

**User Name:** NAOKO MATSUMURA

**Date and Time:** Wednesday, December 19, 2018 7:11:00 PM JST

**Job Number:** 79565034

**Documents (50)**

1. [*Canada Attacks U.S. Tariffs by Taking Case to World Trade Organization*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCP-FVR1-DXY4-X2BV-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

2. [*Canada Challenges U.S. Tariffs In Appeal to World Trade Body*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCR-BS01-DXY4-X3C4-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

3. [*China Tries to Clean Up Toxic Legacy of Its Rare Earth Riches*](https://advance.lexis.com/api/document?id=urn:contentItem:59N4-73R1-DXY4-X3PK-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

4. [*Countries Fight Back Against Trump Trade Measures*](https://advance.lexis.com/api/document?id=urn:contentItem:5RM4-G8C1-JBG3-61PV-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

5. [*Judge Sets Aside Airbus Request to Disqualify Boeing Lawyers*](https://advance.lexis.com/api/document?id=urn:contentItem:4KTM-6BG0-TW8F-G342-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

6. [*Agriculture Discord Stymies World Trade Talks' Revival*](https://advance.lexis.com/api/document?id=urn:contentItem:4KVX-2HH0-TW8F-G2F9-00000-00&idtype=PID&context=1000516)

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**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

7. [*A Trade War Will Test Corporate America's Openness: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5S22-P151-JBG3-63VJ-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

8. [*A Trade War Will Test Corporate America’s Openness: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5S22-7591-DXY4-X2T4-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

9. [*A Warning Of Trade Suits Over Farming*](https://advance.lexis.com/api/document?id=urn:contentItem:4HP4-MJ60-TW8F-G1JJ-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

10. [*Does Free Trade Help or Hurt the Climate?;Green*](https://advance.lexis.com/api/document?id=urn:contentItem:5P0B-WW51-JBG3-61MX-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

11. [*U.S. Tariffs, Aimed at China and South Korea, to Hit Targets Worldwide*](https://advance.lexis.com/api/document?id=urn:contentItem:5RGG-W3S1-DXY4-X0J8-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

12. [*Trump Slaps Steep Tariffs on Foreign Washing Machines and Solar Products*](https://advance.lexis.com/api/document?id=urn:contentItem:5RK9-NPM1-DXY4-X078-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

13. [*A Global Ripple Effect in Import Levies*](https://advance.lexis.com/api/document?id=urn:contentItem:5RGH-0511-JBG3-62BB-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

14. [*President Imposes Steep Tariffs On Washers and Solar Products*](https://advance.lexis.com/api/document?id=urn:contentItem:5RG9-1341-DXY4-X352-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

15. [*U.S. Joins Europe in Fighting China’s Future in W.T.O.*](https://advance.lexis.com/api/document?id=urn:contentItem:5R3T-D261-JBG3-64WW-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

16. [*U.S. Joins Europe in Fight Over China's Future Status in the W.T.O.*](https://advance.lexis.com/api/document?id=urn:contentItem:5R2S-K8X1-JBG3-647P-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

17. [*Europe's New Trade Chief Has a Soft Landing in U.S.*](https://advance.lexis.com/api/document?id=urn:contentItem:4FG3-3VC0-TW8F-G33F-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

18. [*INTERNATIONAL BUSINESS;Advocates Gain Ground in a Globalized Era*](https://advance.lexis.com/api/document?id=urn:contentItem:41XJ-JD40-00MH-F0VN-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

19. [*In Mexico, Sugar vs. U.S. Corn Syrup*](https://advance.lexis.com/api/document?id=urn:contentItem:4CK5-JKJ0-TW8F-G2KW-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

20. [*At Climate Talks, Trade Pressures Mount*](https://advance.lexis.com/api/document?id=urn:contentItem:7XBJ-6MB1-2PBB-2221-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

21. [*U.S. and Europe Resume Dispute Over Aircraft*](https://advance.lexis.com/api/document?id=urn:contentItem:4FRT-1WG0-TW8F-G2FH-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

22. [*Simmering Trade Disputes Will Greet Bush in Canada*](https://advance.lexis.com/api/document?id=urn:contentItem:4DWN-97H0-TW8F-G3CD-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

23. [*Oracle's Ellison Unveils Hydroponic Farming Start-Up: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RX7-6SW1-DXY4-X3CV-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

24. [*Facebook’s 7% Decline Drags Down Its Fellow FANG Stocks: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RXG-4JH1-DXY4-X4FB-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

25. [*China Trade Policies Draw A Warning From Europe*](https://advance.lexis.com/api/document?id=urn:contentItem:4M68-T140-TW8F-G36D-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

26. [*Tobacco Industry Tactics Limit Poorer Nations' Smoking Laws*](https://advance.lexis.com/api/document?id=urn:contentItem:5B20-WF11-DXY4-X3TC-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

27. [*A Solar Rise in Malaysia*](https://advance.lexis.com/api/document?id=urn:contentItem:5DTM-9131-JBG3-628F-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

28. [*Apple, Alphabet, Amazon Reported Results. Here's How They Fared: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJD-PT51-JBG3-61ST-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

29. [*Apple, Alphabet, Amazon Reported Results. Here’s How They Fared: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJD-WR41-JBG3-62BY-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

30. [*Europe to Challenge Argentina's Trade Rules*](https://advance.lexis.com/api/document?id=urn:contentItem:55R9-8T51-JBG3-620R-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

31. [*THE REPUBLICANS;Excerpts From Platform Adopted by Republican National Convention*](https://advance.lexis.com/api/document?id=urn:contentItem:3S89-4120-0005-G2X8-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

32. [*POWELL, AT U.N., ASKS WAR ON AID*](https://advance.lexis.com/api/document?id=urn:contentItem:43C3-2220-0109-T1GF-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

33. [*How Foreign Is Broadcom? A Tale of the Tape: DealBook Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RTN-R4W1-DXY4-X2JR-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

34. [*A Dogfight Between Jetliners*](https://advance.lexis.com/api/document?id=urn:contentItem:4FXW-5980-TW8F-G2VD-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

35. [*U.S. in Difficult Position Over Japan's Rice Plan*](https://advance.lexis.com/api/document?id=urn:contentItem:4SK5-G440-TW8F-G0HM-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

36. [*Trade Group to Review U.S. Fees on Lumber*](https://advance.lexis.com/api/document?id=urn:contentItem:44KV-BNW0-0109-T27N-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

37. [*A Free Pass for China*](https://advance.lexis.com/api/document?id=urn:contentItem:5BWN-F2S1-JBG3-64JW-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

38. [*In Trump, Businessman Little Backed by Business*](https://advance.lexis.com/api/document?id=urn:contentItem:5KTX-X131-DXY4-X530-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

39. [*Fortunes Are Reversed for Players in a Trans-Atlantic Aircraft Dispute*](https://advance.lexis.com/api/document?id=urn:contentItem:4GD9-9S30-TW8F-G23B-00000-00&idtype=PID&context=1000516)

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**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

40. [*U.S. Says China Fund Breaks Rules*](https://advance.lexis.com/api/document?id=urn:contentItem:51SD-KVX1-JBG3-6174-00000-00&idtype=PID&context=1000516)

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| News | Sources: The New York Times; Content Type: News |

41. [*President Trump, Unbound*](https://advance.lexis.com/api/document?id=urn:contentItem:5JXS-B851-DXY4-X0W7-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

42. [*Student's Death Returns Crowd Control to the Fore*](https://advance.lexis.com/api/document?id=urn:contentItem:4DP4-48B0-TW8F-G341-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

43. [*Paid Notice: Deaths LUNDQUIST, JAMES HAROLD*](https://advance.lexis.com/api/document?id=urn:contentItem:5BJG-NDY1-JBG3-646W-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

44. [*At PartyGaming, Everything's Wild*](https://advance.lexis.com/api/document?id=urn:contentItem:4GGN-WKN0-TW8F-G2WV-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

**Search Terms:** world trade organization litigation

**Search Type:** Natural Language

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| News | Sources: The New York Times; Content Type: News |

45. [*A Battle Fought In the Factories*](https://advance.lexis.com/api/document?id=urn:contentItem:4RB4-RG80-TW8F-G1JH-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| News | Sources: The New York Times; Content Type: News |

46. [*Aiding David in a Fight With Goliath at The Hague*](https://advance.lexis.com/api/document?id=urn:contentItem:5K7R-2NX1-JBG3-61BW-00000-00&idtype=PID&context=1000516)

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| News | Sources: The New York Times; Content Type: News |

47. [*Lawmakers Voice Doom and Gloom On W.T.O. Ruling*](https://advance.lexis.com/api/document?id=urn:contentItem:4C86-TTP0-TW8F-G2MH-00000-00&idtype=PID&context=1000516)

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| News | Sources: The New York Times; Content Type: News |

48. [*Chinese Pharmaceutical Company Gets Approval to Make Generic Viagra*](https://advance.lexis.com/api/document?id=urn:contentItem:5D3T-WGH1-DY2M-W4KK-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

49. [*Europe Rejects Compromising With U.S. Over Tax Benefits*](https://advance.lexis.com/api/document?id=urn:contentItem:41R1-DD10-00MH-F2D7-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

50. [*Talks Collapse on U.S. Efforts To Open Europe to Biotech Food*](https://advance.lexis.com/api/document?id=urn:contentItem:48WG-1DY0-01KN-225B-00000-00&idtype=PID&context=1000516)

**Client/Matter:** -None-

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| **Content Type** | **Narrowed by** |
| News | Sources: The New York Times; Content Type: News |

[***Canada Attacks U.S. Tariffs by Taking Case to World Trade Organization***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCP-FVR1-DXY4-X2BV-00000-00&context=)

The New York Times

January 10, 2018 Wednesday 10:36 EST

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**Section:** US; politics

**Length:** 1238 words

**Byline:** ANA SWANSON and IAN AUSTEN

**Highlight:** A sweeping challenge to the Trump administration’s “America First” policies could add to tensions already frayed by Nafta negotiations.

**Body**

WASHINGTON — Canada has filed a sweeping ***trade*** case against the United States at the ***World Trade Organization***, lobbing a diplomatic grenade at the Trump administration’s “America First” approach amid an increasingly embattled ***trade*** relationship between the longstanding North American allies.

The ***trade*** case could exacerbate tensions between the two nations, which have frayed in recent months as the countries wrestle with ***trade*** disputes and attempts to renegotiate the North American Free ***Trade*** Agreement. Canada’s case challenges the United States’ use of tariffs to punish unfair ***trade*** practices and protect its markets, saying those actions violate ***World Trade Organization*** rules.

The case could expand into a multinational ***trade*** dispute given that Canada, [*a champion of global agreements*](https://www.nytimes.com/2017/12/03/world/canada/trudeau-trade-china-nafta-tpp.html?rref=collection%2Fbyline%2Fana-swanson), filed it in a way that allows other countries to join. The 37-page document outlines numerous problematic ***trade*** actions that it says the United States has taken against China, South Korea, Japan and Germany.

The case, which was filed on Dec. 20 and made public on Wednesday, centers on the punitive tariffs that the United States imposes when it finds other countries guilty of subsidizing their products or of selling them abroad at unfairly low prices, a practice known as dumping. The United States has lost cases in the ***World Trade Organization*** over this system, which differs substantially from that of many countries.

Robert E. Lighthizer, the United States ***trade*** representative, called Canada’s action “a broad and ill-advised attack” on the American ***trade*** system.

“U.S. ***trade*** remedies ensure that ***trade*** is fair by counteracting dumping or subsidies that are injuring U.S. workers, farmers and manufacturers,” he said in a statement on Wednesday. “Canada’s claims are unfounded and could only lower U.S. confidence that Canada is committed to mutually beneficial ***trade***.”

Canada has borne the brunt of several United States ***trade*** actions, including a [*decades-long dispute over lumber*](https://www.nytimes.com/2017/04/24/us/politics/lumber-tariff-canada-trump.html) and recent cases against   [*Bombardier airplanes*](https://www.nytimes.com/2017/09/26/us/politics/us-slaps-duties-on-canadian-jet-raising-trade-tensions.html?rref=collection%2Fbyline%2Fana-swanson&action=click&contentCollection=undefined&region=stream&module=stream_unit&version=latest&contentPlacement=31&pgtype=collection) and Canadian newsprint.

“There are now billions of dollars of Canadian exports to the U.S. that are potentially subject to these restrictions,” said Chad P. Bown, a senior fellow at the Peterson Institute for International Economics in Washington. “That’s what this dispute is all about.”

The case could take years to work its way through the ***World Trade Organization***, Mr. Bown said, but could eventually help Canada combat the types of ***trade*** actions the United States is increasingly bringing. It could also help Canada protect itself if the United States withdraws from Nafta or significantly alters key parts of the ***trade*** pact that provide an important channel for Canada to appeal ***trade*** disputes between the countries.

In a statement, Canada’s foreign minister, Chrystia Freeland, said the W.T.O. filing was linked to a long-running dispute over Canadian lumber exports.

“This W.T.O. action is part of our broader ***litigation*** to defend the hundreds of thousands of good, middle-class forestry jobs across our country,” she said. “We continue to engage our American counterparts to encourage them to come to a durable negotiated agreement on softwood lumber.”

Many of the Trump administration’s ***trade*** advisers, including Mr. Lighthizer, are staunch defenders of the United States system for combating dumping and foreign subsidies. Mr. Lighthizer brought such ***trade*** cases against foreign actors for decades as a lawyer for the steel industry, and he [*has criticized the* ***World Trade Organization***](https://www.nytimes.com/2017/12/10/business/wto-united-states-trade.html?rref=collection%2Fbyline%2Fana-swanson) for interfering in what he sees as the United States’ efforts to enforce its own laws.

