uncertainty.”

Tariffs could knock 0.7 of a percentage point off ***China***’s annual economic growth, said Fang Xinghai, vice chairman of ***China***’s securities regulator. But, he added, the Chinese government has the tools to cushion any impact. Mr. Fang was speaking on Tuesday at a World Economic Forum conference.

Some analysts worry that Beijing may retaliate against the ***United States*** by weakening the value of ***China***’s currency, the renminbi, relative to the dollar. That would make Chinese products cheaper and more attractive to foreign buyers, potentially blunting the higher costs that American tariffs would impose.

The renminbi has weakened by more than 5 percent against the dollar this year, an unusual slide for a currency that does not ***trade*** freely and is carefully managed by Beijing. The daily exchange rate is set by the Chinese central bank and ***trades*** in a narrow band against the dollar.

On Tuesday, the renminbi had lost a little more ground against the dollar.

One big question hovering over the markets is whether the ***trade war*** has reached a plateau or will escalate further.

Mr. Trump has long railed against what he says are ***China***’s unfair ***trading*** practices, and even as he announced the latest round of tariffs on Monday, he said he was willing to quickly add levies on an additional $267 billion worth of Chinese imports if Beijing retaliated.

PHOTO: Asian markets were mixed on Tuesday after President Trump ordered tariffs on $200 billion more in Chinese goods, ramping up tensions between the world’s top two economies. (PHOTOGRAPH BY Koji Sasahara/Associated Press FOR THE NEW YORK TIMES)

**Related Articles**

* Trump Hits ***China*** With Tariffs on $200 Billion in Goods, Escalating ***Trade War***

1. As Trump’s ***Trade War*** Mounts, ***China***’s Wall Street Allies Lose Clout
2. Trump’s ***Trade War*** Is Rattling ***China***’s Leaders

**Load-Date:** October 18, 2018

**End of Document**

**The Unknowable Fallout of China’s Trade War Nuclear Option; Dealbook**

The New York Times

October 9, 2018 Tuesday 11:09 EST

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**Section:** BUSINESS; dealbook

**Length:** 1110 words

**Byline:** Andrew Ross Sorkin

**Highlight:** ***China*** holds more than a trillion dollars in ***United States*** debt, and an escalating ***trade war*** could tempt it to wield that debt in a way that has long been unthinkable.

**Body**

It is often called the nuclear option.

In the ***trade war*** between the ***United States*** and ***China***, economists and investors have long tried to game out how both sides might use their clout. In virtually all the predictions, at least until recently, they revolved around a tit-for-tat tariff ***war***.

Even in the gloomiest of doomsday scenarios, there is one weapon that has long been considered unthinkable: the Chinese, the biggest holder of ***United States*** foreign debt with more than $1 trillion, publicly taking a step back from buying ***United States*** Treasuries — or worse, dumping what they own in the open market.

The very idea is typically dismissed as a waste of time to even consider, and the reason is a sort of mutually assured destruction. It would be wildly irrational in economic terms, the thinking goes. ***China*** selling Treasuries would send interest rates up and hurt the ***United States***, but it would simultaneously severely damage the value of ***China***’s own Treasury holdings. As the industrialist J. Paul Getty famously said, “If you owe the bank $100, that’s your problem; if you owe the bank $100 million, that’s the bank’s problem.” In the ***United States***-***China*** relationship, ***China*** is very clearly the bank.

But the conventional wisdom about what ***China*** might — or might not — be prepared to do could be wrong. ***China*** has lately reduced its holdings of ***United States*** government debt, and a growing number of financiers, economists and geopolitical analysts are quietly raising the prospect that ***China*** may look to its ability to influence interest rates as its ultimate Trump card.

After all, ***China*** doesn’t have any American imports left to tariff and it is already   taking aim at deals, so what’s left?

If ***China*** were to undertake such a maneuver, it would do so at a delicate time for the ***United States*** economy: The rising deficit has increased the Treasury’s borrowing needs. There is more debt to be purchased, and the Federal Reserve is raising interest rates, making that debt more expensive. It’s not clear how much ***China*** could drive up rates by shedding Treasuries, but it would certainly add to the momentum already present.

And it is worth remembering that Beijing’s endgame is not necessarily to ensure the financial health of its country this year or the next. If ***China*** were to suffer short-term pain to gain a real and lasting advantage over the ***United States*** — or at least not lose any advantages it does have — it might be willing to struggle a bit today.

“The negotiation between the two great powers isn’t about how many soybeans or Boeing airplanes they buy by the end of the year,” said Kevin Warsh, a former governor of the Federal Reserve. “We are at a pivotal moment in history. The actions of the ***U.S***. and Chinese governments in the next 12 months will set the course for the relationship of the two great powers of the 21st century.”

And the ***war*** of words is only getting sharper. Last week, Vice President Mike Pence accused ***China*** of using “political, economic and military tools, as well as propaganda, to advance its influence and benefit its interests in the ***United States***.” And on Monday, ***China***’s foreign minister, Wang Yi,   admonished the Trump administration for “ceaselessly elevating” ***trade*** tensions and “casting a shadow” over relations between the two countries as he sat directly across from Secretary of State Mike Pompeo.

Still, critics who dismiss the possibility of ***China*** trying to upend the ***United States*** Treasury market say that ***China***’s own economy is too fragile to risk doing anything that would cause instability.

Stability has long been a watchword in ***China***. Over the weekend, ***China***’s central bank, clearly nervous about a slowdown, pumped $175 billion into the economy by lowering the amount of money that some lenders are required to hold in reserve, allowing that money to circulate freely instead.

Supporters of the Trump administration’s tough stance on tariffs with ***China*** take actions like that as a sign that the ***United States*** holds the negotiating leverage. And it remains an open question whether ***China*** could inflict real damage by selling Treasuries.

“Treasuries sales in a sense are easy to counter, as the Fed is very comfortable buying and selling Treasuries for its own account,” wrote Brad W. Setser, a senior fellow for international economics at the Council on Foreign Relations. “I have often said that the ***U.S***. ultimately holds the high cards here: The Fed is the one actor in the world that can buy more than ***China*** can ever sell.”

Even so, the market dynamics are unpredictable. Chances are, over the past two decades, there have been Treasury auctions at which the Chinese haven’t been bidders. But whether they were active bidders or not, the other bidders have always had to assume they were.

It is one thing to show up at Sotheby’s and not raise your paddle. It would be quite another to send out a news release saying you’re never going to Sotheby’s again.

The problem is that ***China*** would have to find something to do with that money — and, in this case, the auction house is always offering the best deals in town.

“Even if it could sell its more than a trillion dollars of Treasurys without pushing the market against it, where would it park the funds?” Marc Chandler, global head of currency strategy for Brown Brothers Harriman, wrote in a note to investors. “It will not be able to secure the liquidity, safety and returns that are available in the ***U.S***.”

But brinkmanship does not breed rational thought. The escalation of hostilities, even economic ones, raises both stakes and tempers alike, which is a dangerous combination.

And in this case, there is no proving ground. There is no predictable math, no scale model.

If ***China*** were to use its nuclear option and the markets didn’t react, it would lose influence in stark fashion. If it worked — but was more effective than expected — ***China*** could inflict unintended damage on its own economy.

And even a perfectly executed strike that left ***China*** unharmed would be perilous: A targeted attack on the ***United States*** economy would have unknowable repercussions. If the fallout cloud settled over Europe or emerging markets, would ***China*** be ready for that fight, too?

Since the end of the Cold ***War*** and the proliferation of nuclear weapons, the world has embraced a policy of strategic stability: reducing the incentive for rival nations to unleash unimaginable destruction.

That is probably good economic policy, too.

PHOTO: ***China*** holds more than $1 trillion in ***United States*** government debt. Should it choose to make use of it in a ***trade war***, the fallout would be difficult to forecast. (PHOTOGRAPH BY Gilles Sabrié for The New York Times FOR THE NEW YORK TIMES)

**Load-Date:** October 13, 2018

**End of Document**

**Trade War With China in Aisle 12**

The New York Times

July 12, 2018 Thursday 14:20 EST

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**Section:** BUSINESS

**Length:** 1034 words

**Byline:** Jim Tankersley

**Highlight:** With its latest round of proposed tariffs, the Trump administration is pulling American consumers into its battle with ***China***.

**Body**

WASHINGTON — The administration’s ***trade*** fight with ***China*** may soon be fought in the aisles of Walmart, Best Buy, REI and Costco.

President Trump’s latest round of proposed tariffs on Chinese goods would finally pull American consumers into an escalating ***trade war*** that they have, thus far, mostly watched from a distance.

Administration officials took pains in their first batch of Chinese tariffs to largely shield consumers from seeing immediate price increases on products they buy. The $34 billion round imposed on July 6 focused largely on goods that businesses purchase, which do not typically appear on store shelves, such as aircraft parts and industrial machinery.

But the list of $200 billion worth of products administration officials proposed hitting with tariffs on Tuesday would push up prices at many American retailers. The tariffs would be lower than the previous round — 10 percent instead of 25 percent — and they still mostly avoid apparel, one of the most visible product lines that Americans buy heavily from ***China***. But they include electronics, food, tools, housewares and a wide range of other consumer goods. The tariffs would not go into effect for several months and may not happen at all if the ***United States*** and ***China*** are able to resolve their differences.

Economists say that expansion will drive inflation higher and erode Americans’ purchasing power, potentially hurting economic growth. Inflation is already rising, the Labor Department reported on Thursday, driven largely by energy prices. The Consumer Price Index rose 2.9 percent in June from a year ago, its highest rate of the last six years.

The rate is lower — 2.3 percent — for core inflation, which excludes energy and food prices. Home furnishing prices have barely risen at all over the last year, and prices for information technology hardware and services have fallen by 2.3 percent in that time.

But retail groups say a prolonged ***trade war*** could accelerate price increases on a wide range of consumer goods, giving Americans sticker shock on some of their favorite items.

“You keep adding tariffs upon tariffs,” said Alex Boian, vice president for government affairs at the Outdoor Industry Association, whose members include such recreation titans as North Face and Patagonia, “and it really is difficult to see a way that this does not hit retail prices.”

The latest tariff list includes several mainstay products of the outdoor industry, such as travel bags, backpacks and the knit fabric used in fleece vests. It also includes dog collars, sledgehammers, saw blades, baseball mitts, ski gloves, toilet paper, art supplies, ceramic tiles, windshield glass and antiques that are more than 100 years old.

There are also seemingly random — and likely not household — products on the list, like bovine semen and horsehair.

More than 1,000 of the 6,000 items on the list are chemicals, according to an analysis by Panjiva. Nearly 1,000 more are food products, including vegetables like cabbage, kale, carrots and beets and hundreds of types of fish. Many of those fish, such as Alaskan pollock, are caught elsewhere and processed in ***China***.

In dollar terms, the items most likely to rattle American consumers are computers and couches. The Panjiva analysis shows that $50 billion worth of goods subject to tariffs are electronics, including $17.4 billion in PC components and $5.2 billion in desktop computers. Nearly $30 billion worth of the products are furniture. In addition, the administration will soon begin imposing 25 percent tariffs on more than $3 billion worth of semiconductors, potentially driving up computer prices even more.

Buying a new PC or sofa is a major purchase for most Americans, and a 10 percent tariff could force many consumers to seek out cheaper brands or delay the purchase. It seems unlikely that stores will absorb the import taxes by accepting lower profit margins. But American consumers might not have much choice but to pay them: For nearly $100 billion of the products targeted, Panjiva estimates, ***China*** supplies more than half of the imports that Americans buy.

As the tariffs expand to cover roughly half of all Chinese goods exported to the ***United States***, consumers will start seeing price increases on store shelves, said Mary Lovely, a senior fellow at the Peterson Institute for International Economics.

“It is possible that they can scoot around some of the effect on consumers, but it gets increasingly difficult,” she said. “It also gets further and further away from the stated rationale of the tariffs, which is to hit high-tech products.”

The National Retail Federation said in a statement on Tuesday that the threat posed by tariffs to the American economy “is less about a question of ‘if’ and more about ‘when’ and ‘how bad.’”

The ***trade*** group said that the sheer scope of the tariffs “make it inconceivable that American consumers will dodge this tax increase as prices of everyday products will be forced to rise.”

Anyone who has tried to buy a washing machine this year knows how fast tariffs can translate to price hikes. The Trump administration imposed tariffs on imported washing machines, of up to 50 percent, in January. Since then, laundry equipment prices have jumped 17 percent, according to Labor Department data.

Economists warn that a batch of similar price spikes could complicate the Federal Reserve’s efforts to maintain a gradual pace of interest rate increases, by juicing inflation more than economists had expected. Rising prices would cut into Americans’ purchasing power, which has remained an engine of growth in the recovery from the great recession.

“Tariffs are just a real income hit to consumers,” said Ian Shepherdson, chief economist for Pantheon Macroeconomics. “There’s no question that these tariffs will dampen growth.”

Ana Swanson contributed reporting.

PHOTO: A fish market in Beijing. Seafood from ***China*** is among the items targeted for tariffs by the Trump administration. (PHOTOGRAPH BY Thomas Peter/Reuters FOR THE NEW YORK TIMES)

**Related Articles**

* ***U.S***. Threatens Tariffs on $200 Billion of Chinese Goods, From Tilapia to Handbags

1. How the ‘Biggest ***Trade War*** in Economic History’ Is Playing Out
2. Trump’s ***Trade War*** With ***China*** Is Officially Underway

**Load-Date:** October 20, 2018

**End of Document**

**German Growth Slips as Trump's Trade War Starts to Bite**

The New York Times

February 15, 2019 Friday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 6

**Length:** 867 words

**Byline:** By JACK EWING

**Body**

FRANKFURT -- The once seemingly unstoppable German economy had the slowest growth of any eurozone country except Italy at the end of 2018, according to data published on Thursday that brought the impact of President Trump's ***trade war*** into stark relief.

Germany's economy did not grow at all in the year's final quarter, and it barely avoided sliding into recession, the government statistics agency said.

One reason for the slowdown was conflict over ***trade***. American tariffs are hurting German steel makers' sales, and Germany is also experiencing collateral damage caused by a ***trade war*** between ***China*** and the ***United States***.

The economic data was bad news for the rest of Europe. Germany has the region's largest economy, and it typically sets the pace for the rest of the eurozone. The country has often helped haul its neighbors through periods of crisis, but it may no longer be able to play that role.

Germany's position in next-to-last place among European Union countries is also a blow to its prestige. When Greece, Spain and Portugal were in dire straits during the last decade, German leaders scolded them over their economic policies and high debt. The economies of those countries are now growing more quickly than Germany's, according to separate data published Thursday by the European Union statistics agency.

German carmakers and other companies rely on sales in ***China***, where growth has slowed partly as a result of the Trump administration's tariffs on Chinese goods. Volkswagen said Wednesday that its sales fell 3.4 percent in January compared with a year earlier in part because of weak demand in ***China***, the carmaker's largest market.

The fourth-quarter data released Thursday fell short of analysts' projections, but it was good enough to narrowly avert a recession. In the third quarter, German economic output had dipped 0.2 percent from the previous quarter. Another three months of declining output would have met the common definition of recession.

Many economists expect the slowdown to continue. ''It's probably going to get worse before it gets better,'' said Florian Hense, European economist at the German bank Berenberg. ''Clearly this is not a two-quarter soft patch. It seems more serious.''

Germany's woes will add to the grave problems facing Italy, including weak banks, erratic politics and a looming credit crunch. Germany is the biggest customer for Italian exports.

Mr. Trump's ***trade war*** has been weighing on European growth since early last year, but the effect was mostly psychological until recently. The uncertainty created by the administration's tariffs made manufacturers reluctant to expand factories or add workers.

The tariffs' impact is becoming more tangible, cutting into the earnings of companies like Salzgitter, a steel maker in the German city of the same name. Salzgitter warned this month that pretax profit in 2019 would be half or less than the 347 million euros, or $391 million, that the company earned in 2018.

American tariffs on steel imports are partly to blame, although mostly indirectly, said Bernhard Kleinermann, a Salzgitter spokesman. The levies caused producers in countries like Russia and Turkey to flood Europe with steel they could no longer sell to customers in the ***United States***, driving down prices.

***Trade*** was not the only dead weight on Germany's growth. Britain's looming departure from the European Union, and the prospect that it might happen without an agreement covering future economic relations, was another significant source of anxiety.

German carmakers struggled to comply with tougher emissions standards, which delayed delivery of new vehicles. Even an especially dry summer played a role. The level of the Rhine River fell so low that barge traffic became impossible, holding up shipments of German chemicals that normally travel by water.

Those were temporary problems, though, making some economists optimistic that growth could improve in the coming months. The horizon will seem much brighter if Britain overcomes its political deadlock and works out a deal with Brussels, and if the ***United States*** and ***China*** can resolve their differences over ***trade***.

Economists also expect the Chinese government to stimulate the country's economy, which would help revive demand for German products like cars and machine tools.

Although Germany has been flirting with recession, it hardly feels like an economy in crisis. At 3.3 percent, the country's unemployment rate is still the lowest in the eurozone. Consumers continue to spend, and businesses continue to invest.