Todd N. Tucker, a fellow at the Roosevelt Institute, an economic research ***organization*** in New York, criticized Canada’s case as “misguided,” arguing that it might increase opposition within the United States to the ***World Trade Organization***. The global group, which works to reduce ***trade*** barriers and resolve disputes among its members, is [*increasingly being viewed with skepticism*](https://www.nytimes.com/2017/12/10/business/wto-united-states-trade.html) by the United States, which had long been its biggest advocate.

“At a time when, if Bob Lighthizer had his way, he’d be doing radical reform of the W.T.O., it seems weird to poke him in the eye with a case like this,” Mr. Tucker said.

Mr. Tucker also pointed out that many of the ***trade*** actions that Canada named in its complaint had been put into place under previous American presidents. “It seems like an unusual way to send a message to Trump, to attack a longstanding U.S. policy approach,” he said.

It is already a fractious time for the two nations. Canada, Mexico and the United States will reconvene in Montreal on Jan. 23 for the next round of Nafta negotiations. Leaders from all three nations have said they aim to conclude the talks early this year, well before the Mexican presidential election in July, which could lead to a shift in personnel and strategy.

Yet the three countries do not yet appear close to compromise on central provisions of the negotiation, including rules that govern the auto industry and the settling of ***trade*** disputes.

One of the most contentious issues is an American proposal to do away with a part of the pact known as Chapter 19, which allows Canada and Mexico to appeal America’s anti-dumping and anti-subsidy tariffs.

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Boeing’s recent success in obtaining[*duties of nearly 300 percent*](https://www.nytimes.com/2017/12/18/us/politics/boeing-bombardier-trade-nafta.html)against a new jetliner made outside Montreal by Bombardier dominated Canadian news reports and parliamentary debate. It also prompted the government of Prime Minister Justin Trudeau to back away from a plan to buy fighter jets from Boeing.

The high profile of the disputes stems from a widespread sense among Canadians that the American system is unfair and could have negative economic consequences. Most of the biggest disputes have involved industries, like forestry, that are the primary — or sole — employer in some regions of the country.

“You can equate it to a gold medal hockey game: Canada and the United States are playing, but all of the referees are from the U.S.,” said Andrea van Vugt, vice president for North American affairs at the Business Council of Canada, a group representing about 150 companies. “The Canadian government really has no choice but to stand up for Canadian industries on this.”

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Ana Swanson reported from Washington, and Ian Austen from Ottawa.

PHOTOS: Logs stacked at a mill in British Columbia. Lumber exports have become a source of tension between the United States and Canada. (B1); A log driver in British Columbia. A challenge by Canada to the Trump administration’s “America First” policies could worsen relations already frayed by Nafta talks. (PHOTOGRAPHS BY BEN NELMS/REUTERS) (B5)

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1. [*U.S. and South Korea Start* ***Trade*** *Talks Amid Rising Tensions*](https://www.nytimes.com/2018/01/05/us/politics/us-korea-trade-talks.html)
2. [*A Nafta Battleground on the Shores of Canada*](https://www.nytimes.com/2017/10/16/us/politics/nafta-united-states-canada.html)
3. [*As Trump Appeals to Farmers, Some of His Policies Don’t*](https://www.nytimes.com/2018/01/07/us/politics/trump-farmers-agriculture-trade-taxes.html)

**Load-Date:** January 12, 2018

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[***Canada Challenges U.S. Tariffs In Appeal to World Trade Body***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCR-BS01-DXY4-X3C4-00000-00&context=)

The New York Times

January 11, 2018 Thursday, Late Edition - Final

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**Length:** 1143 words

**Byline:** By ANA SWANSON and IAN AUSTEN; Ana Swanson reported from Washington, and Ian Austen from Ottawa.

**Body**

WASHINGTON -- Canada has filed a sweeping ***trade*** case against the United States at the ***World Trade Organization***, lobbing a diplomatic grenade at the Trump administration's ''America First'' approach amid an increasingly embattled ***trade*** relationship between the longstanding North American allies.

The ***trade*** case could exacerbate tensions between the two nations, which have frayed in recent months as the countries wrestle with ***trade*** disputes and attempts to renegotiate the North American Free ***Trade*** Agreement. Canada's case challenges the United States' use of tariffs to punish unfair ***trade*** practices and protect its markets, saying those actions violate ***World Trade Organization*** rules.

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Canada has borne the brunt of several United States ***trade*** actions, including a decades-long dispute over lumber and recent cases against Bombardier airplanes and Canadian newsprint.

''There are now billions of dollars of Canadian exports to the U.S. that are potentially subject to these restrictions,'' said Chad P. Bown, a senior fellow at the Peterson Institute for International Economics in Washington. ''That's what this dispute is all about.''

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[*https://www.nytimes.com/2018/01/10/us/politics/canada-us-tariffs-wto.html*](https://www.nytimes.com/2018/01/10/us/politics/canada-us-tariffs-wto.html)

**Graphic**

PHOTOS: Logs stacked at a mill in British Columbia. Lumber exports have become a source of tension between the United States and Canada. (B1)

A log driver in British Columbia. A challenge by Canada to the Trump administration's ''America First'' policies could worsen relations already frayed by Nafta talks. (PHOTOGRAPHS BY BEN NELMS/REUTERS) (B5)

**Load-Date:** January 11, 2018

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[***China Tries to Clean Up Toxic Legacy of Its Rare Earth Riches***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:59N4-73R1-DXY4-X3PK-00000-00&context=)

The New York Times

October 23, 2013 Wednesday, Late Edition - Final

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

**Length:** 1690 words

**Byline:** By KEITH BRADSHER

**Body**

TIANJIN, China -- In northern China, near the Mongolian border, radioactively contaminated leaks from two decades of rare earth refining have been slowly trickling underground toward the Yellow River, a crucial water source for 150 million people.

In Jiangxi province in south-central China, the national government has seized control of rare earth mining districts from provincial officials after finding widespread illegal strip-mining of rare earth metals.

And in Guangdong province in southeastern China, regulators are struggling to repair rice fields and streams destroyed by powerful acids and other runoff from open-pit rare earth mines that are often run by violent organized crime syndicates.

Communities scattered across China face heavy environmental damage that accumulated through two decades of nearly unregulated rare earth mining and refining. While the Chinese government has begun spending billions of dollars to clean up the damage, the environmental impact is becoming an international ***trade*** issue, with a ***World Trade Organization*** panel in Geneva expected to issue a crucial draft report on Wednesday.

Arriving three years after an international tempest over the rare earths ***trade*** and 19 months after the ***World Trade Organization litigation*** was actually filed, the coming decision may not make a big difference to the rare earth industry itself, industry executives and officials said. But the case does seem to have had the unintended effect of helping to goad China into a major environmental cleanup.

China, the ***world***'s dominant producer of rare earth metals, quietly and unilaterally imposed taxes and annual tonnage limits on its rare earth exports seven years ago. It then gradually raised the taxes and lowered the tonnage limits in subsequent years, slowly throttling supplies to overseas manufacturers.

China contends that these export restrictions are needed to protect its environment. The United States, the European Union and Japan have challenged China's taxes and quotas at the ***World Trade Organization***. They note that China has done little to limit rare earth consumption within its borders.

The rare earth case ''will be a landmark case in terms of both export restrictions and the environment,'' said James Bacchus, the former two-term chairman of the W.T.O. appeals tribunal in Geneva.

China has made ample supplies available to manufacturers within China that produce crucial components for a host of products like laptop computers, compact fluorescent bulbs, wind turbines and electric cars. Some Western and Japanese companies have moved factories to China to make sure that they have access to rare earths.

The W.T.O. panel faces some of the trickiest issues in international ***trade***. Environmentalists have been wary of the ***trade*** ***organization*** ever since its predecessor, the General Agreement on Tariffs and ***Trade***, rejected an American ban in the early 1990s on the import of tuna caught in ways that are hazardous to dolphins.

The Chinese export restrictions have become less important over the last several years for two reasons. Alternative rare earth mines have gone into production in the United States and Australia, reducing China's share of global production to 85 percent, from 95 percent three years ago. And companies have become much more efficient about economizing on rare earths, especially the costliest ones, the so-called heavy rare earths like dysprosium.

The change is visible in the supply warehouse here of one of the ***world***'s few factories producing rare earth powders for use in very powerful magnets. Whether in smartphones or missiles, the most advanced applications for rare earths tend to involve the manufacture of miniature but crucial components using the powerful magnetic qualities of rare earths.

The rare earth complex here in Tianjin is owned by Molycorp, an American company, although the factory buys its processed rare earths almost entirely from Chinese refineries. The warehouse has neatly arranged stacks of barrels of rare earths. The bright blue barrels holding neodymium, another highly magnetic rare earth, are only two feet high and a little more than a foot in diameter, but weigh more than 550 pounds because of the material's extraordinary density.

Sitting by itself on a wooden pallet is a single gray can of dysprosium, a rare earth that sells for $243 per pound. Dysprosium prices soared as high as $1,135 per pound two years ago in a speculative bubble that followed China's imposition of an unannounced embargo on rare earth shipments to Japan from September to November 2010, during a territorial dispute.

That spike in prices has prompted companies to economize in use of rare earths. Molycorp now mixes half as much dysprosium into its magnetic powders as it did even a year ago. Many of its customers have decided that their magnets do not need dysprosium, which is added in trace quantities to help rare earth magnets retain their magnetism at temperatures above the boiling point of water.

''People in Sichuan think they would die without their chili peppers, but they can live without them,'' said Chen Kerong, the production director at the Molycorp factory here. ''People love dysprosium, but they can live without it, too.''

The global oil industry has similarly begun using less lanthanum, another rare earth, during oil refining. Only 1.5 percent of the latest catalyst formulations for oil refining are now lanthanum, down from 4 or 5 percent three years ago.

But the case before the ***World Trade Organization*** appears to have made a difference already by prompting a broad environmental cleanup. In a white paper issued in June last year, China's cabinet described at length the environmental harm caused by the rare earth industry, an admission that although embarrassing for Beijing may have buttressed its case at the W.T.O. that the rare earth industry is a dirty business for which export restrictions are justified. ''Excessive rare earth mining has resulted in landslides, clogged rivers, environmental pollution emergencies and even major accidents and disasters, causing great damage to people's safety and health and the ecological environment,'' the white paper said.

Chinese officials have repeatedly denied that their newfound concerns for the environmental consequences of rare earth mining and refining are driven by a desire to help avoid defeat at the W.T.O., although the cleanup could help on that.

Whole villages between the city of Baotou and the Yellow River in Inner Mongolia have been evacuated and resettled to apartment towers elsewhere after reports of high cancer rates and other health problems associated with the numerous rare earth refineries there.

The most hazardous refineries are those that crack the tight chemical bonds that tie rare earths found in mineral ores to a variety of hazardous materials, notably radioactive thorium. Many tons of extremely concentrated sulfuric acid are used to break the chemical bonds. Then the valuable rare earth metals, which are not radioactive themselves, can be purified. But a hazardous stew of toxic chemicals and low-level radioactive waste is left behind. Most of that waste has been dumped into the ***world***'s largest mine tailings pond, which covers four square miles near the Yellow River on the western outskirts of Baotou.

Built in the 1950s under Mao Zedong, the tailings pond lacks a liner to prevent the leaking of radioactive waste and toxins into the groundwater, where they have been gradually seeping toward the Yellow River. There is no evidence that the waste and toxins have reached the river, but the Chinese government plans to spend hundreds of millions of dollars pumping out as much contaminated groundwater as possible and pumping enormous quantities of fresh water into the earth to dilute what is left before it reaches the Yellow River.

On orders from Beijing, state-controlled enterprises have dismantled Baotou refineries and rebuilt them at an enormous mining complex at Bayan Obo in the Gobi Desert, which mines about half the ***world***'s rare earths. Chinese state-controlled media have reported that tens of thousands of goats and other livestock there have died and many baby goats have been born severely deformed, possibly because of radioactive contamination from the rare earth industry.

Located in an arid area nearly uninhabited except for mine workers, the refineries have been rebuilt there with extensive wastewater treatment facilities, according to industry officials in Beijing.

The W.T.O. panel will send its confidential draft report on Wednesday to China and the countries that brought the case, which will then be allowed to suggest changes before the final decision is made on Nov. 21.

Whoever loses the decision is likely to appeal to the ***trade*** ***organization***'s appellate body -- two-thirds of decisions are appealed, and sometimes even winners have appealed to obtain better-worded verdicts. Each party has six weeks to decide whether to appeal after the decision is published in mid-December, and then the appellate body has another three months to rule.

The betting in most of the rare earth industry and among international ***trade*** lawyers is that China will lose the W.T.O. case and will comply by removing its export quotas and export duties. But these changes may not make a big difference, because China has spent the past few years forcing mergers so that 99 percent of the country's legally mined rare earths are produced by just 10 companies, all with varying degrees of state control.

But if they push prices up too quickly, they could face competition from Molycorp, which has reopened a mine in the California desert, and from Lynas of Australia, which mines rare earths in Western Australia and refines and processes them in Malaysia.

Market forces may have more of an effect on China's ability to control the market in the coming years than export restrictions, said Dudley Kingsnorth, a former rare earths mining executive who is now a business professor and the director of the Critical Materials Initiative at Curtin University in Perth, Australia.

''If it were decided five years ago,'' he said, ''it might have had an impact.''

[*http://www.nytimes.com/2013/10/23/business/international/china-tries-to-clean-up-toxic-legacy-of-its-rare-earth-riches.html*](http://www.nytimes.com/2013/10/23/business/international/china-tries-to-clean-up-toxic-legacy-of-its-rare-earth-riches.html)

**Graphic**

PHOTOS: A worker alloys molten rare earths in a furnace in Tianjin, China. (B1)

A rare earth ingot weighing 7.7 pounds. The materials are prized for magnetic and other properties, but refining is a dirty process. (PHOTOGRAPHS BY SIM CHI YIN FOR THE NEW YORK TIMES) (B7) CHART: A Bubble Bursts: Rare earth prices soared after China imposed a two-month embargo on shipments to Japan in the autumn of 2010, but have now crashed. (Source: Asian Metal) (B7)

**Load-Date:** October 23, 2013

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[***Countries Fight Back Against Trump Trade Measures***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RM4-G8C1-JBG3-61PV-00000-00&context=)

The New York Times

February 10, 2018 Saturday, Late Edition - Final

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

**Length:** 871 words

**Byline:** By ANA SWANSON

**Body**

WASHINGTON -- Tariffs imposed by the United States late last month are prompting a wave of ***litigation*** from other nations, including Canada and China, escalating concerns that the Trump administration's more aggressive ***trade*** stance could worsen international relations and spur retaliatory actions on American goods sent abroad.

On Wednesday, three Canadian solar companies filed a lawsuit in a New York court over tariffs on solar cells and panels that the United States imposed in late January, claiming these penalties violate American law and the terms of the North American Free ***Trade*** Agreement. That same day, the European Union became the fourth member of the ***World Trade Organization*** to request discussions with the United States for compensation for the solar tariffs, following similar requests by China, Taiwan and South Korea.

Chinese officials also confirmed last weekend that they had launched a separate investigation into whether American exports of sorghum were receiving government subsidies or being sold at unfairly low prices abroad -- a measure widely interpreted as a response to the Trump administration's ratcheting up of ***trade*** barriers.

With the Trump administration considering further ***trade*** actions on Chinese products and foreign metals this year, some ***trade*** analysts are concerned that other American products, from soybeans to Kentucky bourbon, could become a target for retaliation.

Darci Vetter, a former chief agricultural negotiator for the United States ***trade*** representative, called China's sorghum case just the latest example of American agriculture landing in the cross hairs as ***trade*** tensions rise.

''Unfortunately, the agriculture sector knows from experience that when tit-for-tat ***trade*** actions begin, agricultural products are the first to be hit,'' Ms. Vetter said. ''Given the size and importance of China's market for a variety of U.S. ag products, we are concerned it won't be the last.''

The Trump administration announced Jan. 22 that it would impose tariffs of up to 50 percent on imported washing machines and 30 percent on imported solar cells and modules, responding to a pair of ***trade*** cases alleging that cheap foreign products were degrading American manufacturing capacity.

Those tariffs were not as high as what the companies bringing the complaints had requested, or some of the recommendations made by the officials of the United States International ***Trade*** Commission. Still, many economists, consumer groups and businesses warned that the tariffs would lead to higher prices and could even end up costing more jobs than they would save.

These groups are still waiting to see whether the Trump administration fulfills its most ambitious plans for remaking ***trade*** policy. In the coming months, the administration is expected to introduce a hefty penalty on China for encroaching on American intellectual property, which could include tariffs on consumer electronics or restrictions on Chinese investment in the United States.

The fate of two separate ***trade*** actions, on imports of steel and aluminum, appears less certain.

Last June, President Trump said that the steel industry would be seeing action ''very soon.'' But the idea of these tariffs was met with a swift backlash from industries that use the metals to produce other goods, like carmakers, as well as some Defense Department officials.

Since the Commerce Department submitted its reports on the investigations to the president last month, the cases have not been mentioned in official statements, including the White House's summary of its current ***trade*** actions released after the president's State of the Union address.

The resignation this week of Rob Porter, the White House staff secretary, who was responsible for organizing weekly meetings of White House ***trade*** advisers and bridging deep divides in views on ***trade*** among the staff, throws the fate of these measures into further question.

Depending on what happens at the ***World Trade Organization***, the United States could see further retaliation against the solar tariff, said Allan T. Marks, a lawyer at Milbank, Tweed, Hadley and McCloy.

The ***World Trade Organization*** will now consider whether countries like China had sufficient opportunity to consult with the United States before the tariffs were imposed, and if the United States followed its rules for creating such temporary safeguards for its industries.

Mr. Marks declined to speculate on the potential results, but said that the most recent precedent could be troubling for the United States. The last time that the United States imposed these kinds of tariffs, on steel imports under President George W. Bush in 2002, the ***World Trade Organization*** ruled that they were illegal, clearing the way for countries to lawfully retaliate against the United States. Under the threat of retaliation, the Bush administration withdrew the steel tariffs in 2003.

''You could see retaliation from exporting countries like China that are hurt by the safeguard action,'' Mr. Marks said. ''And we'll probably get there. That's what happened for steel.''

Follow Ana Swanson on Twitter: @AnaSwanson. Get politics and Washington news updates via Facebook, Twitter and the Morning Briefing newsletter.

[*https://www.nytimes.com/2018/02/09/us/politics/trump-****trade****.html*](https://www.nytimes.com/2018/02/09/us/politics/trump-trade.html)

**Load-Date:** February 10, 2018

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[***Judge Sets Aside Airbus Request to Disqualify Boeing Lawyers***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4KTM-6BG0-TW8F-G342-00000-00&context=)

The New York Times

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**Length:** 366 words

**Byline:** Dow Jones/AP

**Dateline:** WASHINGTON, Sept. 4

**Body**

A District of Columbia Superior Court judge has shelved efforts by Airbus to disqualify lawyers for the Boeing Company from working on a contentious ***trade*** dispute.

Airbus had filed a complaint against Boeing's use of the law firm of Wilmer Cutler Pickering Hale & Dorr for work related to a dispute with the ***World Trade Organization***. The complaint said Boeing would have an unfair advantage because Wilmer Hale employed a former United States ***trade*** representative, Charlene Barshefsky, and a former internal lawyer for Airbus, Marco C. E. J. Bronckers, who is now a partner in Wilmer Hale's office in Brussels.

Boeing and Airbus are involved in a long-running ***trade*** dispute over civil aircraft subsidies, currently the subject of W.T.O. cases filed by the United States and the European Union. ***Litigation*** is under way and could reach a conclusion late next year if the two sides do not negotiate a settlement by then.

The United States wants Europe to stop giving subsidized development loans as launch aid to Airbus. Europe has countered that the United States should acknowledge and curtail tax breaks, research contracts and other government aid to Boeing.

But Judge Leonard Braman threw out half of the Airbus complaint at an Aug. 17 hearing. He put the other half on hold, pending developments in ***World Trade Organization litigation***.

At the hearing, Judge Braman dismissed the complaint against Ms. Barshefsky. He said Airbus did not have standing to complain about her involvement with Boeing because the court was not handling any other aspect of the ***trade*** battle.

With respect to Mr. Bronckers, the judge said he could not consider the complaint unless the W.T.O. ruled on whether it would consider pre-1992 aid in the ***trade*** battle. Mr. Bronckers stopped working for Airbus before the United States and Europe reached a 1992 agreement on civil aircraft subsidies that was in force until the latest round of ***trade*** ***litigation*** began.

If the W.T.O. case is limited to post-1992 government aid, Judge Braman said, those limits should also apply to questions about legal counsel.

Boeing and Wilmer Hale declined to comment on the judge's decision.

Airbus said it was considering its options.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Load-Date:** September 5, 2006

**End of Document**

[***Agriculture Discord Stymies World Trade Talks' Revival***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4KVX-2HH0-TW8F-G2F9-00000-00&context=)

The New York Times

September 11, 2006 Monday, Late Edition - Final

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**Section:** Section A; Column 1; Foreign Desk; Pg. 6

**Length:** 670 words

**Byline:** By LARRY ROHTER

**Dateline:** RIO DE JANEIRO, Sept. 10

**Body**

Despite repeated declarations of their desire to resuscitate suspended global ***trade*** negotiations, representatives of leading industrial and developing nations meeting here this weekend were unable to agree on a resumption date.

The talks were suspended in July, and much of the blame over an impasse in resuming them has been directed at the United States.

''What happened in July was a serious accident'' that could lead to ***litigation*** and ''protectionist surges'' that would damage global ***trade***, Pascal Lamy, director general of the ***World Trade Organization***, said at a news conference here on Sunday. ''We want the negotiations to resume,'' he continued, ''but I'm not sure we have all the elements in line'' to do so.

As was the case in July, the sticking point is agriculture. Developing nations have been demanding that in return for opening their markets to more manufactured goods and services, the United States and other rich industrialized countries eliminate farm subsidies and related measures that inhibit exports of agricultural products from poorer nations.

The meeting here was sponsored by the Group of 20, or G-20, a coalition led by large fast-developing countries from Asia, Latin America and Africa. After meeting on Saturday to form their common position, the G-20 emissaries were joined Sunday by representatives of the United States, the European Union and Japan, as well as Mr. Lamy.

Taking the offensive, the European Union said it was willing to make new concessions on agriculture and called on the Bush administration to do the same. ''The U.S. needs to make a fresh proposal during this time to reduce in real terms what it spends on ***trade***-distorting subsidies and to discipline the programs it uses,'' said Peter Mandelson of Britain, the ***trade*** commissioner for the European Union.

But the United States ***trade*** representative, Susan C. Schwab, said Washington had already agreed to ''very real and very dramatic cuts'' with a proposal that was ''not a take-it-or-leave-it offer.'' She rejected suggestions that the Bush administration was acting primarily to protect powerful farm groups in Republican or swing states. ''Being a champion of small family farms cuts across party lines,'' she said.

The breakdown of talks in July stemmed from ''a collective effort and a collective failure,'' she continued. ''The Doha round is in serious trouble, there is no question,'' she said, referring to the global ***trade*** talks that began five years ago in Doha, the capital of Qatar. She said the United States was committed to a successful outcome ''if one can be found.''

Several emissaries expressed hope that negotiations could resume after the American midterm elections in November, when the Bush administration will presumably be less subject to pressure from the farm lobby. They spoke of a ''window of opportunity'' that would extend until the middle of next year, when Congress would be drafting the next farm bill and President Bush's authority to negotiate ***trade*** pacts that Congress could not amend would expire.

''It seems to me so patently obvious that farmers have votes and write checks,'' Mr. Mandelson said at a news conference on Sunday afternoon. While the United States electoral calendar is not the only factor that will determine the date of any resumption of talks, said Celso Amorim, Brazil's foreign minister, ''the fact the elections are over can help'' break the logjam.

Brazil itself has a presidential election in three weeks, and the meeting here, a joint initiative of Brazil and India, allowed Brazil's left-wing government, whose own foreign policy has been criticized by opposition parties, to play the role of champion of the developing ***world***. President Luiz Inacio Lula da Silva will meet in Brasilia this week with his counterparts from India and South Africa to fine-tune the G-20's position.

''We saw signs of flexibility and a preparedness to move,'' Mr. Amorim said, in summarizing the meetings between the camps. ''We didn't have any sign of blockages.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photo: Susan C. Schwab, center, the ***trade*** representative for the United States, at economic talks in Rio de Janeiro. (Photo by Sergio Moraes/Reuters)

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**End of Document**

[***A Trade War Will Test Corporate America's Openness: DealBook Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S22-P151-JBG3-63VJ-00000-00&context=)

The New York Times

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**Body**

Good Friday. Here's what we're watching:

Investors should get ready to feel ''a little pain.''

Is the inflation scare over?

Hiring slowed in March.

The U.S.-China ***trade*** fight is getting hotter.

The Treasury Department sanctioned Russian mogul Oleg Deripaska.

Get this in your inbox each morning. Sign up here.

A ***trade*** war would be a big test of Corporate America's openness.

President Trump has supported combative ***trade*** policies for years, and in recent months, his administration has begun to pursue them. The actions have weighed on the stock prices of large international corporations, and if implemented, could hurt their bottom lines.

But global companies mostly have not detailed the potential impact of Mr. Trump's ***trade*** policies. Will that now change? With first-quarter earnings imminent, and tensions with China escalating, shareholders may want companies to make specific disclosures. The companies may be tempted to say little. After all, Mr. Trump's ***trade*** restrictions have merely been threatened, and may not occur if deals are struck. But in the past, companies have refreshed their outlooks in the face of circumstantial economic and geopolitical events, like the Gulf War. And investors will likely press firms to estimate the impact of a ***trade*** war and describe the measures they will take to protect their businesses.

Boeing, Apple and General Motors are among the companies that will come under the spotlight. All do considerable sales in China. Apple and G.M. rely on manufacturing facilities in the country. Investors will have plenty of questions. How much might revenue and profits fall in a ***trade*** war? What would you do if your supply chains got interrupted? What sort of contingency measures are you readying? What would you do if you became the target of campaigns that aimed to stop Chinese consumers buying your products, like the one last year directed at South Korean products?

Executives will no doubt have good arguments for why their businesses won't be hurt much. China's airlines will remain reliant on a steady supply of Boeing's aircraft for a long time. The facilities in China that make G.M. and Apple products are big employers. And since the proposed tariffs most likely won't be in effect by the time first-quarter earnings are announced, companies will probably be able to get away with some generalities.

Still, the prospect of a ***trade*** war raises questions about the adequacy of corporate disclosure. Those of G.M., contained in its latest annual report, seem quite detailed. They offer quite specific warnings about the risks of doing business in China, and the company even mentions the possibility of ***trade*** agreements falling apart. But financial reports from Boeing and Apple arguably have less on potential problems in China and ***trade*** disputes.

Boeing's annual report did mention tariffs and embargoes as threats. But the report, released in February, also sounded a bullish note on the global economy that now almost sounds like it was from a different era:

''The long-term outlook for the industry continues to remain positive due to the fundamental drivers of air travel growth: economic growth and the increasing propensity to travel due to increased ***trade***, globalization, and improved airline services driven by liberalization of air traffic rights between countries.''