''The fundamentals of the economy are still so solid,'' Carsten Brzeski, an economist at ING Bank, said in an online video.

Many things could still go wrong. Mr. Trump continues to threaten to impose tariffs on imported European cars, a move that would strike Germany particularly hard because of the outsize role the auto industry plays in the country's economy.

''An escalation, in relations between the ***U.S***.A. and ***China*** as well as between the ***U.S***.A. and the E.U., is still possible,'' Gregor Eder, an economist at the insurer Allianz, said in a note to clients. He was among the economists dialing back their expectations for 2019.

https://www.nytimes.com/2019/02/14/business/germany-economy.html

**Graphic**

PHOTO: German carmakers rely on sales in ***China***, where the economy has slowed. (PHOTOGRAPH BY DAVID HECKER/EPA, VIA SHUTTERSTOCK)

**Load-Date:** February 15, 2019

**End of Document**

**German Growth Stagnates as Trump Trade War Starts to Bite**

The New York Times

February 14, 2019 Thursday 23:34 EST

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**Section:** BUSINESS

**Length:** 926 words

**Byline:** Jack Ewing

**Highlight:** Europe’s largest economy showed no growth in the fourth quarter as steel tariffs hit manufacturers and sales to ***China*** declined.

**Body**

FRANKFURT — The once seemingly unstoppable German economy had the slowest growth of any eurozone country except Italy at the end of 2018, according to data published on Thursday that brought the impact of President Trump’s ***trade war*** into stark relief.

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Mr. Trump’s ***trade war*** has been weighing on European growth since early last year, but the effect was mostly psychological until recently. The uncertainty created by the administration’s tariffs made manufacturers reluctant to expand factories or add workers.

The tariffs’ impact is becoming more tangible, cutting into the earnings of companies like Salzgitter, a steel maker in the German city of the same name. Salzgitter warned this month that pretax profit in 2019 would be half or less than the 347 million euros, or $391 million, that the company earned in 2018.

American tariffs on steel imports are partly to blame, although mostly indirectly, said Bernhard Kleinermann, a Salzgitter spokesman. The levies caused producers in countries like Russia and Turkey to flood Europe with steel they could no longer sell to customers in the ***United States***, driving down prices.

***Trade*** was not the only dead weight on Germany’s growth. Britain’s looming departure from the European Union, and the prospect that it might happen without an agreement covering future economic relations, was another significant source of anxiety.

German carmakers struggled to comply with tougher emissions standards, which delayed delivery of new vehicles. Even an especially dry summer played a role. The level of the Rhine River fell so low that barge traffic became impossible, holding up shipments of German chemicals that normally travel by water.

Those were temporary problems, though, making some economists optimistic that growth could improve in the coming months. The horizon will seem much brighter if Britain overcomes its political deadlock and works out a deal with Brussels, and if the ***United States*** and ***China*** can resolve their differences over ***trade***.

Economists also expect the Chinese government to stimulate the country’s economy, which would help revive demand for German products like cars and machine tools.

Although Germany has been flirting with recession, it hardly feels like an economy in crisis. At 3.3 percent, the country’s unemployment rate is still the lowest in the eurozone. Consumers continue to spend, and businesses continue to invest.

“The fundamentals of the economy are still so solid,” Carsten Brzeski, an economist at ING Bank, said in an online video.

Many things could still go wrong. Mr. Trump continues to threaten to impose tariffs on imported European cars, a move that would strike Germany particularly hard because of the outsize role the auto industry plays in the country’s economy.

“An escalation, in relations between the ***U.S***.A. and ***China*** as well as between the ***U.S***.A. and the E.U., is still possible,” Gregor Eder, an economist at the insurer Allianz, said in a note to clients. He was among the economists dialing back their expectations for 2019.

PHOTO: Volkswagen cars at the port in Emden, Germany. ***China***’s slowing economy has hurt German carmakers. (PHOTOGRAPH BY David Hecker/EPA, via Shutterstock FOR THE NEW YORK TIMES)

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**Load-Date:** February 15, 2019

**End of Document**

**Trump’s Steel Tariffs Raise Fears of a Damaging Trade War; Analysis**

The New York Times

March 4, 2018 11:50 EST

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**Section:** BUSINESS

**Length:** 1411 words

**Byline:** Jim Tankersley

**Highlight:** A global tit-for-tat on ***trade*** could crimp economic growth, undermining the stimulative effects of President Trump’s deregulation push and his signature $1.5 trillion tax cut.

**Body**

WASHINGTON — After making good on tax cuts and regulatory rollbacks that business leaders wanted, President Trump has turned to a part of his economic agenda that many of them feared: tariffs.

Those leaders worry that Mr. Trump, by imposing stiff and sweeping tariffs on steel and aluminum, will   set off a ***trade war*** with other countries. The global tit-for-tat could hurt American exporters and raise costs for manufacturers that rely on a vast supply chain around the world.

If that happens, it will crimp economic growth, undermining the stimulative effects of Mr. Trump’s deregulation push and his signature $1.5 trillion tax cut.

The odds of such an outcome now appear to be rising, prompting congressional Republicans to push Mr. Trump in public and in private to reconsider. “If the president goes through with this, it will kill American jobs — that’s what every ***trade war*** ultimately does,” Senator Ben Sasse, Republican of Nebraska, said on Friday. “So much losing.”

So far, Mr. Trump is not having any of that criticism, saying on Twitter on Friday that “***trade wars*** are good, and easy to win.”

That’s not how ***trade wars*** usually go.

Even the prospect of a ***trade war*** could hurt the economic expansion underway. That’s because any uncertainty can prompt companies to curtail investment or hold off on hiring.

If other countries follow up on their threats to retaliate, the pain could be significant. Beyond tariffs, their tools include taking strategic strikes at certain industries or taking their grievances to the World ***Trade*** Organization.

Any actions threaten the global supply chains on which the American economy is heavily dependent. The number of workers who will lose out if countries are cut off from America far exceeds the number who stand to gain from the pending tariffs.

“Industries that buy steel and aluminum, not to mention agricultural exporters, employ many times more people than the industries that the president wants to protect,” said Peter A. Petri, an economist and ***trade*** expert at Brandeis University’s International Business School. “Whether we go through with his approach is anyone’s guess, but business investment depends on predictable policy, and relentless chaos takes its toll even if cooler heads prevail on the policies that the president is tweeting about.”

Mr. Trump’s planned tariffs would, in effect, levy a tax of 25 percent on imported steel and 10 percent on imported aluminum. The goal is to counter ***China***, Russia and other countries that have flooded the global markets with cheap products and made it harder for the American steel industry to compete.

If put into effect, the tariffs would raise the price of steel and aluminum, squeezing automakers, beverage manufacturers and other industries that buy a lot of those materials. That would increase prices for consumers, kill some jobs in those industries or both.

The tariffs would almost certainly provoke a response from America’s ***trading*** partners — and not just ***China*** and Russia, because they would apply to every other country. On Friday, the European Union threatened to retaliate by imposing tariffs of its own on some goods from America, including bluejeans, bourbon and motorcycles.

If the back-and-forth stopped there, the American economy would lose 0.1 percent of its output this year, said Mark Zandi, the chief economist at Moody’s Analytics. That loss would cost the country 190,000 jobs.

What worries many economists is the prospect that the retaliation will go even further. A cycle of increasingly harsh tariffs would slam the brakes on global growth.

Here is one way the dispute could worsen: By provoking responses from Canada and Mexico, the tariffs could derail the current renegotiation of the North American Free ***Trade*** Agreement. Mr. Trump could pull the ***United States*** out of that agreement, which would erect new and damaging ***trade*** barriers on agricultural exports from states such as Iowa.

Another possibility is that other countries could file complaints with the World ***Trade*** Organization. The W.T.O. could declare that the tariffs violated global ***trading*** rules, but the Trump administration, which has marginalized the organization, could choose to ignore it.

Such a move would stir chaos in the global ***trading*** regime. It would be like ejecting the referee from a playoff basketball game. A free-for-all could ensue, with countries levying tariffs or subsidizing domestic exporters in ways the W.T.O. would never allow.

Mr. Zandi estimates that a Nafta breakdown would cost the ***United States*** 1.8 million jobs. He calculates that a full global ***trade war***, while far less likely, would carry much higher risks, including nearly four million lost American jobs.

“The economic fallout from such a ***war*** could be serious,” he said, “ending in a global recession.”

Others expressed less concern: In an era of globalization, the talk of retaliation may be stronger than the actual action. And some economists, particularly those on the left, even saw a possible bright side.

Jared Bernstein, an economist in the Obama administration who is now at the Center on Budget and Policy Priorities, expects some counter-tariffs, maybe from ***China*** on food products.

“You always hear ***trade war*** at these moments,” Mr. Bernstein said. “That doesn’t mean that’s always wrong, but it usually is.”

Thea M. Lee, a ***trade*** economist and the president of the Economic Policy Institute, a liberal think tank, said the tariffs could actually help global markets. They would punish countries that overproduce steel and aluminum, she said, and bring stability and certainty to producers of those metals in the ***United States***.

“It’s not actually in anybody’s interest to spiral downward and get into a massive retaliatory situation,” Ms. Lee said. “I think there will be some immediate reactions, but I don’t think it will spiral out of control.”

From the beginning of his insurgent 2016 presidential campaign, Mr. Trump has seen “winning” on ***trade*** as critical for the economy. Reducing ***trade*** deficits, he has argued, will work in tandem with lowering taxes and reducing federal regulations to supercharge growth.

Mr. Trump took several steps last year to freeze or roll back regulations, and he signed a $1.5 trillion tax-cut bill in December. He also took initial steps to reorient ***trade*** policy, pulling out of the Trans-Pacific Partnership and embarking on the fractious renegotiation of Nafta.

While economic growth accelerated, the ***trade*** deficit in goods and services widened to $566 billion last year, the largest amount since 2008. The goods deficit with ***China*** hit $375 billion, a record.

The tariffs that Mr. Trump announced Thursday were his boldest move yet on ***trade***. They were also a reminder to the Republican establishment that his theory of the economy is sometimes at odds with traditional free-market conservatism, despite much overlap.

On Thursday, the conservative Wall Street Journal editorial board called the tariffs the “biggest policy blunder of his presidency.” The top two Republicans in Congress — the Senate majority leader, Mitch McConnell, and the House speaker, Paul D. Ryan — were imploring Mr. Trump privately to reconsider.

Mr. Trump, though, casts himself as protecting an industry that he sees as endangered. Raw steel production in America remains higher than it was 25 years ago, but it is down significantly from the 1970s. Just under 140,000 Americans work in the steel industry,   according to the American Iron and Steel Institute.

While Mr. Trump’s stand is likely to give him a boost in industrial states like Ohio and Pennsylvania, which were both key to his 2016 victory, a ***trade war*** may harm other manufacturing strongholds that are home to his base voters.

Last year, researchers at the Brookings Institution’s Metropolitan Policy Program reported that smaller metropolitan areas would be disproportionately hurt by a ***trade*** shock. The 10 that were most vulnerable, because of their economic reliance on exports, were in Indiana, Texas, Louisiana, South Carolina and Alabama — all states Mr. Trump carried.

PHOTO: A ***U.S***. Steel plant in Clairton, Pa. Many economists worry that foreign retaliation against American tariffs on steel and aluminum imports could escalate. (PHOTOGRAPH BY Spencer Platt/Getty Images FOR THE NEW YORK TIMES)

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* ***Trade Wars*** Are Destructive. Of Course Trump Wants One.

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3. Trump to Impose Sweeping Steel and Aluminum Tariffs

**Load-Date:** March 4, 2018

**End of Document**

**China Vows Retaliation if Trump Engages in Trade War**

The New York Times

March 8, 2018 Thursday 04:31 EST

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**Section:** BUSINESS

**Length:** 471 words

**Byline:** Sui-Lee Wee

**Highlight:** ***China***’s foreign minister issues a stern warning that “the outcome will only be harmful” if the ***U.S***. imposes more tariffs.

**Body**

BEIJING — ***China*** pledged Thursday to hit back at the ***United States*** if it sets off a ***trade war***, issuing its strongest threat yet as President Trump prepares to impose more tariffs against ***China***.

The White House is hours away from putting into effect sweeping steel and aluminum tariffs on its ***trading*** partners that have caused an international outcry. But more worrying to ***China*** are separate ***trade*** sanctions that Mr. Trump could impose under an investigation into ***China***’s intellectual property practices. Hundreds of Chinese companies could be singled out in that process, known as a Section 301 investigation.

Speaking on the sidelines of the annual meeting of ***China***’s legislature, Foreign Minister Wang Yi said, “History has shown that fighting a ***trade war*** has never been a correct way to solve a problem.”

“Especially given today’s globalization, choosing a ***trade war*** is a mistaken prescription,” Mr. Wang said. “The outcome will only be harmful. ***China*** would have to make a justified and necessary response.”

He did not elaborate on the measures that Beijing might take. But he urged the ***United States*** to “sit down peacefully” to constructively discuss finding a mutually beneficial solution.

***China*** has told American executives that it will retaliate against American companies if Mr. Trump levies tariffs against Beijing, according to a business lobby group, the American Chamber of Commerce in ***China***. The most likely targets would be airplane and agricultural companies — political constituencies that are important to Mr. Trump.

The group has said that ***trade*** tariffs imposed by the ***United States*** could also prompt Beijing to investigate American exports to ***China***. ***China*** could say that these goods are sold below their fair value and subsidized by the ***United States***.

***China*** is now less dependent on ***trade*** than it used to be, even though on paper it has more to lose from a ***trade war***. It exports more to the ***United States*** than it imports, according to an analysis by Capital Economics, a London-based research company. Exports to the ***United States*** contribute only 2 percent to ***China***’s annual economic output, which is driven largely by domestic demand.

On Thursday, ***China*** released ***trade*** data that showed that its exports in February rose 44.5 percent from a year earlier, giving it a ***trade*** surplus of $33.7 billion for the month. Economists said, however, that this was a one-off and largely related to the Chinese New Year. Exporters usually rush to ship goods before closing for the holiday.

Zhang Tiantian contributed research.

PHOTO: Foreign Minister Wang Yi spoke Thursday in Beijing on the sidelines of the annual meeting of ***China***’s legislature. (PHOTOGRAPH BY Wu Hong/European Pressphoto Agency FOR THE NEW YORK TIMES)

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**Bumbling Into a Trade War; Op-Ed Columnist**

The New York Times

March 22, 2018 Thursday 08:05 EST

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**Section:** OPINION

**Length:** 892 words

**Byline:** Paul Krugman

**Highlight:** What Trump doesn’t know can hurt us — and help ***China***.

**Body**

“***Trade wars*** are good, and easy to win.” So declared Donald Trump a few weeks ago, after announcing tariffs on steel and aluminum. Actually, ***trade wars*** are rarely good, and not at all easy to win — especially if you have no idea what you’re doing. And boy, do these people not know what they’re doing.

It’s odd, in a way. After all, ***trade*** is clearly an issue about which Trump is truly passionate. He tried to kill Obamacare, but to all appearances his main concern was tarnishing his predecessor’s legacy. He wanted a tax cut, but more to score a “win” than because he cared about what was in it. But reducing the ***trade*** deficit has been a long-term Trump obsession, so you might expect him to learn something about how world ***trade*** works, or at least surround himself with people who do understand the subject.

But he hasn’t. And what he doesn’t know can and will hurt you.

In the case of steel, here’s what happened: First came the splashy announcement of big tariffs, ostensibly in the name of national security — infuriating ***U.S***. allies, which are the main source of our steel imports. Then came what looks like a climb-down: The administration has exempted Canada, Mexico, the European Union and others from those tariffs.

Was this climb-down a reaction to threats of retaliation, or did the administration not at first realize that the tariffs would mainly hit our allies? Either way, Trump may have gotten the worst of both worlds: angering countries that should be our friends and establishing a reputation as an untrustworthy ally and ***trading*** partner, without even doing much for the industry he was supposedly trying to help.

Now comes Trumptrade II, the ***China*** Syndrome. On Thursday the administration announced that it would levy tariffs on a number of Chinese goods, with the specifics to be detailed later. How will this one work out?

Let’s be clear: When it comes to the global economic order, ***China*** is in fact a bad citizen. In particular, it plays fast and loose on intellectual property, in effect ripping off technologies and ideas developed elsewhere. It also subsidizes some industries, including steel, contributing to world excess capacity.

But while his coterie mentions these issues, Trump seems fixated on the ***U.S***. ***trade*** deficit with ***China***, which he keeps saying is $500 billion. (It’s actually $375 billion, but who’s counting?)

What’s wrong with this fixation?

First of all, much of that big deficit is a statistical illusion. ***China*** is, as some put it, the Great Assembler: Many Chinese exports are actually put together from parts produced elsewhere, especially South Korea and Japan. The classic example is the iPhone, which is “made in ***China***” but in which Chinese labor and capital account for only a few percent of the final price.

That’s an extreme example, but part of a broader pattern: Much of the apparent ***U.S***. ***trade*** deficit with ***China*** — probably almost half — is really a deficit with the countries that sell components to Chinese industry (and with which ***China*** runs deficits). This in turn has two implications: America has much less ***trade*** leverage over ***China*** than Trump imagines, and a ***trade war*** with “***China***” will anger a wider group of countries, some of them close allies.