Will such language remain in Boeing's reports?

- Peter Eavis

Fed and ***trade*** shake markets.

For years, investors had a singular focus on the Federal Reserve and its plans to raise rates.

Any indication that the Fed could move more aggressively than expected to tighten monetary policies and stocks would pull back.

Now the Fed has company in sending jitters through the market: ***Trade***.

A one-two punch from the White House and the Fed pushed stocks on Wall Street down Friday. The S.&P. 500 and the Dow Jones industrial average both finished off more than 2 percent.

Markets began to slide at the start of ***trading*** after President Trump's threat on Thursday to heap fresh tariffs on China. Investors took little comfort in statements from the administration's top economic policymakers, Larry Kudlow, the director of the National Economic Council, and Steven Mnuchin, the Treasury secretary. Both men sought to tamp down the contentious back-and-forth between the two economic giants.

Comments from Mr. Powell in the early Friday afternoon added to the unease. In a speech in Chicago, Mr. Powell highlighted the strength of the United States economic recovery and gave little indication that the Fed planned to deviate from its gradual path of lifting interest rates.

Investors should get ready to feel 'a little pain.'

President Trump, in a radio interview that was taped on Thursday and aired on Friday, acknowledged his approach to China could cause ''a little pain'' to financial markets but that it would be worth it in the long run.

On WABC Radio's ''Bernie & Sid in the Morning'' show, Mr. Trump said:

''Now we could--the easiest thing for me to do would be just to close my eyes and forget it.''

''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.''

The president also took to Twitter to defend his approach to ***trade*** policy. Mr. Trump, in a tweet, 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.

Some context here: 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.

'China is prepared' to duel on tariffs

In response to a potential new set of U.S. tariffs on $100 billion worth of Chinese goods, Beijing said in a briefing on Friday that it would ''immediately fight back with a major response.''

More from what a representative for China's Ministry of Commerce said:

''We feel America is very arrogant. They have taken a wrong action. The result is that they will hurt themselves.''

The briefing -- amid a Chinese holiday -- signals the latest instance of saber-rattling between the U.S. and China on ***trade***. But was Mr. Trump's announcement on Thursday just a bluff? Even his advisers aren't sure.

The Chinese official said that the two sides can't negotiate under the current conditions. And in an interview with Bloomberg on Friday, Larry Kudlow -- who has been national economic adviser for just under a week -- said he could not predict when talks would begin. He added:

But China has reasons to think it could win a ***trade*** war. (Worth noting: U.S. tariffs wouldn't bite until after a two-month comment period.)

More companies, like Cargill, are getting jumpy. Some fear the tensions could kill Qualcomm's bid for NXP Semiconductor. Jacob Frenkel, the chairman of JPMorgan Chase's international business, is worried, too: He said the hostilities could be ''the greatest danger to the ***world*** economy,'' but aren't at a war level yet. The Economist says that the president's comments ''do not suggest he is ready to sue for peace.''

Meanwhile, the White House hopes to announce a preliminary Nafta deal this month after revising some of its more aggressive demands.

Reaction of the day, from Senator Ben Sasse, Republican of Nebraska:

Is the inflation scare over?

Earlier this year, stocks sold off after the jobs report for January showed a 2.9 percent annual increase in wages, a relatively strong rise. Investors feared that a sustained increase in earnings could prompt consumers to buy more goods and services, pushing up prices in the process. Concerns receded after February's report showed a 2.6 percent jump in wages, and March's rise of 2.7 percent is not likely to stir up more worries.

But as they gauge wage pressures, analysts also pay close attention to the forces that indirectly affect wages. One of those is, of course, the number of additional jobs the economy is creating. March's gain of 103,000 jobs was below economists' forecasts and about half the monthly average this year. That weakness will no doubt reduce inflation fears still further.

The March report contained data that could do even more to quell investors' nerves over inflation. While the report revised February's gain higher to 326,000 jobs from 313,000, it sharply reduced the January figure to 176,000 from 239,000. The January revision prompted Jim Vogel, of FTN Financial, to write:

''That collapsed what had been an upward slope to the last two years of payroll growth and implicitly reduced the upward pressure on wages that so many are still certain will arrive this year.''

-- Peter Eavis

Hiring slowed in March

The United States added jobs for its 90th straight month in March, an unprecedented run of growth for the economy, but at a much slower pace than in March.

The headline numbers

103,000 jobs were added last month. Wall Street economists had expected an increase of about 185,000, according to Bloomberg.

The unemployment rate was 4.1 percent for the sixth straight month.

Average earnings rose by 8 cents an hour and are up 2.7 percent over the past year.

Estimates of February's job growth were revised upward, but January's figure was revised sharply downward. The net result was a loss of 50,000 jobs relative to prior estimates.

The takeaways

Wage growth remains weaker than most economists would expect when unemployment is so low.

The manufacturing sector has posted solid job gains over the past year, and that growth continued in March, when American factories added 22,000 jobs. But mounting ***trade*** tensions with China could threaten the sector's rebound in the months ahead.

Perhaps the biggest surprise in the blockbuster February report was the surge of workers into the labor force. That flood of new workers partly reversed in March, when the labor force shrank by 158,000 people.

Where to begin with the FT's lunch with the Mooch?

There's a lot to quote from Anthony Scaramucci's meal with Edward Luce of the FT -- held at the Hunt and Fish Club, the Midtown Manhattan restaurant that the onetime investor owns, naturally. So we'll have to limit ourselves to just a few selections:

''That's something I get no credit for, by the way,'' he says. ''I have been for equal opportunity in gay marriage for the last 12 or 13 years.''

''See this?'' he says. ''These are front-stabbing knives. You only use these in New York. In Washington you use a shiv, or mechanisms in the press, back-stabbing, subterfuge, opposition research . . . Not in New York. We come at you right from the front.''

''My parents thought it was Hartford law school, Connecticut -- not Harvard,'' he says. ''True story. They're still alive -- you can ask them. When I told them I was going to Goldman Sachs they didn't know what that was, either.

''Wall Street is a circulatory system for American capitalism. If its arterial flow is blocked, it blunts and slows down the economic engine for everyone else.''

-- Michael de la Merced

The U.S. sanctions Oleg Deripaska

Prominent among the Russian oligarchs and businesses sanctioned by the Treasury Department on Friday is Oleg Deripaska, the billionaire known for his jet-setting, his consistent presence at the ***World*** Economic Forum in Davos -- and his ties to Vladimir Putin (and, before a falling out, Paul Manafort).

Mr. Deripaska is associated with aluminum producers like EN+ Group, which went public in London late year, and Rusal, as well as the commercial vehicle maker GAZ Group and energy producer EuroSibEnergo. All those companies were also sanctioned for being controlled or owned directly or indirectly by Mr. Deripaska.

Here's what the Treasury Department said about the move against the businessman:

Oleg Deripaska is being designated pursuant to E.O. 13661 for having acted or purported to act for or on behalf of, directly or indirectly, a senior official of the Government of the Russian Federation, as well as pursuant to E.O. 13662 for operating in the energy sector of the Russian Federation economy. Deripaska has said that he does not separate himself from the Russian state. He has also acknowledged possessing a Russian diplomatic passport, and claims to have represented the Russian government in other countries. Deripaska has been investigated for money laundering, and has been accused of threatening the lives of business rivals, illegally wiretapping a government official, and taking part in extortion and racketeering. There are also allegations that Deripaska bribed a government official, ordered the murder of a businessman, and had links to a Russian organized crime group.

-- Michael de la Merced

What does Jamie Dimon's annual letter say about his politics?

Andrew's take: A favorite Wall Street parlor game is whether the JPMorgan Chase C.E.O. would run for president in 2020. Mr. Dimon's latest annual letter increased that chatter, touching on immigration and political polarization. He praised some of President Trump's policies (on tougher ***trade*** negotiations, on taxes). But his stances on deregulation and on social issues likely mean that he would have to run as an independent -- and history hasn't been kind to third-party candidates.

Peter Eavis adds: The JPMorgan chief also homed in on regulations of bank liquidity, or access to cash and equivalents. He contended that liquidity requirements are higher now -- which he favors -- but are also more rigid and could impinge on lending. But the argument is flawed, in part because banks that have less liquidity aren't in a position to lend.

BlackRock acts on guns

The investment behemoth's plan to offer new funds that exclude gun makers or sellers is the latest prominent step by a financial firm to offer some support to gun control. (And with $6.3 trillion under management, the firm's actions carry enormous weight.) The products include:

A new exchange-***traded*** fund that focuses on favorable environmental, social and governance (E.S.G.) standards and excludes firearms-related companies. BlackRock will update other E.S.G. funds to exclude them, too.

A bond-focused E.T.F. excluding gun-related companies.

New strategies available through 401(k) plans that track five major indexes, including the S.&P. 500, but screen out firearms sellers and makers.

Walmart, Kroger and Dicks Sporting Goods, all of whom have now set some limits on gun sales, will still count as gun-related.

Critic's corner: Rob Cox of Breakingviews writes, ''By getting out early, BlackRock makes clear to those young people lobbying for tighter gun laws -- who it hopes will be customers for decades to come -- that it has something for them.''

Here's the DealBook tally of financial firms that have announced concrete moves addressing gun control: Citigroup, Amalgamated, BlackRock. (Have we missed one? Let us know.)

The political flyaround

President Trump's attacks on Amazon arise from his anger at Jeff Bezos, unnamed people close to the White House say. (WSJ)

The president dispensed with a ''boring'' speech on tax to denounce immigration. (NYT)

E.P.A. officials were reassigned, demoted or requested new jobs after raising concerns about Scott Pruitt, unnamed sources said. Senior White House officials say the agency chief's fate is uncertain given ethical questions about his housing (he reportedly fell behind on a lease from a lobbyist), staffing and travel expenses.

Mick Mulvaney has complained that the Consumer Financial Protection Bureau engages in ''wasteful spending'' -- but gave his hires big raises. (NYT)

Mr. Trump denied knowing of a $130,000 payment his lawyer made to Stormy Daniels. (WaPo)

The administration and California officials are expected to try to settle a fight over car emissions standards. (NYT)

At an NYT event, Sally Yates, the former acting attorney general, said Mr. Trump was breaking democratic norms. (NYT)

Don't want Facebook ads? Pay up

If users wanted to opt out of data-driven advertising, they would have to pay, Sheryl Sandberg told NBC in one of many interviews yesterday. (They can't, as yet.) Still, Ms. Sandberg told Bloomberg that some advertisers had cut spending and admitted that the network faced a challenge in reassuring them.

The California public pension fund CALSTRS also wants more detail on how Facebook is protecting user data. (Its investment chief has deleted his account.)

Mark Zuckerberg said yesterday that Facebook would apply tough new E.U. data-protection rules worldwide.

But some analysts say that the worst may be over for investors.

Elsewhere in Facebook: The company has put on hold a request for hospitals to share anonymized patient data for a research project. It has been accredited by the Media Ratings Council for the first of three rounds of ad impression auditing. Civic groups in Myanmar said Mr. Zuckerberg had exaggerated what Facebook was doing to stop incitement of violence there.

The tech flyaround

Tesla's Model 3 impressed Jim Stewart. Will it win over enough other consumers to lift the carmaker's fortunes? (NYT)

Google promised to increase office security in the wake of the YouTube shooting, and changes may come to other Silicon Valley campuses. (NYT)

Didi Chuxing is open for business -- and taking on Uber -- in Mexico. (Reuters)

Delta said that a cyberattack on the company that ran its website's chat function may have compromised thousands of customers' credit card data. (WSJ)

Cryptocurrency corner: South Korean prosectors detained the heads of Coinnest and another exchange, on accusations of embezzling from customers. Coinbase is going into venture capital. The former C.E.O. of Mt. Gox, the first big failed Bitcoin exchange, is no longer a believer.

Behind Saudi Arabia's courtship of Hollywood

Crown Prince Mohammed bin Salman has met with a slew of companies during his U.S. tour, including Amazon and the augmented-reality start-up Magic Leap. But the movie business was a focus.

''Entertainment is the new oil for Saudi Arabia,'' the head of the kingdom's entertainment authority told the WSJ. (Diversifying away from the old oil is the crown prince's stated mission.)

AMC Entertainment has announced plans to open the kingdom's first movie theater in over 30 years. The crown prince is hoping for a Disney theme park, too. The Information has more, and says the Saudis are largely following a Chinese playbook.

The deals flyaround

Nine West, the U.S. shoe seller, reportedly could file for bankruptcy protection as soon as today, with a plan to sell its main brand to Authentic Brands Group. (Reuters)

Blackstone plans a $2.3 billion bid for the Spanish hotelier Hispania. (Reuters)

The investment firm Kimmeridge Energy Management has built an 8.1 percent stake in Carrizo Oil & Gas and wants the driller to consider selling itself, or at least some assets. (WSJ)

Domo, a Utah-based business software company, is reportedly preparing to file confidentially for an I.P.O. (Recode)

Instacart has raised another $150 million from existing investors like Coatue Management. (Axios)

Takeda Pharmaceutical might bid for Shire, its C.E.O., Christophe Weber, told some analysts at a meeting last week. I investors and the media weren't invited. (Bloomberg)

Revolving door

Steve Jurvetson appears to have founded a new venture capital firm, Future Ventures, after resigning from DFJ after reportedly lying about an unidentified matter. (Recode)

Deutsche Bank's co-head of investment banking and global head of markets, Garth Ritchie, is reportedly considering leaving. And Matt Zames, formerly JPMorgan's chief operating officer, has reportedly been contacted about becoming the German lender's next C.E.O.

Skadden named 14 new partners, including in its M.&A., ***litigation*** and antitrust practices. (Skadden)

WageWorks, a provider of employee-benefits services, replaced its C.E.O., Joseph L. Jackson, C.F.O. and general counsel, and said it needed to restate financial results from the past two years. (WSJ)

The speed read

Anthony Scaramucci, the former White House communications director, has been dabbling in the film business and has a credit in Al Pacino's latest movie. (NYT)

Target agreed to revise hiring guidelines at its stores, after complaints that it considered old or very minor criminal records in a way that disproportionately affected black and Hispanic applicants. (NYT)

I.S.S. and Glass Lewis are recommending that G.E. address accounting issues by firing K.P.M.G., its auditor of 109 years. (WSJ)

Solar panels are everywhere, but renewable energy still accounts for barely 12 percent of electricity consumed globally. (NYT)

The fashion industry, which employs an overwhelmingly female staff and focuses on female consumers and audiences, reported one of Britain's worst gender pay gaps. (NYT)

Memories of a long-distant boom have left Japan with a peculiarly potent version of 1980s nostalgia. (NYT)

We'd love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com)

[*https://www.nytimes.com/2018/04/06/business/dealbook/tariffs-trump-china-****trade****.html*](https://www.nytimes.com/2018/04/06/business/dealbook/tariffs-trump-china-trade.html)

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The New York Times

April 6, 2018 Friday 00:20 EST

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**Section:** BUSINESS; dealbook

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**Highlight:** Companies mostly have not detailed the potential impact of Mr. Trump’s ***trade*** policies. With first-quarter earnings imminent, will that now change?

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Executives will no doubt have good arguments for why their businesses won’t be hurt much. [*China’s airlines will remain reliant*](https://www.bloomberg.com/news/articles/2018-04-04/boeing-could-suffer-as-china-plans-25-tariffs-on-u-s-aircraft) on a steady supply of Boeing’s aircraft for a long time. The facilities in China that make G.M. and Apple products are big employers. And since the proposed tariffs most likely won’t be in effect by the time first-quarter earnings are announced, companies will probably be able to get away with some generalities.

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The president also took to Twitter to defend his approach to ***trade*** policy. Mr. Trump, in a tweet, 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.

Some context here: The price of [*aluminum*](https://www.nytimes.com/2018/03/01/upshot/trump-tariff-steel-aluminum-explain.html) 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.

‘China is prepared’ to duel on tariffs

In response to a potential new set of U.S. tariffs on [*$100 billion worth of Chinese goods*](https://www.nytimes.com/2018/04/05/business/trump-trade-war-china.html?dlbk), Beijing said in a briefing on Friday that it would “   [*immediately fight back*](https://www.cnbc.com/2018/04/06/china-will-not-hesitate-with-major-response-to-new-tariffs-ministry-of-commerce.html?dlbk) with a major response.”

More from what a representative for China’s Ministry of Commerce said:

The briefing — amid a Chinese holiday — signals the latest instance of saber-rattling between the U.S. and China on ***trade***. But was Mr. Trump’s announcement on Thursday [*just a bluff*](https://www.axios.com/how-trump-governs-by-bluffing-1523007892-493fa9d8-c0b2-4bcd-a0ee-0a20b7586444.html?dlbk)? Even his advisers aren’t sure.

The Chinese official said that the two sides can’t negotiate under the current conditions. And in an interview with Bloomberg on Friday, Larry Kudlow — who has been national economic adviser for just under a week — said he could not predict when talks would begin. He added:

But China [*has reasons to think*](https://www.nytimes.com/2018/04/05/world/asia/china-trade-war-trump-tariffs.html?dlbk) it could win a ***trade*** war. (Worth noting: U.S. tariffs wouldn’t bite until after a two-month comment period.)

More companies, [*like Cargill*](https://www.ft.com/content/fe67b9fa-38ef-11e8-8b98-2f31af407cc8?dlbk), are getting jumpy. Some fear the tensions   [*could kill Qualcomm’s bid for NXP Semiconductor*](https://www.wsj.com/articles/could-china-scuttle-qualcomms-44-billion-nxp-deal-1523007000?dlbk). Jacob Frenkel, the chairman of JPMorgan Chase’s international business, is worried, too: He said the hostilities could be “the greatest danger to the ***world*** economy,” but   [*aren’t at a war level yet*](https://www.cnbc.com/2018/04/06/trade-war-is-the-greatest-threat-to-the-world-economy-but-were-not-yet-there-yet-jp-morgans-frenkel-says.html?dlbk). The Economist says that the president’s comments “do not suggest he is   [*ready to sue for peace*](https://www.economist.com/news/finance-and-economics/21739975-two-countries-threaten-descend-sequence-tit-tat-retaliations?dlbk).”

Meanwhile, the White House hopes to announce [*a preliminary Nafta deal*](https://www.nytimes.com/2018/04/05/us/politics/nafta-negotiations-trump-canada-mexico.html?dlbk) this month after revising some of its more aggressive demands.

Reaction of the day, from [*Senator Ben Sasse*](https://twitter.com/BenSasse/status/982055225325441024), Republican of Nebraska:

Is the inflation scare over?

Earlier this year, stocks sold off after the jobs report for January showed a 2.9 percent annual increase in wages, a relatively strong rise. Investors feared that a sustained increase in earnings could prompt consumers to buy more goods and services, pushing up prices in the process. Concerns receded after February’s report showed a 2.6 percent jump in wages, and March’s rise of 2.7 percent is not likely to stir up more worries.

But as they gauge wage pressures, analysts also pay close attention to the forces that indirectly affect wages. One of those is, of course, the number of additional jobs the economy is creating. [*March’s gain of 103,000 jobs*](https://www.nytimes.com/2018/04/06/business/economy/jobs-report.html)was below economists’ forecasts and about half the monthly average this year. That weakness will no doubt reduce inflation fears still further.

The March report contained data that could do even more to quell investors’ nerves over inflation. While the report revised February’s gain higher to 326,000 jobs from 313,000, it sharply reduced the January figure to 176,000 from 239,000. The January revision prompted Jim Vogel, of FTN Financial, to write:

— Peter Eavis

Hiring slowed in March

The United States[*added jobs for its 90th straight month in March*](https://www.nytimes.com/2018/04/06/business/economy/jobs-report.html), an unprecedented run of growth for the economy, but at a much slower pace than in March.

The headline numbers

103,000 jobs were added last month. Wall Street economists had expected an increase of about 185,000, according to Bloomberg.

The unemployment rate was 4.1 percent for the sixth straight month.

Average earnings rose by 8 cents an hour and are up 2.7 percent over the past year.

Estimates of February’s job growth were revised upward, but January’s figure was revised sharply downward. The net result was a loss of 50,000 jobs relative to prior estimates.

The takeaways

Wage growth remains weaker than most economists would expect when unemployment is so low.

The manufacturing sector has posted solid job gains over the past year, and that growth continued in March, when American factories added 22,000 jobs. But mounting ***trade*** tensions with China [*could threaten the sector’s rebound*](https://www.nytimes.com/2018/04/04/business/economy/trade-impact.html?action=click&module=Top%20Stories&pgtype=Homepage) in the months ahead.

Perhaps the biggest surprise in the blockbuster February report was the surge of workers into the labor force. That flood of new workers partly reversed in March, when the labor force shrank by 158,000 people.

Where to begin with the FT’s lunch with the Mooch?

There’s a lot to quote from [*Anthony Scaramucci’s meal with Edward Luce of the FT*](https://www.ft.com/content/5d5a0364-3738-11e8-8eee-e06bde01c544?dlbk) — held at the Hunt and Fish Club, the Midtown Manhattan restaurant that the onetime investor owns, naturally. So we’ll have to limit ourselves to just a few selections:

— Michael de la Merced

The U.S. sanctions Oleg Deripaska

Prominent among [*the Russian oligarchs and businesses sanctioned*](https://www.nytimes.com/2018/04/06/us/politics/trump-sanctions-russia-putin-oligarchs.html?dlbk) by the Treasury Department on Friday is Oleg Deripaska, the billionaire known for his jet-setting, his consistent presence at the ***World*** Economic Forum in Davos — and his ties to Vladimir Putin (and, before a falling out, Paul Manafort).

Mr. Deripaska is associated with aluminum producers like EN+ Group, which [*went public in London*](https://www.nytimes.com/2017/11/03/business/dealbook/russia-ipo-putin-deripaska.html?dlbk) late year, and Rusal, as well as the commercial vehicle maker GAZ Group and energy producer EuroSibEnergo. All those companies were also sanctioned for being controlled or owned directly or indirectly by Mr. Deripaska.

Here’s what [*the Treasury Department said*](https://home.treasury.gov/news/press-releases/sm0338) about the move against the businessman:

— Michael de la Merced

What does Jamie Dimon’s annual letter say about his politics?

Andrew’s take: A favorite Wall Street parlor game is whether the JPMorgan Chase C.E.O. would run for president in 2020. Mr. Dimon’s [*latest annual letter*](https://www.jpmorganchase.com/corporate/investor-relations/document/annualreport-2017.pdf) increased that chatter, touching on immigration and political polarization. He praised some of President Trump’s policies (on tougher ***trade*** negotiations, on taxes). But his stances on deregulation and on social issues likely mean that he would have to run as an independent — and history hasn’t been kind to third-party candidates.

[*Peter Eavis adds*](https://www.nytimes.com/2018/04/05/business/dealbook/facebook-mark-zuckerberg-privacy.html?dlbk): The JPMorgan chief also homed in on regulations of bank liquidity, or access to cash and equivalents. He contended that liquidity requirements are higher now — which he favors — but are also more rigid and could impinge on lending. But the argument is flawed, in part because banks that have less liquidity aren’t in a position to lend.

BlackRock acts on guns

The investment behemoth’s plan to offer [*new funds that exclude gun makers*](https://www.blackrock.com/corporate/newsroom/press-releases/article/corporate-one/press-releases/civilian-firearms-exposures-in-investment-portfolios?dlbk) or sellers is the latest prominent step by a financial firm to offer some support to gun control. (And with $6.3 trillion under management, the firm’s actions carry enormous weight.) The products include:

A new exchange-***traded*** fund that focuses on favorable environmental, social and governance (E.S.G.) standards and excludes firearms-related companies. BlackRock will update other E.S.G. funds to exclude them, too.

A bond-focused E.T.F. excluding gun-related companies.

New strategies available through 401(k) plans that track five major indexes, including the S.&P. 500, but screen out firearms sellers and makers.

Walmart, Kroger and Dicks Sporting Goods, all of whom have now set some limits on gun sales, [*will still count as gun-related*](https://www.wsj.com/articles/blackrock-plans-to-block-walmart-dicks-from-some-funds-over-guns-1522940521).

Critic’s corner: [*Rob Cox of Breakingviews*](https://www.nytimes.com/2018/04/05/business/dealbook/blackrock-guns.html?dlbk) writes, “By getting out early, BlackRock makes clear to those young people lobbying for tighter gun laws — who it hopes will be customers for decades to come — that it has something for them.”

Here’s the DealBook tally of financial firms that have announced concrete moves addressing gun control: Citigroup, Amalgamated, BlackRock. (Have we missed one? [*Let us know*](mailto:bizday@nytimes.com?subject=Newsletter%20Feedback).)

The political flyaround

President Trump’s attacks on Amazon arise from his anger at Jeff Bezos, unnamed people close to the White House say. ([*WSJ*](https://www.wsj.com/articles/trumps-criticism-of-amazon-its-personal-1523007001?dlbk))

The president dispensed with a “boring” speech on tax to denounce immigration. ([*NYT*](https://www.nytimes.com/2018/04/05/us/politics/trump-democrats-immigration-votes.html?action=click&module=Top%20Stories&pgtype=Homepage))

[*E.P.A. officials were reassigned*](https://www.nytimes.com/2018/04/05/business/epa-officials-questioned-scott-pruitt.html), demoted or requested new jobs after raising concerns about Scott Pruitt, unnamed sources said. Senior White House officials say   [*the agency chief’s fate is uncertain*](https://www.washingtonpost.com/news/energy-environment/wp/2018/04/05/top-epa-ethics-official-says-he-lacked-key-facts-about-pruitts-condo-rental/?dlbk) given ethical questions about his housing (he reportedly   [*fell behind*](https://www.politico.com/story/2018/04/05/scott-pruitt-condo-rental-504603?dlbk) on a lease from a lobbyist), staffing and travel expenses.

Mick Mulvaney has complained that the Consumer Financial Protection Bureau engages in “wasteful spending” — but gave his hires big raises. ([*NYT*](https://www.nytimes.com/2018/04/05/business/cfpb-mick-mulvaney-pay-raises.html?rref=collection%2Fsectioncollection%2Fbusiness&action=click&contentCollection=business&region=stream&module=stream_unit&version=latest&contentPlacement=8&pgtype=sectionfront))

Mr. Trump denied knowing of a $130,000 payment his lawyer made to Stormy Daniels. ([*WaPo*](https://www.washingtonpost.com/politics/trump-says-he-didnt-know-his-attorney-paid-130000-to-porn-star-stormy-daniels/2018/04/05/ef038dc6-3913-11e8-8fd2-49fe3c675a89_story.html?dlbk))

The administration and California officials are expected to try to settle a fight over car emissions standards. ([*NYT*](https://www.nytimes.com/2018/04/05/climate/trump-california-emissions.html))

At an NYT event, Sally Yates, the former acting attorney general, said Mr. Trump was breaking democratic norms. ([*NYT*](https://www.nytimes.com/2018/04/05/us/politics/sally-yates-times-talks.html))

Don’t want Facebook ads? Pay up

If users wanted to opt out of data-driven advertising, they would have to pay, [*Sheryl Sandberg told NBC*](https://www.nbcnews.com/tech/social-media/users-would-have-pay-opt-out-all-facebook-ads-sheryl-n863151) in one of many interviews yesterday. (They can’t, as yet.) Still,   [*Ms. Sandberg told Bloomberg*](https://www.bloomberg.com/news/articles/2018-04-05/facebook-s-sandberg-says-a-few-advertisers-paused-spending) that some advertisers had cut spending and admitted that the network faced a challenge in reassuring them.