More important, ***China***’s overall ***trade*** surplus is not currently a major problem either for the ***United States*** or the world as a whole.

I use the word “currently” advisedly. There was a time, not that long ago, when the ***U.S***. had high unemployment and ***China***, by keeping its currency undervalued and running big ***trade*** surpluses, made that unemployment problem worse. And at the time I was calling for the ***U.S***. to play hardball on the issue.

But that was then. Chinese ***trade*** surpluses have come way down; meanwhile, the ***U.S***. no longer has high unemployment. Trump may think that our ***trade*** deficit with ***China*** means that it’s winning and we’re losing, but it just ain’t so. Chinese ***trade*** — as opposed to other forms of Chinese malpractice — is the wrong issue to get worked up over in the world of 2018.

And here’s the thing: By bumbling into a ***trade war***, Trump undermines our ability to do anything about the real issues. If you want to pressure ***China*** into respecting intellectual property, you need to assemble a coalition of nations hurt by Chinese ripoffs — that is, other advanced countries, like Japan, South Korea and European nations. Yet Trump is systematically alienating those countries, with things like his on-again-off-again steel tariff and his threat to put tariffs on goods that, while assembled in ***China***, are mainly produced elsewhere.

All in all, Trump’s ***trade*** policy is quickly turning into an object lesson in the wages of ignorance. By refusing to do its homework, the Trump team is managing to lose friends while failing to influence people.

The truth is that ***trade wars*** are bad, and almost everyone ends up losing economically. If anyone “wins,” it will be nations that gain geopolitical influence because America is squandering its own reputation. And that means that to the extent that anyone emerges as a victor from the Trump ***trade war***, it will be … ***China***.

PHOTO: President Trump on Thursday at the White House. (PHOTOGRAPH BY Doug Mills/The New York Times FOR THE NEW YORK TIMES)

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* Oh, What a Trumpy ***Trade War***!

1. Paul Krugman Explains ***Trade*** and Tariffs
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**Load-Date:** March 27, 2018

**End of Document**

**In China Trade War, Apple Worries It Will Be Collateral Damage**

The New York Times

June 18, 2018 Monday 14:49 EST

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**Section:** TECHNOLOGY

**Length:** 1638 words

**Byline:** Jack Nicas and Paul Mozur

**Highlight:** Caught in the ***trade*** fight between Washington and Beijing, Tim Cook, Apple’s chief executive, has become something of an envoy while trying to protect the company’s business in ***China***.

**Body**

SAN FRANCISCO — Apple’s chief executive, Timothy D. Cook, may be the leader of the world’s most valuable public company, but lately he has had to act a lot like the tech industry’s top diplomat.

Last month he visited the Oval Office to warn President Trump that tough talk on ***China*** could threaten Apple’s position in the country. In March, at a major summit meeting in Beijing, he called for “calmer heads” to prevail between the world’s two most powerful countries.

In a ***trade*** and technology showdown between the ***United States*** and ***China***, Apple and Mr. Cook have a lot to lose. With 41 stores and hundreds of millions of iPhones sold in the country, there is arguably no American company in ***China*** as successful, as high-profile and with as big a target on its back.

Since he took over Apple from its co-founder Steve Jobs, in 2011, questions about whether Mr. Cook, 57, could recreate the magic that led to the iPod and iPhone have persisted. For Mr. Cook, the analogous breakthrough — and potentially his legacy as the heir to Mr. Jobs — has come not from a gadget, but from a geography: ***China***.

Under Mr. Cook’s leadership, Apple’s business in ***China*** grew from a fledgling success to an empire with annual revenues of around $50 billion — just a bit under a quarter of what the company takes in worldwide. He did this while ***China*** was tightening internet controls and shutting out other American tech giants.

Now, with the Trump administration saying on Monday that it will identify another $200 billion worth of Chinese goods that could face tariffs on top of the $50 billion already planned, and   ***China*** having threatened retaliation, Apple is stuck in the middle.

The Trump administration has told Mr. Cook that it would not place tariffs on iPhones, which are assembled in ***China***, according to a person familiar with the talks who declined to speak on the record for fear of upsetting negotiations. But Apple is worried ***China*** will retaliate in ways that hamstring its business, according to three people close to Apple who declined to be named because they were not authorized to speak publicly.

Apple fears “the Chinese-bureaucracy machine is going to kick in,” meaning the Chinese government could cause delays in its supply chain and increase scrutiny of its products under the guise of national-security concerns, according to one person close to the company. Apple has faced such retaliation before, another person said, and Reuters reported Ford vehicles are already facing delays at Chinese ports.

There is also concern that Apple could face reprisals for legal and regulatory efforts in Washington that have made it difficult for the Chinese tech giant Huawei to sell its phones and telecom equipment in the ***United States***.

Apple executives and lobbyists in Beijing and Washington, led by Mr. Cook, have been trying to work both sides. They have fostered close ties to the administration of the country’s leader, Xi Jinping, an effort called Red Apple by employees at Apple’s manufacturing partner Foxconn, after the official color of the Chinese Communist Party.

At the same time, Mr. Cook has been pleading with the Trump White House to understand that a ***trade war*** is bad for the economy — and bad for Apple.

Mr. Cook, who knows a bit of Mandarin, has attended ***China***’s most important political events in a critical year for Mr. Xi. Days after a Chinese Communist Party congress wrote Mr. Xi’s ideas and name into the constitution, elevating him to the same status as Mao Zedong, Mr. Cook joined a small group of American and Chinese executives for a meeting where Mr. Xi lectured about innovation and reform.

Later, Mr. Cook attended ***China***’s World Internet Conference, an effort by Beijing to create a Davos-like conference for technology. There he met Wang Huning, a new member of ***China***’s standing committee — the party’s top leadership group — and an ideological force behind ***China***’s deepening authoritarianism.

In March, just after an annual meeting of ***China***’s rubber-stamp Parliament formally abolished presidential term limits, Mr. Cook attended a major summit meeting that brings together Chinese policymakers and corporate leaders.

Mr. Cook has long defended Apple’s presence in ***China*** as a way to help change the country from the inside. “Each country in the world decides their laws and their regulations. And so your choice is: Do you participate, or do you stand on the sideline and yell at how things should be?” he said at a Fortune event in ***China*** in December. “You get in the arena, because nothing ever changes from the sideline.”

Mr. Cook has also put in time in the halls of power in Washington. Last month, he visited the White House to meet with Mr. Trump and his top economic adviser, Larry Kudlow. Mr. Cook began by applauding new corporate-tax rules and reminded Mr. Trump that Apple said it would   contribute $350 billion to the American economy over the next five years, according to two people familiar with what Mr. Cook said.

Then Mr. Cook switched to explaining why he thought a ***trade war*** would reverse the new tax law’s progress, the people said. Mr. Cook told the president that tariffs were effectively a tax on consumers and that the ***trade*** deficit with ***China*** is inflated because of flaws in how it is calculated, one of the people said.

“He was very helpful in making some suggestions, and I might also add he loves the tax cut and tax reform,” Mr. Kudlow said on CNBC shortly after the meeting. “He says Apple is going to be building plants, campuses, adding jobs, lots of business investment. That was the first point he made to President Trump.”

Mr. Trump has also told crowds this year that Apple planned to build multiple factories in the ***United States***. Apple has no plans to do so and has not publicly corrected him.

Mr. Cook has found cabinet members more accessible in the Trump administration than the Obama administration, according to a person familiar with the talks, and he has seen eye to eye with Mr. Kudlow, Steven Mnuchin, the Treasury secretary and, on some issues, Wilbur Ross, the commerce secretary.

He has met with Robert Lighthizer, the ***United States*** ***trade*** representative, but they tend to disagree on ***trade*** issues, this person said, and he has avoided engaging with perhaps the administration’s most hawkish member on ***trade***, Peter Navarro, a top adviser to the president.

Mr. Cook still sees an opening to engage on the ***trade*** issue because of disagreement inside the White House, and he doubts that a ***trade war*** — or Chinese retaliation against Apple — ultimately will happen, this person said.

“He’s willing to put a brave face on and work with the Trump administration because they probably have more at stake than any other tech company when it comes to ***China*** and the tariffs,” said Gene Munster, a longtime Apple analyst and partner at the investment firm Loup Ventures.

The specter of Chinese retaliation against Apple has increased since the administration targeted the Chinese tech company ZTE for breaking American sanctions against Iran and North Korea. But the administration backed away from stiffer penalties this month and said it would fine ZTE $1 billion and install a compliance team picked by the ***United States***.

Other measures targeting ***China***’s larger telecom champion, Huawei, could lead to new strains. Indeed, congressional pressure this year   appeared to quash a deal in which AT&amp;T would sell Huawei phones in America.

Apple, meanwhile, has a deal with ***China***’s biggest telecom company, ***China*** Mobile, giving it a direct channel to nearly 900 million subscribers in ***China***. The competition to sell smartphones in the country has become increasingly intense, with a number of other Chinese companies also offering high-end — but usually lower-priced — phones.

Mr. Cook’s frequent visits to ***China*** are part of Apple’s increased efforts to court ***China***’s leadership, started in 2016 after the country suddenly removed Apple’s iTunes Movies and iBooks Store there.

Apple set up two research-and-development centers in ***China***, made a $1 billion investment in the Chinese ride-sharing company Didi Chuxing, and created a new position, head of ***China***, that reports directly to Mr. Cook. The company   appointed Isabel Ge Mahe, who was born in ***China***, to the role.

Apple also complied with Chinese orders to store its data on Chinese-run servers and to pull certain apps from its App Store,   including The New York Times app and many that allowed Chinese users   to get around censorshipthat blocks sites like Facebook and Twitter.

The company has reason to fear retaliation. In 2014, the Obama administration indicted five Chinese military hackers, stoking tensions already high from leaks about American surveillance from the former government contractor Edward J. Snowden.

Months later, Chinese regulators delayed approvals of the iPhone 6 for additional security reviews. Apple executives perceived the moves as retaliation, said people familiar with the matter, which has not been previously reported.

Apple’s primary leverage with the Chinese government is Chinese consumers’ love for Apple products, said Dean Garfield, head of the Information Technology Industry Council, a ***trade*** group that represents Apple and other tech companies.

However, Mr. Garfield added, Chinese consumers would also love Facebook and Google, two products blocked in ***China***. “There are limits,” he said. “Xi and the national party will do what’s in their interest.”

Follow Jack Nicas and Paul Mozur: @jacknicas and @paulmozur. Jack Nicas reported from San Francisco and Washington, and Paul Mozur from Shanghai.

PHOTO: (PHOTOGRAPH BY Dominic Bugatto FOR THE NEW YORK TIMES)

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**Load-Date:** November 27, 2018

**End of Document**

**Aid Is Scarce For Farmers In Trade War**

The New York Times

November 20, 2018 Tuesday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 1

**Length:** 1603 words

**Byline:** By ALAN RAPPEPORT; Binyamin Appelbaum and Jennifer Steinhauer contributed reporting.

**Body**

WASHINGTON -- America's farmers have been shut out of foreign markets, hit with retaliatory tariffs and lost lucrative contracts in the face of President Trump's ***trade war***. But a $12 billion bailout program Mr. Trump created to ''make it up'' to farmers has done little to cushion the blow, with red tape and long waiting periods resulting in few payouts so far.

According to the Department of Agriculture, just $838 million has been paid out to farmers since the first $6 billion pot of money was made available in September. Another pool of up to $6 billion is expected to become available next month. The government is unlikely to offer additional money beyond the $12 billion, according to Sonny Perdue, the agriculture secretary.

The program's limitations are beginning to test farmers' patience. The ***trade war*** shows no signs of easing, with ***China*** and the ***United States*** locked in a stalemate that has reduced American farmers' access to a critical market for soybeans, farm equipment and other products. Europe is planning more retaliatory tariffs on top of those already imposed on American peanut butter and orange juice, and Canada and Mexico continue to levy taxes on American goods, including on pork and cheese.

Mr. Trump, who has had broad support in many farm states, still insists that his get-tough approach to ***trade*** will ultimately help American farmers, a position Mr. Perdue reiterated last month when he said farmers are ''resilient'' and can plan ahead for market conditions.

[Soybean farmers hope the ***trade war*** ends before their harvest rots.]

Farmers are no strangers to foreign tariffs or to government subsidies. But receiving monetary support in response to a ***trade*** dispute set off by the ***United States*** government is unusual. The program, which is using a Depression-era fund, allows farmers earning less than $900,000 a year to receive money if they produce one of the agricultural products that has faced retaliation. Different types of commodities receive different rates -- for instance, hog farmers get $8 per head for 50 percent of their herd, while dairy farmers get 12 cents for every hundred pounds of milk.

The government also plans to purchase about $1.3 million worth of certain products, such as apples, oranges and pork, which it will distribute through nutrition assistance programs.

Farmers had mixed feelings about the bailout when it was announced last summer, as they tend to prefer free enterprise over government intervention, but many are disappointed as the subsidies have not made up for their losses.

''I don't think this is going to be enough to compensate them,'' said Eric Belasco, an economist at Montana State University and a scholar at the American Enterprise Institute. ''It seems like there's not really an end in sight.''

The dairy industry has been particularly critical of the program and, in a letter to Mr. Perdue, asked the administration to rethink how it calculates subsidies and to make them more generous to dairy farmers. The milk federation expects dairy farmers to lose $1.5 billion from the tariffs in the second half of this year and it has received only $127 million in aid.

''This was supposed to make sure farmers were not the victims of this ***trade*** policy,'' said Jim Mulhern, president of the National Milk Producers Federation. ''I think most agriculture producers feel that the payments have not come close to making up for the damage for the tariffs.''

So far, farmers in Illinois, Indiana, Iowa, Kansas and Minnesota have been the biggest recipients of assistance, the ***U.S***.D.A. said, with soybeans, wheat, corn, dairy and hogs being the goods most in need of support.

The bailout has also benefited two ***United States*** senators who continue to run active farms: Charles E. Grassley, the Republican of Iowa, and John Tester, a Montana Democrat.

Like any program offering free money, there are also opportunities to game the system. On Monday, the watchdog organization Environmental Working Group released a report that shows city residents who own shares in farms and relatives of farmers have been capitalizing on the bailout and that some farmers appear to have been paid large sums of money.

The program caps the amount farmers can receive, limiting payments to $125,000 per person or legal entity. But farms are often structured as partnerships, meaning that people who are not physically working on farms can still receive subsidies. Mr. Grassley, who owns a farm in Iowa but spends most of his time in Washington, told The Des Moines Register last month that he planned to split his subsidy with his son, who operates the 750-acre farm with him.

The Environmental Working Group's analysis of 87,704 payments made through October found that 1,142 farmers in the nation's 50 largest cities have received bailout payments.

The program has also been bogged down by bureaucracy as well as practical challenges, which made it slow to roll out. Farmers who want payments must fully complete their harvests before they can apply for aid -- presenting a challenge for some crops that have been delayed by bad weather.

Roderick A. De Arment, who grows soybeans and corn in Virginia, said that the subsidy application paperwork had been sitting on his desk because he had been waiting for his beans to dry for harvest. The wet weather has delayed the entire process, but he expects that if he gets 1,000 bushels of beans, he may be entitled to about $800 in return from the government.

''It's kind of a patch,'' said Mr. De Arment, who is an old friend of Robert E. Lighthizer, the Trump administration's top ***trade*** negotiator. ''It's a bad situation, but it provides some relief for the farmers who are impacted.''

That relief has not been enough to keep many farmers from feeling the pain of Mr. Trump's ***trade war***.

Lynn Rohrscheib, who farms 7,000 acres of soybeans and corn in eastern Illinois, said she needed to sell soybeans at $10 a bushel to break even, and she can get only $8 a bushel. She's holding on to some of her beans, hoping for higher prices, but she had to sell a significant portion of this year's crop to pay her bills. If the standoff with ***China*** continues, she said she would need to lay off some of her 18 employees.

''We don't want a handout,'' she said. ''We want ***trade***. We want to sell the crop.''

She said she was losing patience with the Trump administration. ''We were all really supportive at the beginning,'' she said. ''We figured we didn't know all the facts and something would happen and this won't be a long-term thing. Now it looks like this is going to be a several-year thing and people are getting frustrated.''

Farmers in general are having a tough year. The Agriculture Department's economic research service predicts net farm income in the ***United States*** this year will fall by $9.8 billion, to $65.7 billion, a 13 percent drop from 2017. Weak pricing, tight credit and corporate monopolies have put pressure on farms in recent years, and new ***trade*** barriers have exacerbated their economic problems.

Soybean farmers have received the most generous subsidies, but even for them it has been too little, too late. Through mid-October, according to federal data, American soybean sales to ***China*** -- the world's largest importer of soybeans -- have declined by 94 percent from last year's harvest. The subsidy rate of 82.5 cents per bushel is covering less than half the losses of American soybean farmers.

Pork has also been getting pinched. The National Pork Producers Council estimated that ***China***'s pork tariffs, which were a response to Mr. Trump's steel and aluminum tariffs, could cost the industry more than $2 billion this year.