The California public pension fund [*CALSTRS also wants more detail*](https://www.bloomberg.com/news/articles/2018-04-05/calstrs-will-engage-facebook-to-address-user-privacy-concerns) on how Facebook is protecting user data. (Its investment chief has deleted his account.)

Mark Zuckerberg said yesterday that Facebook would [*apply tough new E.U. data-protection rules worldwide*](https://www.politico.eu/article/zuckerberg-facebook-eu-data-will-apply-privacy-standards-globally/).

But [*some analysts say*](https://www.bloomberg.com/news/articles/2018-04-05/here-s-why-some-are-saying-facebook-s-stock-has-bottomed?dlbk) that the worst may be over for investors.

Elsewhere in Facebook: The company [*has put on hold*](https://www.cnbc.com/2018/04/05/facebook-building-8-explored-data-sharing-agreement-with-hospitals.html?dlbk) a request for hospitals to share anonymized patient data for a research project. It has been   [*accredited by the Media Ratings Council*](https://www.axios.com/facebook-receives-first-round-of-mrc-accreditation-8ab7a073-a979-44ab-b915-64fbee6fa4b7.html?dlbk) for the first of three rounds of ad impression auditing.   [*Civic groups in Myanmar*](https://www.nytimes.com/2018/04/05/technology/zuckerberg-facebook-myanmar.html?dlbk) said Mr. Zuckerberg had exaggerated what Facebook was doing to stop incitement of violence there.

The tech flyaround

Tesla’s Model 3 impressed Jim Stewart. Will it win over enough other consumers to lift the carmaker’s fortunes? ([*NYT*](https://www.nytimes.com/2018/04/05/business/tesla-model-3.html?dlbk))

Google promised to increase office security in the wake of the YouTube shooting, and changes may come to other Silicon Valley campuses. ([*NYT*](https://www.nytimes.com/2018/04/05/technology/corporate-security-active-shooter-youtube.html?dlbk))

Didi Chuxing is open for business — and taking on Uber — in Mexico. ([*Reuters*](https://www.reuters.com/article/us-didi-mexico/uber-rival-didi-makes-mexico-launch-official-recruits-drivers-idUSKCN1HD0PH?dlbk))

Delta said that a cyberattack on the company that ran its website’s chat function may have compromised thousands of customers’ credit card data. ([*WSJ*](https://www.wsj.com/articles/delta-says-hack-on-vendor-exposed-customer-credit-card-data-1522965773?dlbk))

Cryptocurrency corner: South Korean prosectors [*detained the heads of Coinnest and another exchange*](https://www.wsj.com/articles/south-korea-detains-cryptocurrency-executives-on-embezzlement-allegations-1522914839?dlbk), on accusations of embezzling from customers. Coinbase is   [*going into venture capital*](https://www.axios.com/coinbase-adds-vc-arm-to-invest-in-crypto-1522963729-c0b08ff6-fa7e-4a5d-b0e3-b0dd07b62093.html?dlbk). The former C.E.O. of Mt. Gox, the first big failed Bitcoin exchange, is   [*no longer a believer*](https://www.bloomberg.com/news/articles/2018-04-05/former-mt-gox-ceo-karpeles-is-no-longer-a-bitcoin-believer?dlbk).

Behind Saudi Arabia’s courtship of Hollywood

Crown Prince Mohammed bin Salman has met with a slew of companies during his U.S. tour, including Amazon and the augmented-reality start-up Magic Leap. But the movie business was a focus.

“[*Entertainment is the new oil*](https://www.wsj.com/articles/saudis-want-fewer-weapons-more-disney-in-u-s-business-talks-1522931617?dlbk) for Saudi Arabia,” the head of the kingdom’s entertainment authority told the WSJ. (Diversifying away from the old oil is the crown prince’s stated mission.)

AMC Entertainment has announced plans to open the kingdom’s first movie theater in over 30 years. The crown prince is hoping for a Disney theme park, too. The Information has more, and says [*the Saudis are largely following a Chinese playbook*](https://www.theinformation.com/articles/inside-hollywoods-embrace-of-saudi-arabia?dlbk).

The deals flyaround

Nine West, the U.S. shoe seller, reportedly could file for bankruptcy protection as soon as today, with a plan to sell its main brand to Authentic Brands Group. ([*Reuters*](https://www.reuters.com/article/us-ninewest-bankruptcy/nine-west-nears-bankruptcy-with-plan-to-sell-footwear-brand-sources-idUSKCN1HC287?dlbk))

Blackstone plans a $2.3 billion bid for the Spanish hotelier Hispania. ([*Reuters*](https://www.reuters.com/article/us-hispania-m-a-blackstone-group/blackstone-bids-for-spains-hispania-for-17-45-euros-a-share-idUSKCN1HC0SO?dlbk))

The investment firm Kimmeridge Energy Management has built an 8.1 percent stake in Carrizo Oil & Gas and wants the driller to consider selling itself, or at least some assets. ([*WSJ*](https://www.wsj.com/articles/activist-investors-try-to-wake-up-a-slumbering-energy-sector-1522966502?dlbk))

Domo, a Utah-based business software company, is reportedly preparing to file confidentially for an I.P.O. ([*Recode*](https://www.recode.net/2018/4/5/17201052/domo-software-ipo-josh-james-utah?dlbk))

Instacart has raised another $150 million from existing investors like Coatue Management. ([*Axios*](https://www.axios.com/instacart-bags-another-150-million-f20557fb-bb3d-448f-a716-fbd621bd9ac0.html?dlbk))

Takeda Pharmaceutical might bid for Shire, its C.E.O., Christophe Weber, told some analysts at a meeting last week. I investors and the media weren’t invited. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-04-05/takeda-ceo-seeking-all-of-shire-undeterred-by-size-analysts-say?dlbk))

Revolving door

Steve Jurvetson appears to have founded a new venture capital firm, Future Ventures, after resigning from DFJ after reportedly lying about an unidentified matter. ([*Recode*](https://www.recode.net/2018/4/6/17205228/steve-jurvetson-venture-capital-firm-future-ventures?dlbk))

Deutsche Bank’s co-head of investment banking and global head of markets, Garth Ritchie, is [*reportedly considering leaving*](https://www.wsj.com/articles/deutsche-investment-banking-co-head-had-talks-about-leaving-1522937649?dlbk). And Matt Zames, formerly JPMorgan’s chief operating officer, has   [*reportedly been contacted*](https://www.bloomberg.com/news/articles/2018-04-05/zames-said-to-be-sounded-out-as-deutsche-bank-ceo-by-recruiters?dlbk) about becoming the German lender’s next C.E.O.

Skadden named 14 new partners, including in its M.&A., ***litigation*** and antitrust practices. ([*Skadden*](https://www.skadden.com/about/news-and-rankings/news/2018/04/skadden-names-new-partners?dlbk))

WageWorks, a provider of employee-benefits services, replaced its C.E.O., Joseph L. Jackson, C.F.O. and general counsel, and said it needed to restate financial results from the past two years. ([*WSJ*](https://www.wsj.com/articles/wageworks-shuffles-top-leaders-after-audit-identifies-weaknesses-in-financial-reporting-1522967124?dlbk))

The speed read

Anthony Scaramucci, the former White House communications director, has been dabbling in the film business and has a credit in Al Pacino’s latest movie. ([*NYT*](https://www.nytimes.com/2018/04/06/business/media/anthony-scaramucci-paterno-hbo.html?smid=tw-nytimesbusiness&smtyp=cur))

Target agreed to revise hiring guidelines at its stores, after complaints that it considered old or very minor criminal records in a way that disproportionately affected black and Hispanic applicants. ([*NYT*](https://www.nytimes.com/2018/04/05/business/target-retail-hiring-bias.html))

I.S.S. and Glass Lewis are recommending that G.E. address accounting issues by firing K.P.M.G., its auditor of 109 years. ([*WSJ*](https://www.wsj.com/articles/ge-urged-to-dump-auditor-kpmg-after-109-years-by-proxy-advisers-1522964791))

Solar panels are everywhere, but renewable energy still accounts for barely 12 percent of electricity consumed globally. ([*NYT*](https://www.nytimes.com/2018/04/05/climate/solar-energy.html?rref=collection%2Fsectioncollection%2Fbusiness))

The fashion industry, which employs an overwhelmingly female staff and focuses on female consumers and audiences, reported one of Britain’s worst gender pay gaps. ([*NYT*](https://www.nytimes.com/2018/04/05/fashion/uk-fashion-companies-gender-pay-gap.html))

Memories of a long-distant boom have left Japan with a peculiarly potent version of 1980s nostalgia. ([*NYT*](https://www.nytimes.com/2018/04/06/business/japan-1980s-bubble-era.html))

We’d love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com?subject=Newsletter%20Feedback).

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

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[***A Warning Of Trade Suits Over Farming***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4HP4-MJ60-TW8F-G1JJ-00000-00&context=)

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**Body**

A failure by the United States and the European Union to make significant progress toward reducing agricultural subsidies in ***trade*** talks in Hong Kong could bring a legal challenges on both sides of the Atlantic, ***trade*** and agricultural experts say.

In a report to be released Wednesday, Oxfam International highlights three American commodity crops vulnerable to lawsuits and eight agricultural products in the European Union that could be sources of cases.

Several independent experts agree with Oxfam's assertion that complaints could be brought against the United States' corn, rice and sorghum programs, while the 25-country European Union could be challenged on subsidies for tomatoes, tobacco, butter, wine and spirits, citrus juices and processed fruits like canned peaches and pears.

According to the report, the subsidies for the 11 crops and products noted by Oxfam total $9.3 billion for the United States out of the country's $19.5 billion in subsidy payments, and $4.2 billion for the European Union out of $44.8 billion, on an annual basis.

Oxfam, a nongovernmental advocacy group involved in ***world*** poverty issues, has lobbied strenuously for rich countries to reduce agricultural subsidies so that developing countries in Africa and elsewhere can better compete and grow their economies. But several outside experts agree that more cases are likely if meetings of the ***World Trade Organization*** next month in Hong Kong do not produce a substantial agreement toward reducing so-called ***trade***-distorting subsidies.

Brazil's successful challenges to the European Union's sugar program and parts of the United States' cotton program have opened the door for more challenges before the W.T.O., ***trade*** experts say. The European Union unveiled an overhauled sugar program last week that cuts support prices 36 percent.

''Those cases point out some of the vulnerabilities that both the E.U. and the U.S. have with some of their present farm programs,'' said Clayton Yeutter, a former secretary of agriculture and United States ***trade*** representative. If negotiations do not produce progress, ''it would not be surprising to see additional W.T.O. dispute settlement challenges of this nature,'' he said.

The talks in Hong Kong are part of a round of ***trade*** discussions that began in 2001 in Doha, Qatar. They were termed a ''development round,'' meant to lift the ***world***'s poor nations out of poverty by giving their farmers better access to developed ***world*** markets.

American ***trade*** officials said on Tuesday that they could not comment on the accuracy of the Oxfam estimates, but that the United States is trying to eliminate the kinds of farm subsidies that could run afoul of the W.T.O. rules.

''The very subsidies that they're concerned about are the ones that we're proposing to eliminate,'' said Christin T. Baker, a spokeswoman for the United States ***trade*** representative, Rob Portman.

Anthony Gooch, a spokesman for the European Commission in Washington, said he could not comment on the Oxfam report until European officials had a chance to study it.

Officials from the United States, Europe and major developing countries, like Brazil, are trying to salvage a framework before the talks in Hong Kong. Mr. Portman will leave for Geneva on Thursday for talks that will last until Sunday.

In recent weeks, preparatory ***trade*** talks stalled after the European Union failed to match an offer by the United States to lower some ***trade***-distorting subsidies by 60 percent over five years and eliminate them by 2013. Oxfam and other advocates of reducing subsidies have called even the American proposal inadequate and misleading.

The United States and the European Union are still far apart on agricultural ***trade*** barriers. The United States proposal calls for much deeper cuts in farm tariffs than European officials have been willing to support. And large developing countries are reluctant to make commitments on opening markets for services and industrial goods unless the wealthy countries do more to open their farm markets.

In the last year, some countries have threatened legal action against American farm programs. Uruguay has been preparing a challenge to American rice subsidies, while Canadian corn growers have been clamoring for their government to fight the sale of American corn in Canada at prices they say are lower than the cost of production.

The Canadian International ***Trade*** Tribunal concluded two weeks ago that there was ''a reasonable indication that the dumping and subsidizing of unprocessed grain corn have caused injury to the domestic industry.'' Mike Johanns, the United States agriculture secretary, and Mr. Portman said in a joint response that ''U.S. corn exports pose no threat to Canadian corn growers.''

The United States corn program is more vulnerable than ever to a ***trade*** challenge, ***trade*** experts say. Huge harvests the last two years and the lowest prices since the late 1990's are resulting in record subsidy payments to farmers. The United States paid $26.8 billion in corn subsidies the last five years, the most for any single American farm program.

''If there were ever a time for another country to go after our corn program, this is it,'' said Kenneth Cook, president of the Environmental Working Group, a research ***organization*** based in Washington that has criticized farm subsidies. ''It is exactly the kind of conditions that prompted Brazil to go after our cotton program.''