Lawmakers from both parties have been skeptical of subsidizing farmers to blunt the impact of ***trade*** policies that they disagree with. Senator Brian Schatz, a Democrat from Hawaii, mocked the administration for essentially borrowing money from ***China*** to pay farmers to not sell their crops to ***China***.

For many Republicans who oppose Mr. Trump's ***trade*** policies, the program treats a self-inflicted wound. Senator Patrick J. Toomey, the Pennsylvania Republican, has said that the bailout ''compounds bad policy with more bad policy.''

Government intervention in markets can have unintended consequences, and subsidizing agricultural industries is no exception.

After dairy prices plummeted in the 1970s, President Jimmy Carter poured money into the sector to prop it up. Flush dairy farmers then ramped up production and the federal government ended up having to buy the oversupply of butter, cheese and milk powder that could not be sold. It was stored in hundreds of warehouses across the country.

By the early 1980s, the Reagan administration was stuck with $3 billion of surplus dairy products and was spending up to $100 million a year to transport and store them.

Mr. Belasco suggests that the Trump administration could be treading carefully by saying that it will end the subsidies next year in an effort to avoid skewing markets further. However, using subsidies defensively in a ***trade war*** is different than employing them as a cushion during an economic downturn or because of weather fluctuations, he said, because consumers around the world who begin buying beans, corn and pork elsewhere might be slow to switch back to American producers.

Mr. De Arment, who has known Mr. Lighthizer since they were law students in the early 1970s, does not know how things will play out. He said he recently in jest urged Mr. Lighthizer to get a deal with ***China*** done before his harvest is ready.

''Who knows if and when they'll do that,'' he said.

https://www.nytimes.com/2018/11/19/us/politics/farming-trump-***trade-war***.html

**Graphic**

PHOTOS: VALATIE, N.Y.: The government is unlikely to offer additional money beyond the $12 billion, according to Sonny Perdue, the agriculture secretary, center. (PHOTOGRAPH BY SHANNON STAPLETON/REUTERS)

EXETER, R.I.: Under the agriculture department's assistance program, dairy farmers get 12 cents for every hundred pounds of milk they produce. (PHOTOGRAPH BY OLIVER DOYLE/REUTERS)

GRAND JUNCTION, IOWA: Canada and Mexico continue to levy taxes on ***U.S***. goods, including pork, and the aid's limitations are testing farmers' patience. (PHOTOGRAPH BY SCOTT MORGAN/REUTERS)

BUDA, ILL.: A trailer filling with soybeans. One Illinois farmer said she needed to sell soybeans at $10 a bushel to break even, but lately she can get only $8. (PHOTOGRAPH BY DANIEL ACKER/REUTERS) (B6)

**Load-Date:** November 20, 2018

**End of Document**

**U.S. and China Soften Trade War Rhetoric, and Markets Take Heart**

The New York Times

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**Body**

Global stock indexes kept climbing Thursday as investors around the world grew more optimistic that a ***trade*** dispute between the ***United States*** and ***China***, the two largest economies in the world, will resolve without too much damage. In America, banks and retailers made some of the biggest gains.

The rally started late Wednesday as American and Chinese officials reassured investors that they are willing to talk and are not rushing into a ***trade war*** that could hurt global economic growth and company profits. That helped stocks reverse the big losses they had taken hours earlier. On Thursday, banks rose along with interest rates, retailers and consumer-focused companies kept rising, and industrial and technology companies turned higher.

Worries and fears about international ***trade*** and new troubles for Facebook and Amazon have blotted out almost everything else over the last two weeks, and the market has been on a wild ride with a lot of unusually big moves. Between March 22 and Wednesday, the Standard & Poor's 500-stock index rose at least 1 percent or fell at least 1 percent in eight out of nine ***trading*** days.

''Very often the reaction in the market is 'sell first and ask questions later,''' said Quincy Krosby, chief market strategist at Prudential Financial.

The S.&P. 500 climbed 18.15 points, or 0.7 percent, to 2,662.84. The Dow Jones industrial average rose 240.92 points, or 1 percent, to 24,505.22. The Nasdaq composite added 34.45 points, or 0.5 percent, to 7,076.55.

The German DAX jumped 2.9 percent and the CAC 40 in France rose 2.6 percent. Britain's FTSE 100 surged 2.4 percent. Japan's Nikkei 225 gained 1.5 percent and South Korea's Kospi rallied 1.2 percent. Markets in Hong Kong were closed for a holiday.

Amazon led retail companies higher with a gain of $41.18, or 2.9 percent, to $1,451.75. Netflix added $5.03, or 1.7 percent, to $293.97 and Nike picked up $1.17, or 1.7 percent, to $69.59.

Facebook rose $4.24, or 2.7 percent, to $159.34 after its chief executive, Mark Zuckerberg, told reporters that Facebook has not lost many users in the wake of a major privacy controversy.

Facebook also revealed that some 87 million users may have had their data exposed in the Cambridge Analytica scandal, more than the 50 million previously disclosed. Its stock is down 14 percent since the scandal became public three weeks ago.

The tariffs announced by the ***United States*** and ***China*** could take a toll on industrial companies by making parts more expensive and reducing sales. But on Thursday, Deere picked up $2.77, or 1.9 percent, to $151.34 and wiped out most of Wednesday's loss. Aerospace company Boeing rose $8.96, or 2.7 percent, to $336.40.

***Trade*** tensions have been the market's main focus over the last few weeks, but Ms. Krosby, of Prudential, said that could change next week as companies start to report first-quarter results. Investors are expecting another quarter of strong profit growth.

''What's going to be helpful is ... to hear from different sectors and watch what the C.E.O.s and C.F.O.s tell us about how they are factoring in the tax cuts, what they plan on doing with the extra cash on their balance sheets, and also what do they say about the potential tariffs,'' she said.

As investors grew less worried about the ***trade*** impasse, they sold government bonds. The yield on the 10-year Treasury note rose to 2.83 percent from 2.81 percent. That sent interest rates higher, which helped banks.

Companies that pay hefty dividends, such as utilities and real estate investment trusts, lagged the rest of the market.

Benchmark ***United States*** crude added 17 cents to $63.54 a barrel in New York.

Gold fell $11.50 to $1,324.30 an ounce.

The dollar rose to 107.12 yen from 106.74 yen. The euro fell to $1.2234 from $1.2281.

**Graphic**

CHARTS: The S.&P. 500 Index: Position of the S.& P. 500 index at 1-minute intervals on Thursday. (Source: Reuters)

Jobless Claims: Weekly number of people who have filed for unemployment benefits for the first time. (Source: Labor Department, via Reuters)

**Load-Date:** April 6, 2018

**End of Document**

**A Trade War Could Leave Investors With Few Places to Hide**

The New York Times

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**Byline:** Conrad De Aenlle

**Highlight:** Stocks remain fragile after fears of protectionism and inflation helped produce the first quarterly loss since 2015 as equity and bond funds both fell.

**Body**

The long calm in the stock market has been broken by confirmation that the Federal Reserve intends to combat inflation aggressively and by signs of a ***trade war*** that could threaten global economic integration and the prosperity it has helped engender.

What happens from here may hinge on the speed and severity of Fed interest rate increases and the speed and severity with which the ***United States*** and ***China*** impose tariffs on each other’s goods.

At their most extreme, investment advisers warn, each factor could subdue growth, and protectionist policies could do much worse. Until signs emerge that economic damage will be limited, they say, stocks could remain under pressure.

“We’re dealing with a more toxic issue than we’ve had to deal with in this bull market,” said Edward Yardeni, president of Yardeni Research. “There’s the potential for causing a global recession, and that’s something investors are worrying about.”

They seemed not to have a care in the world as 2018 began. Stocks recorded a string of record highs as Wall Street contemplated the benefits from reduced corporate and personal income tax rates that had just been enacted. But Treasury bond yields rose steadily through January as indicators of economic strength, particularly the persistently low unemployment rate, raised the prospect of rising inflation.

Around the same time, President Trump began to impose tariffs intended to protect American industries from foreign competition. Solar panels and washing machines were his first targets. Then came steel and aluminum.

Tariffs may or may not help the targeted industries, which in these cases are not significant segments of the economy, anyway, and the taxes are almost universally viewed as harmful to consumers, who have to pay more for the affected goods. And then there’s the impact of tariffs imposed by foreign governments in retaliation, which came swiftly from ***China***, the main target of the ***trade war*** that Mr. Trump has threatened to wage.

The potential impact of the back-and-forth ***trade*** moves, and the ones that yet may come, helped send stocks on one of the swiftest plunges on record starting in late January — 11.8 percent in less than 10 ***trading*** days for the Standard & Poor’s 500-stock index.

That was followed by a rally that recouped most of the loss, and then another decline that took the index close to a fresh low, leaving it down 1.2 percent in the first three months of the year, the first quarterly decline since 2015. The early days of April have been rocky as well.

If a ***trade war*** really has begun, some household names in corporate America could become casualties, Andy Rothman, an investment strategist at Matthews Asia, warned.

“There are already a lot of ***U.S***. companies doing really well in ***China***,” he said. “G.M. sells more cars in ***China*** than in the ***U.S***., Boeing sells more planes in ***China*** than in any other market, and Apple derives 20 percent of its revenues in ***China***. Those are big listed names.”

The impact would go beyond sales in ***China***, he added. American companies that obtain parts and supplies there could see that conduit disrupted.

As for the Chinese economy and stock market, Mr. Rothman said, they are mostly immune.

“Very few listed Chinese companies export stuff to the ***United States***,” he said. “Even if Trump disrupts ***U.S***.-***China*** ***trade***, the impact should be negligible.”

A ***trade war***, therefore, “will hurt us more than them,” he said. That’s why he expects the president’s protectionist tendencies to be reined in.

“The odds of a full-blown ***trade war*** are extremely low,” Mr. Rothman said. Not only is the Chinese leadership eager to avoid one, but “Trump must be coming under a lot of pressure not to do this for the damage it will do to the ***U.S***. equity market.”

Tobias Levkovich, chief ***United States*** equity strategist at Citi Research, also foresees limited damage to the economy and stocks from an unraveling in ***trade*** relations. He pointed to the exemptions on steel and aluminum tariffs offered to big ***trading*** partners like Canada and Mexico, and he expressed hope that Mr. Trump’s words and actions merely reflected his penchant for eccentric deal making.

“Trump has a unique negotiating style,” Mr. Levkovich said. But “if he takes it further, it could be a problem and hurt growth in a more meaningful way.” As for the impact of the president’s tactics on investments, he added, “it doesn’t help.”

Mr. Yardeni said he thought a ***trade war*** could be forestalled, although the mere prospect of one could depress the stock market. He agreed that “this could be Trump’s art of the deal — take an extreme negotiating position and wait for people on the other side to say, ‘Let’s talk about this.’”

Tighter monetary policy is a more run-of-the-mill concern. But investors should not underestimate the potential it has to harm their portfolios with valuations elevated across the board and inflation threatening to return.

“Prices across just about every asset class look high historically,” said Ben Inker, head of asset allocation for the asset management firm GMO. “What they all have in common is that when you squint, they make sense if you assume cash rates are going to stay low for some time. If inflation is up, then you need significantly tight monetary policy. That’s bad for bonds and also stocks.”

Mr. Inker is concerned about a ***trade war***, like many other investors, but he emphasizes the risk of higher prices on goods — inflation — that it might cause.

“The nightmare scenario is a general rise of economic nationalism and the mercantilist view that ***trade*** has winners and losers,” he said. “Then you get a retreat from globalization, which has helped the economy grow without experiencing significant inflation.”

When stocks fall, so usually do yields on high-quality bonds, sending prices higher in a so-called flight to safety. But one ominous development during the first leg of the decline in stocks, from Jan. 26 to Feb. 8, was that the yield on 10-year Treasury securities rose to 2.85 percent from 2.66 percent. Yields were steady during the second wave of selling in stocks, but they rose overall during the first quarter, to 2.74 percent from 2.4 percent.

That means that bond prices, as well as stock prices, fell.

Terri Spath, chief investment officer of Sierra Investment Management, warned in a note to clients that the traditional balanced portfolio, split 60/40 between stocks and bonds, might not provide the protection through diversification that it used to if the bond bull market that began in the early 1980s is over, as she believes.

“Tightening Fed policy, inflation, rapidly growing deficits and their impact on rates can sometimes move bond prices violently,” Ms. Spath wrote. “July 2016 marked the lowest level in rates I will likely see in my lifetime,” with the 10-year Treasury yield reaching 1.33 percent. “If interest rates continue the climb up from that level, traditional bonds and the 60/40 will continue to die, as foreshadowed during the first correction of 2018.”

Ms. Spath is not alone in disdaining bonds. The latest Bank of America Merrill Lynch survey of global fund managers, released in late March, showed bonds to be the second-least-favorite of 22 asset classes — behind only British stocks — relative to how managers have rated them throughout the survey’s 17-year history.

Bond funds and domestic and international stock funds all fell in the first quarter, though not by that much. The average taxable bond fund declined 0.5 percent, according to Morningstar, led lower by portfolios specializing in longer-term issues.

The average domestic stock fund fell 0.4 percent, with consumer defensive and natural resources groups faring worse than most and technology being one of the few clear winners, up 6 percent. International funds declined 0.3 percent, although specialists in ***China*** and Latin America recorded gains.

With interest rates rising, stock market valuations still high and protectionist impulses threatening to ignite a full-blown ***trade war***, advisers encourage investors to indulge protectionist impulses of a different sort when it comes to their portfolios. They recommend keeping less money in stocks or being more selective about the ones investors own.

“You’re better off investing pretty much anywhere other than the ***U.S***.,” Mr. Inker said about stocks, although he prefers Treasury bonds to foreign bonds.

The only type of investment he recommends outright, rather than in comparison to others that he deems even worse, is “the cheap half of emerging” markets, in particular technology stocks in places like Taiwan and elsewhere in Asia.

“Other than emerging market value, we don’t see assets that deserve to go up a lot,” he said.

Citi’s analysts prefer emerging markets and Europe, where stocks are cheaper and central banks are doing more to prop up the markets. Mr. Levkovich counters that stocks are cheaper abroad for good reasons: American businesses have higher returns on equity, and American benchmark stock indexes are heavier in technology and lighter in the financial industry.

Mr. Levkovich recommended that investors prune their portfolios to enhance return prospects. In particular, he would be cautious on tech and usually defensive areas like utilities, consumer staples and telecoms, and emphasize traditional industrial companies and the materials industry, including chemical producers.

Mr. Yardeni remains optimistic about stocks, but he’s in no hurry to buy.

“You have to recognize that if you’re thinking of buying stocks, you’re not exactly getting in early,” he said. “We could have a shakeout here until we get clarity on protectionism.”

His advice is to be patient in the likelihood that stocks can be bought at lower prices. When the time feels right, he said, he would look at exporters and other companies that would be on the front lines in a ***trade war***, which he expects to be averted.

“You’re probably going to find some good opportunities in blue-chip stocks with exposure to tariff issues,” Mr. Yardeni said. But for now, he cautioned, risks in the market have risen.

“This probably will turn out to be a panic attack, like before,” he said, “but it has the potential to be a more serious correction than we’ve had in some time.”

PHOTO: (PHOTOGRAPH BY Corey Brickley FOR THE NEW YORK TIMES)

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**End of Document**

**DealBook Briefing: The China Trade War Could Decimate Deal-Making**

The New York Times

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**Body**

Good Monday. Want this by email? Sign up here.

***China***'s new ***trade war*** weapon may be red tape

The ***trade*** fight between the ***U.S***. and ***China*** is showing little sign of ending: ***China***'s foreign minister warned Secretary of State Mike Pompeo this morning that the ***U.S***. should ''stop such misguided activities.'' But with Beijing running out of ways to fight back, it may open a new front that could decimate corporate America's deal-making.

The Chinese government could hold up or kill takeovers that require its approval, as happened when Qualcomm tried to acquire NXP Semiconductors. But more deals now risk suffering that fate -- including Walt Disney's purchase of 21st Century Fox and United Technologies' acquisition of Rockwell Collins. (Deal-makers already said they were worried about the ***trade war***.)

The strategy has risks. Alex Stevenson of the NYT notes that if ***China*** is seen as increasingly inhospitable to business, its already struggling economy could suffer more. (Beijing announced yesterday that it was injecting $175 billion into the economy to help prop it up.)

As Fred Hu, the chairman of the investment firm Primavera Capital Group, told the NYT, ''***China*** is trying to cultivate ties with'' American business giants. It may not be able to have it both ways.

More ***China*** news: Chinese stocks fell, even after the economic intervention. David Einhorn of Greenlight Capital told investors that he dumped his stake in Apple over ***trade*** fears.

Reid Hoffman says big isn't always bad for social media

As calls to break up social media companies like Facebook grow, the entrepreneur and investor writes (on LinkedIn, the social network he co-founded) that the matter isn't cut-and-dried:

It's not Facebook's size that caused the issues. Size makes a platform attractive to hackers, but it also gives that platform more resources to defend itself. If there were, say, five smaller social networks in place of Facebook, that would probably make the situation far worse, because each would be more vulnerable to attack, and when serious problems arose, it would be harder to track down the bad behavior and figure out how to thwart it.

Instead, he argues that there's a bigger problem: ''We haven't agreed on a set of goals for how social media should impact civil society.'' Before we rush to tear up Facebook, he writes, we should work out if social media can be changed to improve society -- as happened to newspapers, radio and TV -- by demanding more from the companies.

Mr. Hoffman concedes, though, that his approach would mean ''a long and never-ending process.''

2 economists win Nobel for studying change

The American economists William Nordhaus and Paul Romer won the Nobel in economic science this morning. More from Binyamin Appelbaum of the NYT:

Mr. Nordhaus was cited for his work on the implications of environmental factors, including climate change. Mr. Romer was cited for his work on the importance of technological change.

The economist Justin Wolfers tweeted that both men, long favored to win the Nobel someday, have studied contradictions at the heart of capitalism:

It's all about market failure. Left alone, markets will generate too much pollution (Nordhaus) and too few ideas (Romer).

Coming up

Things might be quiet. Many American companies will observe (the controversial) Columbus Day. It's also Canadian Thanksgiving.

To survive global warming, rewire the global economy

Avoiding global warming is expensive. Dealing with the damage that it causes could be financially ruinous.

A new report from the U.N.'s scientific panel on climate change predicts that if greenhouse gas emissions continue at their current rate, the atmosphere would warm by as much as 2.7 degrees Fahrenheit above pre-industrial levels by 2040. That could cause as much as $54 trillion in damage, because of effects like worsening food shortages, wildfires and droughts.

To avoid that fate, the report urges huge transformations of the world economy in the next few years. That means taxing carbon dioxide emissions (perhaps as high as $27,000 per ton by 2100), investments in clean energy (of $2.4 trillion every year through 2035), and a complete end of coal use by 2050.

But such swift and unified change is politically unlikely, especially with President Trump intending to withdraw from the Paris climate agreement.

Bonus: A guide to negative emissions technologies.

Wall Street is opening its wallet for Democrats

High finance traditionally donates to Republicans over Democrats, with the G.O.P. having outraised its rival by more than $50 million over each of the last three election cycles. This year is proving to be different, according to the NYT: Wall Street is turning blue.

Traditional Republican donors like Paul Singer are still giving money to the party, but others have broken rank. Seth Klarman, the hedge fund billionaire, plans to give $20 million to Democrats. Other financiers are backing obscure Democratic candidates for Congress.

Some of Wall Street's Democratic supporters say they're driven by opposition to President Trump. Others see something else at work: ''They just want to follow winners,'' the conservative economist Stephen Moore told the NYT.

Tech workers demand answers from employers

Workers at companies like Google, Amazon, Microsoft and Salesforce are rebelling. Concerns about their employers' government work are prompting them to question their bosses -- and the answers they're getting are inspiring some to quit.

Take Jack Poulson, a research scientist alarmed by Google's efforts to build a censored search engine for ***China***. He took his concerns to Jeff Dean, the tech giant's head of A.I. What happened, according to Kate Conger and Cade Metz of the NYT:

According to Dr. Poulson, Mr. Dean said that Google complied with surveillance requests from the federal government and asked rhetorically if the company should leave the ***United States*** market in protest. Mr. Dean also shared a draft of a company email that read, ''We won't and shouldn't provide 100 percent transparency to every Googler, to respect our commitments to customer confidentiality and giving our product teams the freedom to innovate.''

The next day, Dr. Poulson quit.

It may be hard for these tech giants to find replacements, as well. The NYT added that some students are asking similar questions -- before they even join the work force.

Steve Ballmer dishes on his best and worst investments

Mr. Ballmer joined Microsoft early, amassed a huge fortune, then bought the L.A. Clippers for $2 billion. Not bad. In an interview with the WSJ, the former Microsoft C.E.O. recounted his greatest hits and misses.

His best bet: Quitting Stanford's business school to join Microsoft, obviously.

His worst bet: Investing in furniture. He sold tens of millions worth of Microsoft stock to buy two furniture retailers, and both went bankrupt. Had he held onto his shares, his fortune -- estimated by Forbes at $43.5 billion -- would have been even bigger.

Mr. Ballmer's bottom line? ''Stick with what you know. Or really dedicate yourself to learning something new.''

Revolving door

Bodo Ueber is stepping down as Daimler's C.F.O.

Analysts say that potential candidates to succeed Paul Polman as Unilever's C.E.O. include Nitan Paranjpe, the company's food and refreshment unit, and Amanda Sourry, its head of North America.

The speed read

Deals

Saudi Arabia's crown prince, Mohammed bin Salman, said that Saudi Aramco would go public by 2021. (Bloomberg)

Silicon Valley venture capitalists have backed nicotine start-ups. But Juul was a step too far. (NYT)

Shares in Elastic, a Dutch fintech company, nearly doubled in their first day of ***trading*** Friday. (Fortune)

Private equity is raising huge infrastructure funds -- despite finding little to invest in. (WSJ)

How Fidelity plans to rule the investment industry in a time of robo-advisers and exchange-***traded*** funds. (Barron's)

Politics and policy

State attorneys general are suing Navient, because the Trump administration eased up on the student lender. (NYT)

The Trump administration isn't saying if it will give the International Monetary Fund more money. (FT)

Brett Kavanaugh's first case as a Supreme Court justice may be on whether Commerce Secretary Wilbur Ross can be deposed in a lawsuit over the ***U.S***. census. (Politico)

A Democratic candidate for Massachusett's governorship wants to tax Harvard and M.I.T. to fund transportation projects in the Bay State. (WSJ)

Taylor Swift backed the Democratic Senate candidate in Tennessee -- the pop superstar's first political endorsement. (Hill)

***Trade***

President Trump's ***trade*** strategy is coming into focus. But will it work? (Upshot)

Prime Minister Shinzo Abe of Japan says Britain would be welcomed into the Trans-Pacific Partnership ***trade*** deal ''with open arms.'' (FT)

The European Central Bank says that lenders would have only three years after Brexit to stop using the ''back-to-back'' model, where transactions processed in the E.U. are booked in London. (FT)

Tech

Competition over coming 5G spectrum auctions will be fierce. (WSJ)

Sony's C.E.O. plans to borrow Silicon Valley thinking to bolster innovation. (FT)

The Department of Homeland Security sided with Apple and Amazon in disputing a Bloomberg Businessweek report on secret spy chips in server hardware. Here's how to work out who is telling the truth.

An NYT editorial asks: Did Facebook learn anything from the Cambridge Analytica debacle? Meanwhile, Mark Zuckerberg has told his employees to respect the diverse views of their colleagues.

Here's what Steve Jobs might have told Elon Musk. (Bloomberg Opinion)

A deep dive into the new space race. (Axios)

Best of the rest

Denmark lost $2 billion. Where is it? (NYT)

A resurgence in American manufacturing may require a global shift away from the dollar. (WSJ op-ed)

How Walmart and Target aim to fill the Toys ''R'' Us hole for the holidays. (WSJ)

American consumerism appears to be driving the stock market. (Axios)

Why gas could hit $3 a gallon in the ***U.S***. by the midterms. (Bloomberg Opinion)

Are you good at Excel? Don't tell your colleagues. (WSJ)

Thanks for reading! We'll see you tomorrow.

We'd love your feedback. Please email thoughts and suggestions to bizday@nytimes.com

https://www.nytimes.com/2018/10/08/business/dealbook/***china***-***trade***-deals.html

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**Trump Embraces a Trade War, Which Could Undermine Growth**

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**Byline:** By JIM TANKERSLEY

**Body**

WASHINGTON -- After a year of delighting conservatives with tax cuts and regulatory rollbacks, President Trump is finally following through on the type of ***trade*** crackdowns that terrify Republican leaders in Congress and many economists. They warn that the ***trade war*** Mr. Trump appears eager to launch could backfire, sending America and the world into recession.

Mr. Trump said on Thursday that he would soon levy tariffs on imported steel and aluminum from every foreign country, a move that sent stocks tumbling through the end of the day. On Friday, he ramped up his rhetoric in the face of criticism, saying on Twitter that ''***trade wars*** are good, and easy to win.''

Many economists say the opposite: that even the prospect of a ***trade war*** will hurt the economic expansion that is underway and that Mr. Trump loves to take credit for.

''Industries that buy steel and aluminum, not to mention agricultural exporters, employ many times more people than the industries that the president wants to protect,'' said Peter A. Petri, an economist and ***trade*** expert at Brandeis University's International Business School. ''Whether we go through with his approach is anyone's guess, but business investment depends on predictable policy, and relentless chaos takes its toll even if cooler heads prevail on the policies that the president is tweeting about.''

The planned tariffs are stiff: 25 percent for steel and 10 percent for aluminum. They appear likely to buoy domestic investment and, to some degree, job creation in those industries, while raising prices on consumers and squeezing other industries that rely heavily on metals, such as automobile manufacturing and beverage production. They were hailed by labor groups, whose workers have seen their jobs shipped overseas, liberal economists and lawmakers, while criticized by business groups such as the National Retail Federation.

On their own, the tariffs appear unlikely to affect growth or inflation to a great degree, economists said. Mr. Trump's tariffs ''would by themselves have only a small macroeconomic impact,'' said Mark Zandi, the chief economist at Moody's Analytics and a vocal critic of Mr. Trump's ***trade*** agenda during the campaign. Mr. Zandi said they were likely to add not quite 0.1 percentage points to inflation, which is currently hovering just under 2 percent, and to reduce economic growth by only a few hundredths of a percentage point.

What worries many economists, particularly on Wall Street, is the prospect that Mr. Trump is set to launch a broader ***trade war***. The national security grounds he is invoking as rationale for the tariffs could provoke swift retaliation from ***trading*** partners such as Canada, which will be affected far more by the measures than ***China*** will.

''This is likely to escalate ***trade*** tensions,'' economists at Goldman Sachs wrote on Thursday, ''particularly as it looks likely to apply to a broad group of countries including to some allies of the ***U.S***. We expect further disruptive ***trade*** developments over the coming months.''

The tariffs could also bring condemnation from the World ***Trade*** Organization -- and a potentially dramatic showdown if the ***United States*** ignores rulings from the group, which has been marginalized by the Trump administration.

If such problems spiral worldwide, Mr. Zandi said, ''a particularly dark scenario could end in a global ***trade war***. The economic fallout from such a ***war*** could be serious, ending in a global recession.''

Other liberal economists caution that such a scenario remains unlikely. ''I'd expect some counter-tariffs on our exports, maybe from ***China*** on food products'' as a result of the tariffs, said Jared Bernstein, a former Obama administration economist who is now at the Center on Budget and Policy Priorities. ''You always hear ***trade war*** at these moments. That doesn't mean that's always wrong, but it usually is.''

From the beginning of his insurgent 2016 presidential campaign, Mr. Trump has seen ''winning'' on ***trade*** -- measured by reducing bilateral ***trade*** deficits, particularly with ***China***, the ***trading*** partner Mr. Trump is most concerned with -- as critical for boosting the economy. Reducing ***trade*** deficits, he has argued, will work in tandem with lowering taxes and reducing federal regulations, to supercharge growth.

Mr. Trump took several steps last year to freeze or roll back regulations, and he signed a $1.5 trillion tax-cut bill in December. He also took initial steps to reorient ***trade*** policy, pulling out of the Trans-Pacific Partnership and embarking on a fractious renegotiation of the North American Free ***Trade*** Agreement. But while economic growth accelerated, the ***trade*** deficit in goods and services widened to $566 billion for the year, the largest amount since 2008. The goods deficit with ***China*** hit $375 billion, a record.

The tariffs Mr. Trump announced Thursday were his boldest move yet on ***trade***, and a sign of resurgent power in the White House for economic adviser Peter Navarro and Commerce Secretary Wilbur L. Ross Jr., who have long pushed Mr. Trump to act more aggressively on ***trade***, which was a signature campaign issue. They were a reminder to the Republican establishment that Mr. Trump's theory of the economy is sometimes at odds with traditional free-market conservatism, for as much as they overlap.

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They compiled a list of the 10 metro areas most vulnerable to such a shock because of their economic reliance on exports. Those areas were in Indiana, Texas, Louisiana, South Carolina and Alabama -- all states Mr. Trump carried.

https://www.nytimes.com/2018/03/02/us/politics/trump-embraces-a-***trade-war***-which-could-undermine-growth.html

**Load-Date:** March 3, 2018

**End of Document**

**Trump Embraces a Trade War, Which Could Undermine Growth**

The New York Times

March 4, 2018 01:48 EST

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**Section:** US; politics

**Length:** 1180 words

**Byline:** Jim Tankersley

**Highlight:** President Trump is finally following through on the ***trade*** crackdowns that terrify Republican leaders in Congress and many economists.

**Body**

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PHOTO: Coke conveyors stand near the blast furnaces at ***U.S***. Steel’s Granite City Works in Granite City, Ill. (PHOTOGRAPH BY Luke Sharrett for The New York Times FOR THE NEW YORK TIMES)

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* Trump to Impose Sweeping Steel and Aluminum Tariffs

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**Load-Date:** March 4, 2018

**End of Document**

**Trump Declines to Label China a Currency Manipulator as Trade War Brews**

The New York Times

April 13, 2018 Friday 17:28 EST

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**Section:** US; politics

**Length:** 749 words

**Byline:** Alan Rappeport and Ana Swanson

**Highlight:** The Treasury Department scolded ***China*** over its ***trade*** surplus, but decided against calling it a currency manipulator, breaking a key campaign promise by President Trump.

**Body**

WASHINGTON — The Trump administration, which has been on the verge of a ***trade war*** with ***China***, opted on Friday not to label the country a currency manipulator, breaking a key campaign promise by President Trump to punish a government he has called the “greatest currency manipulators ever.”

The Treasury Department, in its biannual currency exchange report, scolded ***China*** for its lack of progress in reducing the bilateral ***trade*** deficit with the ***United States***, but did not find that it was improperly devaluing its currency, known as the renminbi.

“Treasury is strongly concerned by the lack of progress by ***China*** in correcting the bilateral ***trade*** imbalance and urges ***China*** to create a more level and reciprocal playing field for American workers and firms,” the report said.

It was the third time since Mr. Trump assumed the presidency that the Treasury Department opted not to accuse ***China*** of improper meddling. ***China*** has long maintained a strong grip on the value of its currency and, for years, weakened it compared with the dollar to make Chinese products cheaper to sell in the ***United States*** and other countries. More recently, ***China*** has made a big show of gradually loosening its grip, an effort meant to mollify critics like Mr. Trump and experts who have long urged Beijing to let markets fix financial problems in the world’s second-largest economy.

***China*** had a $375 billion ***trade*** surplus in goods last year, the largest of any of America’s ***trading*** partners. That gap has become a frequent target of Mr. Trump’s, who has cited the ***trade*** deficit with ***China*** as a main reason for his administration’s aggressive approach, including the tariffs and investment restrictions he has threatened.

But Mr. Trump may have been persuaded not to label ***China*** a currency manipulator by business executives, who have warned the president that such a move could be disastrous for American companies.

In his first months in office, Mr. Trump was surprised by the opposition to his plan to label ***China*** a currency manipulator, always a popular line on the campaign trail. In a meeting with business leaders last year, an executive of one of America’s largest exporters told the president that labeling ***China*** a currency manipulator could be harmful for his business, a person briefed on the discussion said.

The president responded incredulously, and was surprised when the other executives in attendance said they completely agreed, the person said.

The Treasury Department determines if a country should be labeled a currency manipulator based on bilateral ***trade*** deficits and signs that another country is depressing the value of its currency. The ***United States*** has not officially called another country a manipulator since it slapped the label on ***China*** in 1994, and doing so is supposed to kick-start negotiations to resolve the problem.

This year ***China***, Germany, Japan, South Korea, Switzerland and India were placed on Treasury’s monitoring list for potential currency manipulation.

Corporate chiefs and investors are hoping that the ***U.S***. and ***China*** can negotiate a settlement before the tariffs go into effect. But that looks highly uncertain. The countries are not currently engaging in formal negotiations, and the ***United States*** has not presented ***China*** with a list of actions it could take to avoid the tariff threats.

Instead, the Trump administration appears to be pushing ahead on tariffs, as well as restrictions on investment that are expected be announced in the coming months. The ***United States*** ***trade*** representative is aiming to publish a list of Chinese goods as early as next week that would incur additional tariffs if Mr. Trump makes good on his most recent threat to tax an additional $100 billion in Chinese goods.

The White House has already begun imposing tariffs on Chinese steel and aluminum and has outlined another $50 billion worth of imports that would be subject to tariffs, including flat-screen TVs. The Chinese, in return, have begun imposing tariffs on American pork and threatened levies on additional products, primarily agricultural.