Eleven corn exporters, including Argentina, Ecuador and South Africa, could have legitimate cases as well, the Oxfam report concluded. And in the case of rice, Mexico, India and Thailand are among 13 countries that could file cases against the United States. Without a formal suit, Mexico has struggled to prevent rice from the United States from being sold at what it says are unfair prices that are damaging Mexican producers. A ***World Trade Organization*** panel ruled on Tuesday that Mexico unfairly imposed antidumping tariffs on American rice in 2002.

While the European Union also has programs laden with heavy subsidy payments for farmers of traditional crops like sugar, it is at least as vulnerable for programs designed to encourage the processing of fruits and vegetables into finished products, ***trade*** experts said. The European Union provides millions of euros in such subsidies.

So far, no formal challenges on major crops have been filed since the Brazilian won its cases in 2004 and this year. Pedro de Camargo Neto, a former lead farm ***trade*** negotiator for Brazil, who led his country's cotton and sugar cases, said he is surprised other countries have not capitalized on the Brazilian precedents.

Fear of retaliation could be part of the reason, Mr. Camargo said in a telephone interview. ''Governments are afraid to challenge the Empire.''

In one case, Walter Bastian, the United States deputy assistant secretary of commerce, met with Uruguayan officials in August and persuaded them to wait until after the Hong Kong meetings to file a rice complaint.

Most countries see ***trade*** negotiations as a faster road to agricultural reform than ***litigation***, which is costly and can drag on for years. But the failure of the Doha talks will probably lead more developing countries to use the W.T.O.'s dispute settlement process, said Gawain Kripke, senior policy adviser for Oxfam. ''This hasn't been in their toolbox in the past,'' he said. ''Brazil has shown that these cases are winnable.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photo: Huge corn harvests the last two years and the lowest prices since the late 1990's are resulting in record subsidy payments to American farmers. (Photo by Mark Kegans for The New York Times)(pg. C3)

**Load-Date:** November 30, 2005

**End of Document**

[***Does Free Trade Help or Hurt the Climate?; Green***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P0B-WW51-JBG3-61MX-00000-00&context=)

The New York Times

(Green)

June 26, 2009 Friday 15:25 EST

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**Section:** SCIENCE; earth

**Length:** 332 words

**Byline:** JAMES KANTER

**Highlight:** The ***World Trade Organization*** and United Nations Environment Program describe the advantages and pitfalls of climate regulation.

**Body**

Making ***trade*** more free could lead to a rise in carbon-dioxide emissions as a result of greater economic activity. But more ***trade*** could also help to stop climate change by increasing the availability of climate-friendly technologies and products.

Those are the conclusions in a report issued on Friday by the[***World Trade Organization***](http://www.wto.org/) and the   [*United Nations Environment Program*](http://www.unep.org/).

The [*report*](http://www.wto.org/english/news_e/pres09_e/pr559_e.htm) seemed aimed partly at defending continuing efforts by the W.T.O. to broker a long-awaited deal as part of the so-called Doha round of ***trade*** talks.

“Contrary to some claims, ***trade*** and ***trade*** opening can have a positive impact on emissions of greenhouse gases in a variety of ways including accelerating the transfer of clean technology and the opportunity for developing economies to adapt those technologies to local circumstances,” the two groups said in a statement that accompanied the report.

To bolster their case, Pascal Lamy, the director-general of the W.T.O., and Achim Steiner, the executive director of the U.N. program, said any forthcoming ***trade*** deal should include measures to free up ***trade*** in environmental goods and services. Those measures would, according to the statement, constitute “a complementary track towards reducing greenhouse gas emissions to scientifically-defensible levels.”

The report also tackled a principal threat to free ***trade*** in climate regulations.

New taxes and tariffs could be imposed by countries like the United States and by ***trade*** blocs like the European Union to protect home industries and keep out products made more cheaply, and in less environmentally sensitive ways, in other parts of the ***world***.

Such “border adjustment measures,” as they are called in ***trade*** jargon, would represent a new set of ***trade*** barriers and could trigger a spate of ***litigation***, the agencies suggested.

Environmental regulation can sometimes trump free-***trade*** rules under the [*General Agreement on Tariffs and* ***Trade***](http://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm), but only “provided that several conditions are met,” the agencies warned.

**Load-Date:** July 11, 2017

**End of Document**

[***U.S. Tariffs, Aimed at China and South Korea, to Hit Targets Worldwide***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RGG-W3S1-DXY4-X0J8-00000-00&context=)

The New York Times

January 23, 2018 Tuesday 15:04 EST

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**Section:** BUSINESS

**Length:** 1170 words

**Byline:** Keith Bradsher and Sui-Lee Wee

**Highlight:** Broad levies taking direct aim at the two countries would most likely affect other ***trading*** partners of the United States, illustrating the complexity of global commerce.

**Body**

DAVOS, Switzerland — When the Trump administration unveiled tariffs on imports of [*solar panels*](https://www.nytimes.com/2017/04/08/business/china-trade-solar-panels.html) and   [*washing machines*](https://www.nytimes.com/2017/11/21/us/politics/tariffs-washing-machines-trump.html) — industries dominated by Chinese and South Korean businesses — they deliberately applied them to products from around the ***world***.

[*The move on Monday*](https://www.nytimes.com/2018/01/22/business/trump-tariffs-washing-machines-solar-panels.html), in the eyes of United States ***trade*** officials, reflected the complexities of modern global ***trade***. Though companies from just two countries account for the majority of both sectors, those firms have set up factories in multiple locations across national borders.

As a result, the tariffs will affect factories and workers in a variety of countries, reflecting the globalized supply chains and byzantine corporate ownership structures that are at the heart of many ubiquitous products.

The administration’s decision was followed on Tuesday by the announcement that a group of 11 countries would resurrect the Trans-Pacific Partnership, the pact that Mr. Trump pulled out of a year ago. The agreement, expected to be signed later this year, further complicates the president’s ***trade*** policies.

The solar panel case in particular has been a case study in the complexity of global ***trade***. Suniva, one of the American solar companies that had sought the tariffs, filed for bankruptcy protection last year, citing the effects of Chinese imports. But [*the majority owner of Suniva is itself Chinese*](https://www.nytimes.com/2017/06/30/business/energy-environment/solar-energy-trade-china-trump.html), and the company’s American bankruptcy trustee supported the ***trade*** ***litigation*** over the objections of the Chinese owners.

Here is a rundown of the wide-ranging impact the new tariffs may have.

Will there be a backlash?

Possibly — but not without costs for all the countries involved.

China and South Korea could take their complaints to the ***World Trade Organization***, which arbitrates international ***trade*** disputes.

If the W.T.O. sided with those countries, the United States would be under considerable pressure to back down. If it did not, there would be two major sets of consequences. For one, the ***World Trade Organization*** could greenlight other countries’ setting similar ***trade*** limits. More broadly, it would raise the question of whether the United States [*accepts the* ***organization****’s decisions*](https://www.nytimes.com/2017/12/10/business/wto-united-states-trade.html) — Robert E. Lighthizer, the United States ***trade*** representative, has argued for years that such decisions should, essentially, be advisory.

The United States market has long been very attractive to foreign companies, and not just for its large and affluent set of consumers. Its tariffs on imports are much lower than those of most other countries, and it also has relatively low sales taxes. But President Trump has regularly questioned whether existing free ***trade*** agreements are in the best interests of the country, making it possible that such favorable terms may erode.

Still, China and South Korea have leverage of their own. They are big importers of American-made machinery and agricultural products, and China, in particular, has long been a big buyer of soybeans and other crops from states that supported Mr. Trump in the 2016 election.

Indeed, as an enormous consumer of all types of global goods, China could also easily punish American companies by opting to buy from international competitors. For instance, it could opt for Airbus planes over Boeing’s or crack down on General Motors while leaving Volkswagen alone.

A ***trade*** fight would, however, be painful. Both China and South Korea export a lot more to the United States than they import, meaning higher tariffs [*could hit their economies harder*](https://www.nytimes.com/2016/11/11/business/international/trump-china-us-trade-war.html).

Who else could be affected?

The United States accuses China of swamping the market with artificially cheap, subsidized solar panels. But increasingly, those panels come from elsewhere. Steep tariffs imposed in 2012 on solar panels imported from China have made it cheaper for Chinese companies to assemble the panels in factories elsewhere before shipping them to the United States.

Countries like Malaysia and South Korea now account for most of the United States’ solar imports, according to data from Global ***Trade*** Atlas, a database maintained by the research firm IHS Markit.

Chinese companies like JA Solar and JinkoSolar, for example, have opened factories in Malaysia, though most such businesses still do much of their research and development at home.

The broad manufacturing base means other countries may face job losses and other hardships in the face of the United States tariffs, which could galvanize opposition to the president’s action.

American companies also manufacture some of their panels in Southeast Asia before importing some of them back into the United States. But their products tend to use a different technology, known as thin-film solar panels, which are not covered by the latest tariffs.

What happens next?

President Trump is set to speak to ***world*** leaders gathered this week at the ***World*** Economic Forum in Davos, Switzerland, where he could drop hints of whether the United States has more ***trade*** barriers to announce.

Washington could take action on aluminum or steel imports, two categories that have vexed previous presidential administrations. It is also exploring a major ***trade*** action against China [*focused on intellectual property*](https://www.nytimes.com/2017/12/19/business/trump-china-national-security.html).

“China’s regulatory authorities do not allow U.S. companies to make their own decisions about technology transfer and the assignment or licensing of intellectual property rights,” Mr. Lighthizer’s office said as part of a broader report last week, suggesting possible strong action.

The Trump administration’s move nevertheless leaves room for negotiation.

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He Weiwen, a former Chinese Commerce Ministry official who is now an influential ***trade*** policy researcher in Beijing, said Chinese policymakers had reacted with “strong dissatisfaction” to the tariffs. But he predicted that China’s response would at first be cautious, as officials wait to see how strong the other American actions will be.

“We cannot expand to an overall ***trade*** war,” he added.

Follow Keith Bradsher and Sui-Lee Wee on Twitter: @KeithBradsher and @suilee. Keith Bradsher reported from Davos, and Sui-Lee Wee from Guangzhou, China.

PHOTO: A solar panel project, at left, in Wuhan, China. The United States accuses China of swamping the market with cheap, subsidized solar panels. But those panels are increasingly made in other countries. (PHOTOGRAPH BY Kevin Frayer/Getty Images FOR THE NEW YORK TIMES)

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* [*Mr. Trump’s Tariffs Will Not Bring Back Manufacturing Jobs*](https://www.nytimes.com/2018/01/23/opinion/trumps-tariffs-manufacturing-jobs.html)

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2. [*Once the W.T.O.’s Biggest Supporter, U.S. Is Its Biggest Skeptic*](https://www.nytimes.com/2017/12/10/business/wto-united-states-trade.html)
3. [*Trump Must Decide on Tariffs for Imported Washing Machines*](https://www.nytimes.com/2017/11/21/us/politics/tariffs-washing-machines-trump.html)
4. [*In China-U.S.* ***Trade*** *War, Trump Would Have Weapons*](https://www.nytimes.com/2016/11/11/business/international/trump-china-us-trade-war.html)
5. [*Creating Test for Trump, Panel Says Imported Solar Gear Hurts U.S. Firms*](https://www.nytimes.com/2017/09/22/business/energy-environment/solar-imports.html)

**Load-Date:** October 9, 2018

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[***Trump Slaps Steep Tariffs on Foreign Washing Machines and Solar Products***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RK9-NPM1-DXY4-X078-00000-00&context=)

The New York Times

January 22, 2018 Monday 18:44 EST

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**Section:** BUSINESS

**Length:** 1496 words

**Byline:** ANA SWANSON and BRAD PLUMER

**Highlight:** The Trump administration said it would impose steep tariffs on imports, the first major step by the administration to erect the kind of barriers the president frequently threatened.

**Body**

WASHINGTON — President Trump slapped steep tariffs on imports of washing machines and solar energy cells and panels on Monday, the first major step by the administration to erect the kind of ***trade*** barriers Mr. Trump has frequently said are necessary to protect manufacturers in the United States.

The twin announcements came after a year of tough rhetoric — but little action — on curbing imports of cheap products from countries like China and South Korea.

White House advisers warned that additional ***trade*** measures related to steel, aluminum and other products from China could be coming, a signal that Mr. Trump is ratcheting up the protectionist policies he has long espoused as part of his “America First” approach.

The imposition of tariffs will most likely exacerbate ***trade*** tensions with other nations, including China, and could result in an escalation of retaliatory ***trade*** measures against imports from the United States. Both China and South Korea harshly criticized the move, with both suggesting they could take their complaints to the ***World Trade Organization***, which settles ***trade*** disputes between countries.

The decisions also seemed poised to ignite a wave of similar ***trade*** cases from other American companies, which might be encouraged by Mr. Trump’s action.

Protectionism was a defining theme of the populist presidential campaign in which Mr. Trump gleefully rebuffed the longstanding Republican embrace of free and open markets. Upon taking office, Mr. Trump pulled out of the Trans-Pacific Partnership, a 12-country ***trade*** deal, and threatened other actions, including a withdrawal from the North American Free ***Trade*** Agreement and the imposition of tariffs on foreign steel and aluminum. He has yet to make good on any of those threats.

Instead, the White House took action on imports of washing machines and solar products based on requests by companies who said their operations in the United States were being harmed by imports.

Whirlpool Inc. appealed to the White House for help in curbing washing machine imports from its Korean competitors, while two solar companies, Suniva Inc. and SolarWorld Americas, said imports of cheap solar cells and modules were similarly putting their companies at risk.