PHOTO: President Trump, who is threatening ***China*** with stiff tariffs and other restrictions, opted not to label the country a currency manipulator despite campaign promises that he would do so. (PHOTOGRAPH BY Doug Mills/The New York Times FOR THE NEW YORK TIMES)

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* E.U. Likes Trump’s Stance on ***China***, but Hates His Methods

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**Load-Date:** December 11, 2018

**End of Document**

**U.S. Allies Gird for a Trade War**

The New York Times

January 31, 2017 Tuesday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 1

**Length:** 1467 words

**Byline:** By PETER S. GOODMAN

**Body**

LONDON -- America's traditional allies are on the lookout for new friends.

They have heard the mantra ''America First'' from the new president, divining a Trump doctrine: global cooperation last. Europeans have taken note of Mr. Trump's denigration of the European Union and his apparent esteem for the Russian president, Vladimir V. Putin. In Asia and Latin America, leaders have absorbed the deepening possibility that Mr. Trump will deliver on threats to impose punitive tariffs on Mexican and Chinese imports, provoking a ***trade war*** that will damage economic growth and eliminate jobs around the world.

Some allies are shifting focus to other potential partners for new sources of ***trade*** and investment, relationships that could influence political, diplomatic and military ties. Many are looking to ***China***, which has adroitly capitalized on a leadership vacuum in world affairs by offering itself -- ironies notwithstanding -- as a champion for global engagement.

''We've always said that America is our best friend,'' Jeroen Dijsselbloem, president of the Eurogroup -- comprising finance ministers from countries sharing the euro currency -- said in an interview with The New York Times on the sidelines of the World Economic Forum in Davos, Switzerland, this month. ''If that's no longer the case, if that's what we need to understand from Donald Trump, then of course Europe will look for new friends.''

''***China*** is a very strong candidate for that,'' he added. ''The Chinese involvement in Europe in terms of investment is already very high and expanding. If you push away your friends, you mustn't be surprised if the friends start looking for new friends.''

On Wednesday, Chancellor Angela Merkel of Germany spoke by telephone with Premier Li Keqiang of ***China***. ''The two spoke in favor of free ***trade*** and a stable world ***trade*** order,'' a German government spokesman later said in a written statement.

The swift reassessment of ***trade*** relations -- a realm in which Mr. Trump is directly threatening the order that has prevailed since the end of World ***War*** II -- only amplifies the potential for a shake-up of the broader geopolitical framework.

Mr. Trump has already criticized NATO as obsolete while demanding that member states pay more, calling into question the alliance that has maintained security across much of Europe for more than six decades. He has provoked fears of a clash with ***China*** beyond issues of commerce by taking a congratulatory call from the president of Taiwan, the self-governing island that Beijing claims as part of its territory. In shutting American borders to people from predominantly Muslim countries, Mr. Trump risks inflaming tensions with Middle Eastern nations while widening a void with democratic allies over basic values.

Through the fractious campaign, weary sophisticates dismissed the extreme talk from the Trump camp as political bluster. Even if he won, he would never follow through on his threats, particularly in ***trade*** where his business sensibilities would prevail.

But that conventional wisdom looks to be crumbling. First, Mr. Trump delivered on a promise to withdraw from the Trans-Pacific Partnership, a ***trade*** agreement forged by the Obama administration in part as a counter to ***China***'s growing influence.

Then, on Thursday, his administration appeared to embrace a Republican proposal to impose a 20 percent tax on all imported goods while asserting the proceeds would pay for a wall along the Mexican border. Word of the tax emerged as President Enrique Peña Nieto of Mexico canceled a visit to Washington to protest the promised wall -- resonating as the potential first salvo in a ***trade war***.

''I'm incredibly concerned that the Trump people mean what they say,'' said Chad P. Bown, a ***trade*** expert at the Peterson Institute for International Economics. ''One would hope that they are using this as a negotiating tactic. But even if you are, that's an extraordinarily dangerous game to play, because, right now, the communication to the world is not flowing clearly.''

The communication on Thursday came through Mr. Trump's press secretary, Sean Spicer, who during the administration of George W. Bush, promoted the job-creating magic of free ***trade*** as a spokesman for the ***United States*** ***Trade*** Representative.

Pressed to explain how Mr. Trump would force Mexico to pay for the wall, Mr. Spicer said an import tax would do the trick. He soon clarified the tax was merely one option on a crowded buffet table.

At a news conference on Friday, Mr. Trump reported having had ''a very good call'' with the Mexican president. But he did not sound conciliatory. Mexico ''has outnegotiated us and beat us to a pulp through our past leaders,'' he said. ''I'm not going to let that happen.''

Within the business world, the prospect of substantial tariffs seems so damaging that many assume it will never happen.

Three decades ago, Alan Russell, a former commercial airline pilot, set up the Tecma Group of Companies, which runs factory operations for multinationals in Mexico. Today, the company employs some 7,000 Mexican laborers, most of them in factories clustered around Ciudad Juárez. They make components for the automotive, electronics, aerospace and medical device industries.

Mr. Trump's words have provoked fear among the members of Mr. Russell's work force. ''They hear the administration is going to shut down Nafta and deport everyone, and it scares them,'' he said, referring to the North American Free ***Trade*** Agreement.

But in the end, he said, business will carry on.

''In 31 years, I've been through rapid inflation, devaluations, three major recessions, the violence period and multiple presidential administrations, and every year ***trade*** has increased,'' he said. ''We've been through worse. ***Trade*** is like life itself. It will figure a way.''

Most experts have similarly assumed the responsibilities of governance would temper Mr. Trump's ***trade*** posture. Given that nearly one-third of all American ***trade*** is conducted with ***China*** and Mexico, a rupture risks severe economic damage.

The three countries are intertwined in the global supply chain. ***China*** makes components that go into auto parts manufactured in the ***United States***. Those parts are delivered to factories in Mexico that produce finished vehicles sold to Americans. Calling such vehicles Mexican imports misses that much of the value is produced in the ***United States***, employing American labor.

''The idea of ***trade wars*** these days, what politicians have in mind is really a 19th-century or early 20th-century conception of ***trade***,'' said Gianmarco I.P. Ottaviano, a ***trade*** economist at the London School of Economics. ''You don't even know who you're going to hurt with these kind of things. You're probably going to destroy American jobs in the end.''

Mr. Trump owes his office in no small measure to factory workers who have come to view global ***trade*** as a mortal threat to their livelihoods. But their sentiments are grounded not in ideology, but in a desire for jobs at decent wages. If Mr. Trump impedes imports, he could put some of these voters out of work.

Beyond the economic effects, Mr. Trump's refashioning of ***trade*** has already altered global alignments.

In emphasizing ''America First,'' Mr. Trump has generated a widespread sense that the country is surrendering its global leadership position. Britain's abandonment of the European Union has enhanced the view that a period of international integration has devolved to a new era in which nationalist concerns are paramount.

On Friday, as Mr. Trump hosted British Prime Minister Theresa May, he only increased the sense that he disdains Europe.

''Brexit's going to be a wonderful thing for your country,'' he told Ms. May at a news conference, before recounting his frustrations with the union's bureaucracy. ''Getting the approvals from Europe was very, very tough.''

With both countries pursuing nationalist aspirations and multilateral institutions seemingly endangered, the world suddenly seems short of responsible supervision.

***China*** is working to assume the mantle. President Xi Jinping of ***China*** last week used an address in Davos, to submit his nation's bid as a reliable champion of expanded ***trade***.

***China*** does not have free elections. ***China*** jails labor organizers, while lavishing credit on state-owned enterprises. All of this makes Mr. Xi an ironic choice as an icon for free ***trade***. Yet Mr. Xi's speech was so successful that it won the embrace of business people and world leaders alike.

At a lunch in Davos two days after Mr. Xi's address, a Berlin-based private equity fund manager, André Loesekrug-Pietri, stood in a dining room full of more than 100 people and predicted the dawning of a new era.

''We heard a Chinese president becoming the leader of the free world,'' he said.

http://www.nytimes.com/2017/01/30/business/economy/trumps-mexico-***china***-tariff-***trade***.html

**Graphic**

PHOTOS: A container port in Chongqing, ***China***. Some American allies are turning to ***China*** as a ***trade*** partner because of the Trump administration's tariff threats. (PHOTOGRAPH BY QILAI SHEN/BLOOMBERG) (B1)

Chancellor Angela Merkel of Germany, President Xi Jinping of ***China*** and Mr. Xi's wife, Peng Liyuan, at the G-20 summit meeting last October. (PHOTOGRAPH BY STEPHEN CROWLEY/THE NEW YORK TIMES) (B4)

**Load-Date:** January 31, 2017

**End of Document**

**A Trade War Hits Home for U.S. Cheesemakers**

The New York Times

June 25, 2018 Monday, Late Edition - Final

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**Section:** Section A; Column 0; National Desk; Pg. 1

**Length:** 1657 words

**Byline:** By ANA SWANSON

**Body**

PLYMOUTH, Wis. -- It's a common observation here that you can't turn off the cows -- not for Christmas, and not for a ***trade war***.

So as President Trump's aggressive ***trade*** measures prompt other countries to retaliate with barriers to American goods, dairy farmers and cheesemakers in the rolling, bright green hills of Wisconsin are growing anxious about what will happen to all of the milk and cheese they churn out and typically sell overseas.

''If export markets get shut off, I could see us getting to the point where we're dumping our milk in the fields,'' said Jeff Schwager, the president of Sartori Company, which has produced cheese in a nearby town for generations with milk it purchases from more than 100 dairy farms throughout Wisconsin. ''It'll be a big ripple effect through the state.''

Mr. Trump has set off ***trade*** clashes with countries around the world, demanding new ***trade*** agreements and slapping tariffs on allies to reset what he says are deeply unfair terms that hurt American companies and workers. He has singled out certain American industries that he says are at a global disadvantage, including automobiles and dairy -- which led to a public spat between Mr. Trump and the Canadian prime minister Justin Trudeau over Canada's dairy tariffs.

The president's ***trade*** approach stems from his campaign promise to revive American industry, particularly manufacturing, by putting ''America First.'' That promise helped propel Mr. Trump into office. But the ramifications of the president's protectionist approach are beginning to be felt in the towns and counties that elected him, as the downsides become more evident than any upside.

For domestic cheesemakers like Sartori, Mr. Trump's approach has further tilted the global playing field against American manufacturers, giving them an even steeper climb in an increasingly competitive global economy.

The dairy industry now faces substantial tariffs on products it exports as Mexico, Canada and other countries retaliate against Mr. Trump's steel and aluminum tariffs. American exporters also fear that they could lose access to Canada and Mexico if the president goes ahead with his threat to withdraw from the North American Free ***Trade*** Agreement. And they are finding themselves at an increasing disadvantage as other countries move ahead with ***trade*** agreements that grant each other freer access to their markets while Mr. Trump further isolates the ***United States***.

It was counties like Sheboygan, where Plymouth is located, that helped sweep Mr. Trump into the White House, and many people in Plymouth are still staunch supporters of the president. But many differ with his negative views of global ***trade***, which has generally been good for the dairy industry.

Nafta, which the president often calls the worst ***trade*** deal ever, has given the industry a valuable foothold in Mexico. That country is now America's largest export market for cheese, absorbing more than a quarter of all the cheese that leaves the ***United States***. Dairy farmers and cheesemakers generally supported the Trans-Pacific Partnership, a 12-nation pact Mr. Trump withdrew from in his first days in office, which would have opened up valuable new markets, including Japan.

They have watched woefully as other countries move ahead without the ***United States***, signing ***trade*** agreements that cut barriers to each other's markets and put American producers at a competitive disadvantage. The European Union in April signed a deal with Mexico that is expected to slash tariffs on European dairy and offer further protections for European cheese names like feta, muenster, fontina and Parmesan, blocking American companies from using those labels.

At a Sartori factory in Plymouth, giant mixers revolve over long silver vats, blending cheese curds with salt. At another plant just across the railroad tracks, workers in white coats and yellow rubber boots infuse cheese wheels the size of dinner plates with Merlot wine and black pepper, and set them up to age on large racks.

The Sartori company, which employs roughly 500 workers in the state, earns just one-tenth of its revenue from exports to 49 countries of cheese like Parmesan, Cheddar, asiago, Gorgonzola, Romano and fontina. But its exports to foreign markets are the company's fastest growing segment and the one where it sees the most opportunity.

That equation changes dramatically when tariffs are factored in. Sartori, which sells its cheeses to retail stores and fast casual restaurant chains in Mexico, now faces a 15 percent tariff on its exports, which will rise to 25 percent on July 5, in retaliation for Mr. Trump's levies on global metal. The price increase is enough that the company's customers, including restaurant chains, are looking at signing contracts with Sartori's European competitors.

Locals believe that the retaliatory tariffs are aimed at Wisconsin because of its political significance. The state voted for Mr. Trump and is also home to Representative Paul D. Ryan, the House speaker. Wisconsin products targeted for retaliatory tariffs by the European Union, Mexico and ***China*** include Harley-Davidsons, cranberries, ginseng and apples.

Mr. Trump's skepticism about ***trade*** is leaving the Wisconsin dairy industry behind in other ways beyond retaliatory tariffs. Rather than rewriting ***trade*** deals in America's favor, Mr. Trump has mostly withdrawn from agreements his predecessors were negotiating -- leaving other countries to set the terms of ***trade***.

That has given Sartori's international rivals an advantage, especially cheesemakers in the European Union, who are carving out protections for specific cheeses in their ***trade*** agreements.

Just like Champagne can technically only come from France, the European Union has striven to enshrine so-called ''geographic indications'' for its cheeses. Under these rules, a cheese must be made in Greece to be labeled ''feta.'' Parmesan must be made near Parma, Italy, and asiago must be crafted near its eponymous Italian village. As the Europeans sign agreements with countries like South Korea, Vietnam and Canada, they are locking American cheese producers out of using these names.

That poses a particular problem for Sartori, a company run by an Italian family that immigrated to America and specializes in Parmesan, Romano and asiago. Jim Sartori, the company's chief executive, traces the company's heritage back to his grandfather, who came from a small town near Asiago, Italy.

''We make much more than they ever made in the little town of Asiago,'' Mr. Sartori said.

The European Union incorporated some of these restrictions into a new ***trade*** pact it signed with Japan last July, as well as a new agreement with Canada that went into effect last September. Its ***trade*** pact with Mexico is expected to expand similar protections. And on June 18, the Europeans announced they would proceed with another ***trade*** agreement with Australia.

Mr. Schwager says these agreements create confusion for customers and tremendous expense for his company, which must market its cheeses under different names. In Mexico, because of ongoing litigation, it must now sell its asiago as ''Sartiago,'' a change Mr. Schwager says has led to a roughly 30 percent drop in revenue from Mexico in the last 90 days.

''The consumer doesn't know what this is,'' Mr. Schwager says. ''We can't even put 'used to be called asiago' on the label.''

American cheesemakers are particularly chafing at the prospect of restrictions in Mexico, where the ***United States*** was one of the earliest suppliers.

''The Italians did not build the markets here for their cheese,'' said Jaime Castaneda, senior vice president of ***trade*** policy at the ***U.S***. Dairy Export Council. ''We built the markets for Italian cheeses in Mexico.''

But the president's aggressive style has its supporters. A few miles out of town, past soybean fields and empty asphalt roads, Scott Ditter, a dairy farmer who sent milk from his cows to the Sartori factory that morning, defended the president's actions. Mr. Trump was ''really standing up for agriculture as a whole,'' Mr. Ditter said.

The week before, the president had clashed with Mr. Trudeau, in part over Canada's tight restrictions on imports of American dairy. Canada uses a supply management system for dairy and other agricultural products, which sets quotas for farmers' production to keep their prices high. And it charges high levies on American milk to keep it from flooding the Canadian market -- a fact that has long rankled Wisconsin farmers, and now the president.

''Canada charges the ***U.S***. a 270% tariff on Dairy Products!'' Mr. Trump said on Twitter on June 8. ''They didn't tell you that, did they? Not fair to our farmers!"

Mr. Ditter said that Mr. Trump had the back of Wisconsin dairy farmers and that the president's tariff threats were an effort to ultimately negotiate lower tariffs for American businesses.

''Maybe it'll get the attention of these other countries,'' Mr. Ditter said, as he stood in his field alongside a dozen dairy cows, each christened by his wife and their granddaughter with names like Julep, Chandelier, Thunder and Magic.

Mr. Ditter acknowledged that the retaliatory tariffs that Mexico put in place would probably hurt the Sartori Company as well as his farm, but said that he would adjust.

''Sometimes you have to suffer a little to get what you want,'' he said. ''To me, it ain't mean. I think it's just business.''

But cheesemakers like Mr. Schwager are not sure that the suffering will be worth it, particularly if other countries gain an advantage in selling to emerging markets. In countries like ***China***, many in the middle and upper class are just beginning to eat cheese, and demand could skyrocket in coming years.

''I'll give the E.U. a lot of credit,'' Mr. Schwager says. ''They're trying to win the ***trade war*** long term.'' Meanwhile, he adds, ''we're having to play with one arm tied behind our back.''

https://www.nytimes.com/2018/06/24/business/trump-***trade-war***-cheese-exports.html

**Graphic**

PHOTOS: The ***U.S***. dairy industry is vulnerable to retaliatory tariffs (A1)

The ***U.S***. dairy industry is vulnerable to retaliatory tariffs

Wheels of Merlot-soaked Parmesan age in a cheese cave at the Sartori Company in Wisconsin.

Domestic cheesemakers like Sartori say President Trump's protectionist approach has put them at a disadvantage in the global economy.

''I could see us getting to the point where we're dumping our milk in the fields,'' said Jeff Schwager, the president of Sartori.

Exports represent about 10 percent of Sartori's revenue, but are its fastest growing segment. (PHOTOGRAPHS BY NARAYAN MAHON FOR THE NEW YORK TIMES) (A13)

**Load-Date:** June 25, 2018

**End of Document**

**DealBook Briefing: China's Ready for a Trade War. Your Move, Mr. Trump.**

The New York Times

June 16, 2018 Saturday, The New York Times on the Web

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**Section:** Section ; Column 0; Business/Financial Desk

**Length:** 1357 words

**Body**

Good Friday. Want this in your inbox every morning? Sign up here.

The ***U.S***. is closer to a ***trade war*** with ***China*** -- if Trump wants one

President Trump has approved tariffs on $50 billion worth of Chinese goods, and the list is scheduled to be announced today. (Reuters reports that a second list, with $100 billion worth of additional goods, may be published soon.) When will those levies go into effect? Will they ever go into effect? The answer to those questions is less clear.

If they are enacted, a long-awaited ***trade*** battle between Washington and Beijing will begin. ***China***, whose economic growth is slowing, appears ready for a fight, according to Shawn Donnan of the FT:

Wang Yi, ***China***'s top diplomat, on Thursday warned Mike Pompeo, US secretary of state, not to take a choice that would involve ''confrontation and mutual loss.''

So far, markets appear wary, with S.&P. 500 futures down this morning. And one of his former advisers, Gary Cohn, has warned that a ***trade war*** would wipe out the benefits of the president's signature economic accomplishment to date, last year's tax overhaul.

Elsewhere in ***trade***: Talks to save Nafta aren't dead, but they will drag on through the summer. And the White House wants to revive the Export-Import Bank (after trying to kill it).

AT&T closed its Time Warner deal. Now for the hard part.

The biggest media takeover since AOL bought Time Warner closed yesterday. It took AT&T just two days to seal the acquisition, after the Justice Department said it wouldn't seek an injunction. The government could still appeal the court's clearance of the transaction, but that would most likely fail.

The big question now: How will AT&T treat its newest crown jewel, HBO?

Skeptics worry that a telecom company focused on justifying every penny will impede the creativity of a media darling where producers, writers and actors are sacred. They could be right. But the stakes are high for AT&T, as Netflix continues to close in on HBO's position as the king of the content hill. It must tread carefully if it wants to make the most of the TV company.

Elsewhere in media news

Apple is close to buying the rights for its first animated movie.

Related: Just because tech companies like Amazon and Apple are probably more free to buy media producers doesn't mean they should.

Why Comcast and Disney are fighting over 21st Century Fox.

Spotify once tried to survive by cozying up to record labels. Now it competes with them.

The European Central Bank has put a stop to easy money

In outlining an end to its $2.8 trillion bond-buying program, the E.C.B. is essentially declaring that Europe is healthy enough to wean itself off fiscal stimulus. The decision catches the bank up to the Federal Reserve, which ended its program years ago.

Analysts have largely praised the move as pulling off a tough balancing act. But is the E.C.B.'s timing right? More from Jack Ewing of the NYT:

A ***trade war*** with the ***United States*** looms. Populists have taken power in Italy, posing a new threat to the euro. Growth is sluggish, and there is even talk of another banking crisis. It would not seem the ideal time to put the brakes on Europe's economy.

The political flyaround

New York State's attorney general has sued the Trump Foundation, and the I.R.S. could go after it, too.

The F.B.I.'s inspector general rebuked James Comey's stewardship of the organization during the 2016 presidential race, but found no evidence of political bias or interference. (NYT)

Federal prosecutors are said to be investigating Michael Cohen for illegal lobbying. (WSJ)

Goldman Sachs made millions in Malaysia. Now Malaysia wants some of it back. (NYT)

Qualcomm's NXP deal may be approved by Chinese regulators. Maybe.

Bloomberg and the South ***China*** Morning Post, citing anonymous sources, reported that Beijing officials had decided to allow the ***U.S***. semiconductor company Qualcomm to acquire the Dutch chip maker NXP Semiconductors for $43 billion. But not so fast, says Reuters, whose sources asserted that there was no such signoff.

The fate of that deal has been hanging in the balance for at least 18 months. Eight other nations have waved it through. But ***China*** has held out, using it as a bargaining chip in its ***trade*** standoff with the ***U.S***., and particularly to help ensure that the White House relaxes penalties on the Chinese telecom company ZTE.

The Trump administration recently spared ZTE, and a bid by Washington lawmakers to reverse that move looks increasingly doomed. So approval of the Qualcomm deal could be just around the corner -- maybe.

The deals flyaround

Abraaj, the embattled Middle Eastern financial firm, has filed for the equivalent of bankruptcy protection in the Cayman Islands. (FT)

Charter Communications' takeover of Time Warner Cable might be revoked if the company doesn't comply with new conditions from New York. (Ars Technica)

Royal Caribbean agreed to buy a 67 percent stake in Silversea, a luxury cruise operator, for about $1 billion. (WSJ)

UBS's London headquarters were sold to the Hong Kong property developer founded by Li Ka-shing for about $1.3 billion, in the latest London real estate megadeal. (FT)

The S.E.C. says Ether and Bitcoin aren't securities

But most initial coin offerings probably are, according to William Hinman, the director of the S.E.C.'s division of corporation finance. In a speech yesterday, he said that Ethereum's ''decentralized structure'' means that ''current offers and sales of ether are not securities transactions.'' That news will ease concerns among those who expected the S.E.C. to apply strict securities regulations to many cryptocurrencies.

But Mr. Hinman added that securities regulations are ''important safeguards, and they are appropriate for most I.C.O.s.'' What's the difference? He elaborated:

Central to determining whether a security is being sold is how it is being sold and the reasonable expectations of purchasers ... Under certain circumstances, the same asset can be offered and sold in a way that causes investors to have a reasonable expectation of profits based on the efforts of others.

More crypto news: Steve Bannon is buying into Bitcoin. And a new $4 billion crypto-democracy could be the future -- or it could be riddled with issues.

The tech flyaround

Booz Allen Hamilton's C.E.O. says that America's lead over ***China*** in A.I. is slim. (Bloomberg)

Facebook's relationship with academics? It's complicated. (Bloomberg)

Google's diversity statistics are still surprisingly poor. (The Verge)

SoftBank wants to invest in the future. Here are some more technologies it might want to bet on. (DealBook)

Don't forget the start-ups!

Megamergers have been this week's focus. But Tom Braithwaite of the FT points out that we're in danger of forgetting about younger, smaller companies. In the first quarter of 2018, just 727 ''seed stage'' companies raised money in the ***U.S***. Mr. Braithwaite parses that number:

That is the lowest number since 2011 and half the level of three years ago ... With such a dramatic decline, the chances of challengers graduating to the next stage and eventually taking on the incumbents is inevitably reduced.

Revolving door

Elliot Schrage, Facebook's head of communications and policy, is leaving after a decade. He had been the company's point person on a series of scandals. (NYT)

Activision Blizzard has hired Kristin Binns, Twitter's head of corporate communications, as its chief communications officer. (Reuters)

Amazon has added two veteran executives, Rosanna Godden and Heather Dystrup-Chiang, to the leadership of Whole Foods to help Amazon-ify the grocery chain. (CNBC)

The speed read

Why does everyone seem so concerned about privacy now? (New Yorker)

***China***'s push to curb its reliance on debt is slowing economic growth. (NYT)

A recent change to the Volcker rule might be a problem for Wall Street. (Reuters)

Trump's prediction of 4 percent G.D.P. growth might come true. (CNBC)

The E.U. is trying to become a global financial sheriff. (Bloomberg)

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https://www.nytimes.com/2018/06/15/business/dealbook/trump-tariffs-***china***.html

**Load-Date:** June 16, 2018

**End of Document**

**U.S. Opens Inquiry Into Uranium Imports in Sign That Trade War Is Spreading**

The New York Times

July 18, 2018 Wednesday 17:29 EST

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**Section:** US; politics

**Length:** 1177 words

**Byline:** Ana Swanson and Brad Plumer

**Highlight:** The Trump administration cited national security concerns in announcing that it was starting an investigation into imported uranium ore, a key ingredient in America’s nuclear arsenal.

**Body**

WASHINGTON — The Trump administration said on Wednesday that it was starting an investigation into uranium imports, potentially opening another front in an expansive ***trade war*** that has shaken alliances with countries around the world.

Wilbur Ross, the commerce secretary, said the department would investigate whether imported uranium ore and related products — key ingredients in America’s nuclear arsenal, and used in power production and nuclear submarines and aircraft carriers — threatened national security.

Uranium produced domestically now fills only 5 percent of America’s needs, Mr. Ross said, down from half in 1987.

The uranium inquiry is the latest of several ***trade***-related steps the Trump administration has taken with an eye toward imposing stiff tariffs on imports. Levies have already been placed on washing machines, solar-power products, steel and aluminum from overseas, and on an array of Chinese goods. The administration is also considering whether to impose tariffs on imported cars and car parts.

The investigation announced on Wednesday was requested by two American uranium mining companies, Ur-Energy and Energy Fuels. The firms say low-priced imports, especially those from competitors supported by foreign government subsidies, had caused them to slash jobs in recent years. Nuclear power producers have responded by warning that sharp restrictions on uranium imports could lead to the closing of plants.

The uranium imported into the ***United States*** now comes mostly from Australia, Canada, Kazakhstan and Russia.

“If we did not take this action, this industry would become extinct,” said Jeffrey T. Klenda, the chief executive of Ur-Energy. “And if we allow it to die, resurrecting it will be monumentally expensive. We cannot leave the fuel cycle in the hands of Vladimir Putin and his confederates, and increasingly the Chinese.”

Mr. Klenda said that uranium producers in the ***United States***, as well those in allied countries like Canada and Australia, were suffering, while state-subsidized companies in Kazakhstan have rapidly gained global market share.

Shares of Ur-Energy and Energy Fuels both rose on Wednesday.

But the nuclear power industry has warned that an aggressive attempt to restrict access to imported uranium could increase the cost of operating America’s nuclear power plants, many of which already struggle to compete with lower-priced natural gas and renewable energy.

Nuclear power provides 20 percent of America’s electricity, a fraction that is set to wane in the coming years: Since 2013, six of the nation’s nuclear reactors have shut down permanently, and 11 others are scheduled to be retired by 2025.

President Trump, who often talks about the benefits of nuclear power, has ordered the energy secretary, Rick Perry, to “prepare immediate steps” to stem the closing of reactors. But new ***trade*** barriers on nuclear fuel could further strain the industry.

“Maintaining all the elements of the domestic uranium fuel supply is in our national interest, and we urge the federal government to take appropriate action, without harming the fleet of nuclear reactors,” Maria G. Korsnick, head of the Nuclear Energy Institute, said in a statement.

The companies that requested the ***trade*** case asked that the Commerce Department limit imports so that 25 percent of the uranium used in the ***United States*** would be produced domestically. The companies argue that doing so would pose minimal burdens on nuclear power plants.

The companies that operate the plants dispute that idea, pointing to a recent study from NorthBridge Group, a consulting firm, that looked at the impact of such a quota, which would require domestic producers to expand their operations sharply in just a few years. Doing so would cost the nuclear power industry $500 million to $800 million per year, the study found, increasing the average cost of electricity from nuclear reactors by around 2 to 3 percent.

“We sympathize with the plight of uranium suppliers,” Ms. Korsnick said on Wednesday. “However, N.E.I. does not support the implementation of quotas as described in the petition. Potential remedies could put even more generating units at risk for premature closure.”

It is unclear what the Trump administration will ultimately propose with regard to imported uranium. If it determines that unfair ***trade*** practices are hurting domestic mining companies, the Commerce Department can recommend a broad range of remedies, from strict quotas to temporary tariffs. Such a decision would be expected to play out over several months, as the department continues its investigation and holds public hearings.

The investigation into uranium imports — as with those involving steel, aluminum cars and car parts — is being conducted under Section 232 of the ***Trade*** Expansion Act of 1962, a legal provision that gives the president broad power to impose tariffs on imports that he determines pose a threat to national security.

The use of a national security-related law to place tariffs on close military allies like Canada and the European Union has been a source of contention. Multiple countries have retaliated by imposing tariffs on American goods and have challenged the Trump administration’s measures at the World ***Trade*** Organization.

In particular, ***trade*** experts say that the administration’s imposition of tariffs for national security reasons — a matter the World ***Trade*** Organization does not closely regulate — opens a potential loophole that other countries could use to put their own levies on a range of products.

“If the ***U.S***. has rewritten the rules of the W.T.O. system to say you can do anything you want if it’s in your national security interests, be prepared for every country in the world to come up with a new definition of what is its critical national security interest,” said Rufus Yerxa, the president of the National Foreign ***Trade*** Council, which represents exporters in the ***United States***.

Congress has considered taking action to stay the administration’s use of the national security provision to impose tariffs. Republican leaders have shown limited support for such a move so far, but that could change as the administration’s ***trade*** measures become more far-reaching.

“If the administration continues forward with its misguided and reckless reliance on tariffs, I will work to advance ***trade*** legislation to curtail presidential ***trade*** authority,” Senator Orrin G. Hatch, Republican of Utah and the chairman of the Senate Finance Committee, said Tuesday. “I am discussing legislative options with colleagues both on and off the Finance Committee, and I will continue to do so.”

PHOTO: A Ur-Energy uranium-processing plant. The company was one of two whose complaints about low-cost uranium imports prompted the Commerce Department to open an investigation. (PHOTOGRAPH BY UR-Energy, via PR Newswire FOR THE NEW YORK TIMES)

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* ***U.S***. Threatens Tariffs on $200 Billion of Chinese Goods, From Tilapia to Handbags

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**Load-Date:** December 11, 2018

**End of Document**

**U.S. Allies Brace for Trade War as Tariff Negotiations Stall**

The New York Times

April 29, 2018 Sunday 19:53 EST

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**Section:** US; politics

**Length:** 1507 words

**Byline:** Jack Ewing and Ana Swanson

**Highlight:** Days before Trump tariffs on steel and aluminum take effect, negotiators for producing countries see themselves at the mercy of the president’s whims.

**Body**

BERLIN — A few weeks ago, it felt as if a ***trade war*** pitting the ***United States*** against allies like Australia, Canada and the European Union was over before it even began. The Trump administration dispensed so many temporary exemptions to steel and aluminum tariffs that many countries figured the threats were just political theater.

But with only days left before the exemptions expire and punitive tariffs take effect, it’s dawning on foreign leaders that decades of warm relations with the ***United States*** carry little weight with a president dismissive of diplomatic norms and hostile toward the ground rules of international ***trade***.

What began as a way to protect American steel and aluminum jobs has since become a cudgel that the Trump administration is using to extract concessions in other areas, including car exports to Europe or negotiations to revise the North American Free ***Trade*** Agreement with Mexico and Canada.

As a May 1 deadline looms, the decision on whether to grant permanent exemptions to the steel and aluminum tariffs, and to whom, appears likely to come down to the whims of President Trump, who has seesawed between scrapping and rejoining global ***trade*** deals.

The European Union, the ***United States***’ biggest ***trading*** partner, indicated over the weekend that it was losing hope of reaching an agreement in the face of what many of the region’s political leaders regard as unreasonable demands. While a last-minute extension of the deadline is still possible, Chancellor Angela Merkel of Germany and President Emmanuel Macron of France, who each met with President Trump in Washington last week, spoke with Prime Minister Theresa May of Britain over the weekend about enacting retaliatory tariffs if the European Union did not receive an exemption.

The German government said in a statement that Ms. Merkel, Mr. Macron and Ms. May agreed that if the tariffs go into force, “The European Union should be ready to decisively defend its interests within the framework of multilateral ***trade*** rules.”

The uncertainty is sowing chaos in international supply networks. Car companies and other manufacturers do not know whether ships carrying steel may suddenly be barred from American ports.

Some countries are confident they will avoid the tariffs. Australia is treating an exemption as if it’s a done deal. Brazil, which primarily exports slab steel to American manufacturers, is hoping to escape by agreeing on limited quotas for more sophisticated products. Argentina is counting on the good relationship between its president, Mauricio Macri, and Mr. Trump.

“In the conversations that we have on the issue, the positive relationships between our governments — and our presidents — certainly comes up,” Miguel Braun, Argentina’s ***trade*** secretary, said in an interview.

But it’s unclear whether the confidence is justified. The White House has not confirmed that Australia, Brazil or Argentina will receive exemptions.

In terms of the potential disruption to the global economy, the dispute with Europe may be the most critical. The ***United States*** and the European Union account for about one-third of world ***trade***.

Only a few years ago the ***United States*** and Europe were discussing the possibility of eliminating almost all trans-Atlantic ***trade*** barriers. Now they are stymied by fundamentally different worldviews. As the Europeans see it, Mr. Trump is demanding concessions that would make them accomplices in dismantling a postwar ***trade*** framework they hold sacred.

The Europeans want to play by the rules of the World ***Trade*** Organization; the Americans are making demands that would force the Europeans to break them.

“If we stick to the rules,” said Thiess Petersen, an analyst at the Bertelsmann Foundation in Germany, “there is no chance for concessions.”

German cars, a particular target of presidential ire, are one of the major sticking points.

Commerce Secretary Wilbur Ross, who has been handling talks with the European Union, has been pushing the 28-nation bloc to reduce its tariffs on imported American cars as one way of cutting its ***trade*** surplus with the ***United States***. In a recent interview with CNBC, Larry Kudlow, the chief economic adviser, said that the ***United States*** wanted more concessions before it granted a permanent exclusion.

But if the European Union accepted the demand for lower car tariffs, international treaties would require it to apply similar terms to automobiles from all other members of the World ***Trade*** Organization.

The biggest beneficiary might be ***China***. A member of the W.T.O., ***China*** is keen to become an auto exporter and would be thrilled to get easier access to Europe without giving up anything in return.

The Europeans are offended that they are being asked to negotiate in the first place. Cecilia Malmstrom, the European commissioner for ***trade***, said last week that the union would discuss terms of ***trade*** with the ***United States*** only after it had received a permanent and unconditional exemption to the steel and aluminum tariffs.

“When that is confirmed by the president,” Ms. Malmstrom told reporters in Strasbourg, France, “we are willing as always to discuss anything. But we are not negotiating anything under threat.”

In an extension of the disconnect between the two NATO allies, the president has expressed annoyance that he can’t just bypass the European Union apparatus altogether and work out deals with favored leaders like Mr. Macron. That approach would be illegal under the E.U. treaty and undermine one of the bloc’s fundamental principles — that all the members act in unison on ***trade*** matters.

“I would rather deal just with France,” Mr. Trump said at the White House on April 24, ahead of a visit by Mr. Macron. “The Union is very tough for us. They have ***trade*** barriers that are unacceptable.”

David O’Sullivan, the European Union ambassador to the ***United States***, said that if tariffs go into effect, “we are back to the need to pursue this with the World ***Trade*** Organization, including the possibility of imposing rebalancing counter-tariffs on equivalent ***U.S***. exports.”

The E.U. has already drawn up a list of products targeted for retaliation. They are meant to inflict maximum pain on the Republican heartland, including recreational power boats made in Tennessee, digital flight recorders made in Arizona and playing cards made in Kentucky.

But the strategy may not be effective. Business leaders who have visited Washington recently said that the president had been unmoved by protests from members of his own party.

Together, the countries seeking to extend temporary exemptions account for about half of American steel imports. The ***United States*** has already granted South Korea a permanent exemption as part of a revised ***trade*** deal.

Other countries have already been denied exemptions and started paying tariffs of 25 percent on steel and 10 percent on aluminum. They include ***China*** and Russia as well as Japan, a close ally.

Prime Minister Shinzo Abe of Japan refused to be coerced into one-on-one negotiations, instead trying to coax the ***United States*** back into the Trans-Pacific Partnership, a multicountry ***trade*** deal Mr. Trump left last year.

“Our country’s position is that T.P.P is best for both of the countries, and based on that position we will be approaching the talks,” Mr. Abe said in mid-April.

Mr. Trump was not persuaded. After briefly considering rejoining the ***trade*** agreement, he reversed course, writing on Twitter that the deal had “too many contingencies.”

For Canada and Mexico, among the largest exporters of steel and aluminum to the ***United States***, the Trump administration has tied their exemptions to Nafta talks. Negotiators from the three countries are scheduled to meet again on May 7 as they push to work through the major remaining disagreements and announce a revised pact.

The direct impact of the tariffs on world ***trade***, assuming they take effect, will be minimal, economists say. Though steel plays a big role in the public imagination, it accounts for a sliver of global commerce.

Economists are more worried that a ***trade war*** will escalate. Many of the effects will be difficult to predict.

“When two elephants fight,” said Miguel Ponce, head of Argentina’s Center for the Study of Foreign ***Trade*** in the 21st Century, “it is the grass that suffers the most.”

Jack Ewing reported from Berlin, and Ana Swanson from Washington. Reporting was contributed by Daniel Politi from Buenos Aires; Shasta Darlington from São Paulo, Brazil; Isabella Kwai from Sydney, Australia; Motoko Rich from Tokyo; and Christopher F. Schuetze from Berlin.

PHOTO: Mercedes cars at a shipping terminal in Bremerhaven, Germany. German cars are one of the sticking points in talks on whether temporary American exemptions to steel and aluminum tariffs for the European Union will be made permanent. (PHOTOGRAPH BY Fabian Bimmer/Reuters FOR THE NEW YORK TIMES)

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**Load-Date:** May 2, 2018

**End of Document**

**Trump’s Ace in the Hole in Trade War: A Strong Economy**

The New York Times

June 20, 2018 Wednesday 15:09 EST

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**Section:** BUSINESS; economy

**Length:** 1275 words

**Byline:** Nelson D. Schwartz

**Highlight:** Accelerating growth has given the administration more leverage over ***trading*** partners. But economists warn of potential headwinds beyond this year.

**Body**

The American economy has picked up speed and is now on course to expand this year at the fastest rate in more than a decade. That acceleration gives President Trump a stronger hand as he contemplates more tariffs and takes an increasingly confrontational approach with ***China***, Canada, Mexico and other ***trading*** partners.

Economists have raised their growth estimates for the second quarter to an annualized rate of nearly 5 percent, more than double the pace of the previous period. Some economists say the figure could hit 3 percent for the full year, a level last reached in 2005.

As growth slows in Europe, ***China***, Japan and elsewhere, the ***United States*** finds itself at the top of the global economy. The ***United States*** is also less exposed to the fallout from an escalating ***trade war*** since it does not rely on exports as much as other countries. It all gives Mr. Trump leverage with world leaders, potentially forcing them to make concessions.

But his threats could also backfire. Economists warn that the president’s clout is limited and that his attacks on the ***trading*** system could dampen the outlook not just in other countries but also domestically.

“If you have the strongest economy in years, then the ***trade*** shock appears manageable,” said Gregory Daco, head of ***United States*** economics at Oxford Economics. “However, with growth peaking, the ***trade*** shock will become more intense. With a global backdrop that is not improving anymore, we have to be careful about the back half of 2018 and 2019.”

In July, the recovery will reach the nine-year mark, making it one of the longest in modern history. But for much of that time, the engines of the economy were rarely synchronized. When consumers were spending at a healthy clip in 2015 and 2016, business investment lagged as energy companies scaled back or abandoned projects in response to a sharp drop in oil prices.

All that has changed in recent months. Now, the different parts of the economy appear to be operating as one well-oiled machine. Consumer spending rebounded after a soft start to the year, with retail sales in May rising by a robust 0.8 percent, double what analysts had forecast.

“We have a very strong economy, and if the ***trade*** negotiations are successful, it’ll be even stronger,” said Kevin Hassett, chairman of the White House Council of Economic Advisers. He added that the president was “impatient to fix broken policies,” with ***trade*** at the top of the list after last year’s tax overhaul and deregulation effort.

The ***trade*** deficit, often cited by the White House as a vulnerability, narrowed in April, further bolstering economic activity in the second quarter. Strong April orders for fabricated metal, computers and other goods used in production also helped, as did a buildup in inventory as businesses restocked shelves. Such additions to inventory barely had an impact on growth in the first three months of the year, but could contribute nearly a full percentage point in the second quarter.

Increased government spending is providing added propulsion. The two-year budget deal reached in Congress in February added $300 billion in new government spending that is starting to flow into the economy. “It’s something of a sugar high, but it feels good,” said Diane Swonk, an economist with Grant Thornton in Chicago.

Taken together, these factors have compelled economists to re-evaluate the economy’s tempo. At the beginning of May, Macroeconomic Advisers, a forecasting firm based in St. Louis, estimated growth of 3 percent in the second quarter. By mid-June, it was putting the figure at 4.5 percent. The Federal Reserve Bank of Atlanta’s GDPNow model is even more upbeat at 4.7 percent.

But the good news may not last. While Ms. Swonk expects a 3 percent expansion for the full year, she added, “This likely will be the peak growth for this cycle.”

Contributing to that view is the rise in interest rates as the Federal Reserve gradually withdraws the easy credit that persisted for much of the recovery. “The headwinds are mounting,” Ms. Swonk said.

And then there are fears of an expanding ***trade war***. Tariffs could hurt the American economy by stoking inflation without increasing wages.

***Trade wars*** won’t sharply curtail economic activity, unless they cause businesses to lose confidence, said Spencer Dale, chief economist for BP, the energy giant. The bigger problem, he said, is that ***trade wars*** could “eat away at trend growth” by reducing G.D.P. by a fraction of a percent a year. That might not seem meaningful in any given year, but compounded over a decade or two, it could leave the economy noticeably short of what it might otherwise have achieved.

The Fed chairman, Jerome H. Powell, has also noted those risks. “Changes in ***trade*** policy could cause us to have to question the outlook,” he said on Wednesday at a European Central Bank conference in Portugal.

Still, the ***United States*** remains more insulated from a ***trade*** shock than other countries. Exports account for just 12 percent of American gross domestic product. That’s the lowest share among the 35 members of the Organization for Economic Cooperation and Development, a group of industrialized countries. By contrast, the figure is 31 percent in Canada, 37 percent in Mexico and 44 percent in the European Union.

In the ***United States***, consumer spending accounts for nearly 70 percent of G.D.P. And recent surveys and other data show that people are bullish about the economy’s trajectory, according to Ian Shepherdson of Pantheon Macroeconomics. Owners of small businesses are also confident — about their own prospects and about the overall economy.

When Mr. Shepherdson put out a note to clients on May 14 highlighting the possibility of 5 percent growth in the quarter, he was quick to add that his forecast looked outlandish. “I was being tongue in cheek, looking at what would happen if everything goes right,” he said. “But it’s become more like the base case.”

Despite the improving consensus, Mr. Shepherdson said the quarter’s pace “is not sustainable,” but he does expect consumer spending to be solid in the second half of the year.

Sean McCartney, an executive vice president at Radial, a fulfillment and logistics business, agrees, and he’s putting his money to work. Radial will hire about 24,000 temporary workers later this year for the company’s fulfillment centers, call centers and warehouses to prepare for back-to-school demand and the holiday shopping season. That’s up by roughly 1,000 from last year.

“This year is shaping up to be strong, the strongest since the recovery began,” Mr. McCartney said. E-commerce companies represent most of Radial’s business, and the company has expanded its footprint to ensure faster deliveries.

Many of its operations are in the middle of the country, in states like Ohio and Kentucky, with plentiful transportation links enabling them to reach both coasts.

To attract new workers and keep existing ones, Radial has been offering spot raises of $1 an hour for temporary positions in some cities, on top of the typical $12-an-hour average for Radial’s network of sites.

“We have hundreds of open positions,” Mr. McCartney said. “We definitely could hire more than we have.”

PHOTO: Consumer spending has rebounded after a soft start this year. Retail sales jumped 0.8 percent in May, double what analysts had forecast. (PHOTOGRAPH BY Jeenah Moon for The New York Times FOR THE NEW YORK TIMES)

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**The Week in Business: Stock Market Falters, and the U.S.-China Trade War Brings Drama to the G-20**

The New York Times

November 25, 2018 Sunday, Late Edition - Final

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**Length:** 1032 words

**Byline:** By CHARLOTTE COWLES

**Body**

Want this column in your inbox? Sign up here.

Hello! Welcome to With Interest. For those of you joining us for the first time, this Sunday newsletter contains the most important business and tech news, highlighting the essentials from the past week and what's in store for the next. Tell friends they can sign up here.

Let's get started. Cyber Week is upon us, and if you want to be part of a national trend, don't even leave your kitchen: For the time ever, Americans are expected to buy more holiday goods via mobile device than computer or (heaven forbid) leaving the house for a brick-and-mortar store. So take a bite of leftovers, flex your thumbs and help break some spending records -- sales in the ***United States*** are predicted to top $1 trillion this year. Just make sure you've got a napkin handy. Your screen doesn't want any cranberry sauce.

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Nov. 19--25

What's Up?

Tech Stocks Take Markets For a Ride

The economy may be soaring, but the stock market is getting airsick. A brutal midweek sell-off added up to a collective $800 billion in value lost by the tech giants Facebook, Amazon, Apple, Netflix and Google's parent, Alphabet. (The S&P 500 was down 3.8 percent, one of its worst performances ever during a Thanksgiving week.) Analysts attribute the turbulence to President Trump's global ***trade*** conflicts, a tightening labor market and rising interest rates, all of which threaten corporate profits. It may also be a sign that we're headed for an inevitable slowdown in growth, ending one of the longest bull markets in history.

For Trump, Arms and Oil Outweigh Murder

In a written statement packed with exclamation points, Mr. Trump pledged his support for Saudi Arabia despite the C.I.A.'s conclusion that the country's de facto ruler ordered the grisly murder of an American resident, the journalist Jamal Khashoggi. Mr. Trump cited ***United States***-Saudi economic interests, including a $110 billion arms deal and $340 billion in other promised investments, although those numbers were quickly contested by experts. Mr. Trump also thanked Saudi Arabia for keeping a lid on oil prices and Iranian power. Critics say the president is emboldening a dangerous regime, while others say his strategy -- while morally repugnant -- is a pragmatic one.

Ghosn: Out as Chairman, Still in Custody

Carlos Ghosn started the week as chairman of Nissan, chief executive of Renault and chairman of the board at Mitsubishi. But since his arrest in Tokyo on Monday for financial misconduct -- over allegations that he underreported his pay package by almost half -- Mr. Ghosn has been removed as chairman of Nissan and will probably remain in custody for a while. A larger-than-life figure (he rented out Versailles for his 2016 wedding), Mr. Ghosn is known in France as ''le cost killer.'' The alliance he engineered between Nissan and Renault effectively created the world's largest carmaker, and his downfall leaves a gaping vacuum in an industry that's already faltering under ***trade*** tensions and shifting consumer demands.

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Nov. 25--Dec. 2

What's Next?

It'll Be a Dramatic G-20

Mr. Trump will face off -- er, gather -- this week with world leaders at the annual conference of the Group of 20 nations. On the docket: a meeting with President Vladimir Putin of Russia, with whom he recently crossed paths (and exchanged public smiles) in Paris, as well as talks with President Xi Jinping of ***China***, who will presumably not be smiling. The prospects for a ***trade*** truce between the ***United States*** and ***China*** do not look good, and other nations are feeling heat to pick sides. At the recent Pacific Rim ***trade*** summit, officials from the two countries argued so bitterly that no resolution could be reached -- a first in the conference's three-decade history.

The Fed Is Watching

The Federal Reserve Board on Wednesday will publish its first-ever Financial Stability Report, a new assessment of the country's potential ''vulnerabilities'' based on financial data like bank loans and household borrowing. Announced earlier this month, the report will be issued twice a year from now on. The central bank is also mulling changes to the annual stress tests it has imposed on the country's biggest banks since the 2008 financial crisis. Separately, the Fed is expected to raise interest rates again in December, despite pressure from Mr. Trump.

Mexico Gets a New President

On Dec. 1, Andrés Manuel López Obrador will be inaugurated as president of Mexico, succeeding Enrique Peña Nieto. Known as AMLO, the incoming leader is Mexico's first leftist president in decades, and has already become the object of widespread denunciation for inviting Nicolas Maduro, the embattled president of Venezuela, to his swearing-in. (Vice President Mike Pence will also attend.) Mr. López Obrador has embraced Mr. Trump's ***trade*** deal with Canada and Mexico so that he can focus on his own country's flagging economy, but the two presidents may be headed for a showdown over immigration, a topic on which they do not agree, to put it mildly.

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What Else?

David's Bridal, the country's largest wedding retailer, has filed for bankruptcy protection -- but don't worry! Brides will still get their dresses. Also, Taylor Swift signed with Universal Music Group's Republic Records for an undisclosed amount after parting with her previous label of 12 years, Big Machine Records. And now, another reason to envy French women: A new law takes aim at the gender pay gap in France by requiring companies to report how much they pay female and male employees. If there's a discrepancy, the company has three years to fix it, or else they'll face a fine of 1 percent of their total payroll.

What Counts?

22 million: The number of Chinese citizens who could be ''punished'' by Beijing's new rating system, which will track and score the city's population based on their ''social credit'' by 2021. Those who exhibit ''pro-social behavior,'' like volunteering, will be rewarded with better medical and transportation services, while criminals and government dissenters will be subjected to higher surveillance.

This is a more complete version of the story than the one that appeared in print.

**Graphic**

DRAWINGS (DRAWINGS BY TILL LAUER)

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The New York Times

November 25, 2018 Sunday 16:53 EST

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**Byline:** Charlotte Cowles

**Highlight:** Carlos Ghosn was a star in the auto world. Then, he was arrested. Mexico gets a new president. And the Fed publishes a report on potential economic “vulnerabilities."

**Body**

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PHOTO: (PHOTOGRAPH BY Till Lauer FOR THE NEW YORK TIMES)

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