While the tariffs were welcomed by the companies that sought them, economists warned the levies could drive up prices for consumers and hurt some American businesses. The solar industry has been split over the tariffs; companies that develop large-scale solar farms, as well as purchasers of solar power such as retailers and tech companies, [*opposed the t*](https://info.aee.net/hubfs/PDF/Advanced-Energy-Buyers-Group-Non-Party-Statement-in-U.S.-I.T.C.-Docket-201-075.pdf)   [*ariffs*](https://info.aee.net/hubfs/PDF/Advanced-Energy-Buyers-Group-Non-Party-Statement-in-U.S.-I.T.C.-Docket-201-075.pdf) over concerns that they would cost them more money and make solar power less competitive with other energy sources, at least in the short term.

Abigail Ross Hopper, the president of the Solar Energy Industries Association, which opposed the measures, said the decision “will create a crisis in a part of our economy that has been thriving, which will ultimately cost tens of thousands of hard-working, blue-collar Americans their jobs.”

Other ***trade*** skeptics were more sanguine about the president’s decision, including Senator Sherrod Brown, a Democrat from Ohio, where Whirlpool makes its washers. Mr. Brown, who described himself as an ally of the administration on ***trade***, called the decision “welcome news” and said the tariffs “will help level the playing field, and show anyone who tries to cheat our ***trade*** laws that they won’t get away with it.”

The ***trade*** cases rely on a little-used section of ***trade*** law that provides [*a “safeguard” for industries beset by imports*](https://www.usitc.gov/press_room/us_safeguard.htm) — and which casts a wide net on products from around the ***world***. The law has not been used to impose tariffs since 2002, when President George W. Bush clamped down on imports of steel.

Still, that approach has shown mixed results. The ***World Trade Organization*** ruled against the United States in 2003, and the Bush administration ultimately withdrew the measure under threat of retaliation.

China on Tuesday hinted it could take a similar approach. “With regard to the wrong measures taken by the United States, China will work with other W.T.O. members to resolutely defend our legitimate interests,” its Ministry of Commerce said in a statement.

In both of Monday’s cases, ***trade*** officials said the safeguard measure was necessary because foreign producers were evading American restrictions on imports from specific countries by hopscotching their factories around the globe.

Robert Lighthizer, the United States ***trade*** representative, said the president had decided to accept the recommendations of his ***trade*** advisers in imposing tariffs ranging from 15 percent to 50 percent on various imports.

“The president’s action makes clear again that the Trump administration will always defend American workers, farmers, ranchers and businesses,” Mr. Lighthizer said.

The administration was not alone in finding the imports harmful. The United States International ***Trade*** Commission, an independent body of ***trade*** officials, also examined the cases and found that imports were hurting domestic manufacturers. They also made several recommendations that ranged in severity; Mr. Trump ultimately opted for relatively stringent measures after consulting with his own advisers.

The president approved solar tariffs for the next four years, starting with levies of 30 percent that will ultimately fall to 15 percent. In each of the four years, the first 2.5 gigawatts of imported solar cells will be exempted from the tariff, an exception designed to ensure that existing solar module manufacturers in the United States can still access cheap supplies of cells.

The administration said that the tariffs are largely directed at China, which over the past decade has built itself into the ***world***’s largest manufacturer of solar products, flooding global markets with low-cost crystalline silicon panels. While the United States has previously imposed restrictions on Chinese solar products, Chinese firms simply moved production to other countries, the United States ***trade*** representative said in its announcement.

But since the United States already levies many ***trade*** restrictions on Chinese products, neither measure appeared likely to put a significant dent in China’s exports. Other countries may be hit harder. Currently, more than 95 percent of America’s solar panels are imported, with half of those imports coming from Malaysia and South Korea.

While that global production frenzy has hurt American solar manufacturers, it has been a boon to those who want to buy solar power. The average cost of solar installations in the United States [*has fallen 70 percent since 2010*](https://www.seia.org/solar-industry-data), from $7.50 per watt down to around $1 per watt.

But major solar companies that operate global supply chains worry that their products will be caught in the snare.

Suvi Sharma, the chief executive of Solaria, a solar panel maker headquartered in California that makes products in both the United States and South Korea, said the ***trade*** action would be an incentive to shift more of its operations into the United States. But he also worried that it could damage the industry’s prospects by making solar energy more expensive in a highly competitive utility market.

“With a high tariff, there is going to be more manufacturing of solar in the United States, but the question is, at what cost?” Mr. Sharma asked.

For imported washing machines, the president approved a combined tariff and quota for the next three years. In the first year, the first 1.2 million washing machines that are imported will face a tariff of 20 percent, while all subsequent imports will have a tariff of 50 percent. Those tariffs are then gradually phased down in the second and third years.

In the washing machine case, Whirlpool argued that its South Korean competitors, Samsung Electronic Co. and LG Electronics, moved their production facilities around the ***world*** to avoid tariffs.

Samsung and LG described Whirlpool’s case as a protectionist grab designed to shut out products that American consumers find more attractive, and argued that such restrictions on their products would hurt consumers by raising prices. They also fought against restrictions on imported parts, saying those could slow operations at facilities they had opened in the United States, including Samsung’s new appliance factory in South Carolina.

Whirlpool’s chairman, Jeff M. Fettig, called the decision “a victory for American workers and consumers alike.” “This announcement caps nearly a decade of ***litigation*** and will result in new manufacturing jobs in Ohio, Kentucky, South Carolina and Tennessee,” he said.

Su-hyun Lee in Seoul and Owen Guo in Beijing contributed reporting.

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2. [*Will 2018 Be the Year of Protectionism? Trump Alone Will Decide*](https://www.nytimes.com/2018/01/03/us/politics/2018-trump-protectionism-tariffs.html)
3. [*To Protect U.S. Solar Manufacturing,* ***Trade*** *Body Recommends Limits on Imports*](https://www.nytimes.com/2017/10/31/business/solar-industry-import-tariffs.html)
4. [*Creating Test for Trump, Panel Says Imported Solar Gear Hurts U.S. Firms*](https://www.nytimes.com/2017/09/22/business/energy-environment/solar-imports.html)

**Load-Date:** February 7, 2018

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[***A Global Ripple Effect in Import Levies***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RGH-0511-JBG3-62BB-00000-00&context=)

The New York Times

January 24, 2018 Wednesday, Late Edition - Final

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**Section:** Section A; Column 0; National Desk; Pg. 13

**Length:** 1046 words

**Byline:** By KEITH BRADSHER and SUI-LEE WEE; Keith Bradsher reported from Davos, and Sui-Lee Wee from Guangzhou, China.

Follow Keith Bradsher and Sui-Lee Wee on Twitter: @KeithBradsher and @suilee .

**Body**

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The move on Monday, in the eyes of United States ***trade*** officials, reflected the complexities of modern global ***trade***. Though companies from just two countries account for the majority of both sectors, those firms have set up factories in multiple locations across national borders.

As a result, the tariffs will affect factories and workers in a variety of countries, reflecting the globalized supply chains and byzantine corporate ownership structures that are at the heart of many ubiquitous products.

The administration's decision was followed on Tuesday by the announcement that a group of 11 countries would resurrect the Trans-Pacific Partnership, the pact that Mr. Trump pulled out of a year ago. The agreement, expected to be signed later this year, further complicates the president's ***trade*** policies.

The solar panel case in particular has been a case study in the complexity of global ***trade***. Suniva, one of the American solar companies that had sought the tariffs, filed for bankruptcy protection last year, citing the effects of Chinese imports. But the majority owner of Suniva is itself Chinese, and the company's American bankruptcy trustee supported the ***trade*** ***litigation*** over the objections of the Chinese owners.

Here is a rundown of the wide-ranging impact the new tariffs may have.

Will there be a backlash?

Possibly -- but not without costs for all the countries involved.

China and South Korea could take their complaints to the ***World Trade Organization***, which arbitrates international ***trade*** disputes.

If the W.T.O. sided with those countries, the United States would be under considerable pressure to back down. If it did not, there would be two major sets of consequences. For one, the ***World Trade Organization*** could greenlight other countries' setting similar ***trade*** limits. More broadly, it would raise the question of whether the United States accepts the ***organization***'s decisions -- Robert E. Lighthizer, the United States ***trade*** representative, has argued for years that such decisions should, essentially, be advisory.

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[*https://www.nytimes.com/2018/01/23/business/trump-china-tariffs-****trade****.html*](https://www.nytimes.com/2018/01/23/business/trump-china-tariffs-trade.html)

**Load-Date:** January 24, 2018

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[***President Imposes Steep Tariffs On Washers and Solar Products***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RG9-1341-DXY4-X352-00000-00&context=)

The New York Times

January 23, 2018 Tuesday, Late Edition - Final

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

**Length:** 1439 words

**Byline:** By ANA SWANSON and BRAD PLUMER; Su-hyun Lee in Seoul and Owen Guo in Beijing contributed reporting.

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Still, that approach has shown mixed results. The ***World Trade Organization*** ruled against the United States in 2003, and the Bush administration ultimately withdrew the measure under threat of retaliation.

China on Tuesday hinted it could take a similar approach. ''With regard to the wrong measures taken by the United States, China will work with other W.T.O. members to resolutely defend our legitimate interests,'' its Ministry of Commerce said in a statement.

In both of Monday's cases, ***trade*** officials said the safeguard measure was necessary because foreign producers were evading American restrictions on imports from specific countries by hopscotching their factories around the globe.

Robert Lighthizer, the United States ***trade*** representative, said the president had decided to accept the recommendations of his ***trade*** advisers in imposing tariffs ranging from 15 percent to 50 percent on various imports.

''The president's action makes clear again that the Trump administration will always defend American workers, farmers, ranchers and businesses,'' Mr. Lighthizer said.

The administration was not alone in finding the imports harmful. The United States International ***Trade*** Commission, an independent body of ***trade*** officials, also examined the cases and found that imports were hurting domestic manufacturers. They also made several recommendations that ranged in severity; Mr. Trump ultimately opted for relatively stringent measures after consulting with his own advisers.

The president approved solar tariffs for the next four years, starting with levies of 30 percent that will ultimately fall to 15 percent. In each of the four years, the first 2.5 gigawatts of imported solar cells will be exempted from the tariff, an exception designed to ensure that existing solar module manufacturers in the United States can still access cheap supplies of cells.

The administration said that the tariffs are largely directed at China, which over the past decade has built itself into the ***world***'s largest manufacturer of solar products, flooding global markets with low-cost crystalline silicon panels. While the United States has previously imposed restrictions on Chinese solar products, Chinese firms simply moved production to other countries, the United States ***trade*** representative said in its announcement.

But since the United States already levies many ***trade*** restrictions on Chinese products, neither measure appeared likely to put a significant dent in China's exports. Other countries may be hit harder. Currently, more than 95 percent of America's solar panels are imported, with half of those imports coming from Malaysia and South Korea.

While that global production frenzy has hurt American solar manufacturers, it has been a boon to those who want to buy solar power. The average cost of solar installations in the United States has fallen 70 percent since 2010, from $7.50 per watt down to around $1 per watt.

But major solar companies that operate global supply chains worry that their products will be caught in the snare.

Suvi Sharma, the chief executive of Solaria, a solar panel maker headquartered in California that makes products in both the United States and South Korea, said the ***trade*** action would be an incentive to shift more of its operations into the United States. But he also worried that it could damage the industry's prospects by making solar energy more expensive in a highly competitive utility market.

''With a high tariff, there is going to be more manufacturing of solar in the United States, but the question is, at what cost?'' Mr. Sharma asked.

For imported washing machines, the president approved a combined tariff and quota for the next three years. In the first year, the first 1.2 million washing machines that are imported will face a tariff of 20 percent, while all subsequent imports will have a tariff of 50 percent. Those tariffs are then gradually phased down in the second and third years.

In the washing machine case, Whirlpool argued that its South Korean competitors, Samsung Electronic Co. and LG Electronics, moved their production facilities around the ***world*** to avoid tariffs.

Samsung and LG described Whirlpool's case as a protectionist grab designed to shut out products that American consumers find more attractive, and argued that such restrictions on their products would hurt consumers by raising prices. They also fought against restrictions on imported parts, saying those could slow operations at facilities they had opened in the United States, including Samsung's new appliance factory in South Carolina.

Whirlpool's chairman, Jeff M. Fettig, called the decision ''a victory for American workers and consumers alike.'' ''This announcement caps nearly a decade of ***litigation*** and will result in new manufacturing jobs in Ohio, Kentucky, South Carolina and Tennessee,'' he said.

[*https://www.nytimes.com/2018/01/22/business/trump-tariffs-washing-machines-solar-panels.html*](https://www.nytimes.com/2018/01/22/business/trump-tariffs-washing-machines-solar-panels.html)

**Load-Date:** January 23, 2018

**End of Document**

[***U.S. Joins Europe in Fighting China’s Future in W.T.O.***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R3T-D261-JBG3-64WW-00000-00&context=)

The New York Times

November 29, 2017 Wednesday 00:00 EST

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**Section:** US; politics

**Length:** 990 words

**Byline:** ANA SWANSON

**Highlight:** United States officials weigh in on a dispute that could shape global ***trading*** — and the willingness of the United States to remain in the W.T.O.

**Body**

The United States has filed arguments to the ***World Trade Organization*** in a looming dispute over China’s future in the international body, which could shape the global ***trading*** system for decades to come.

Senior United States officials said on Wednesday that they had filed a brief to the W.T.O. as a third party in a case that China has brought against the European Union. The brief, which will be made public on Thursday, will lay out their legal arguments for why China does not deserve the designation of a “market economy,” a distinction that would entitle it to preferential economic treatment under the W.T.O.

The move is likely to ratchet up ***trade*** tensions with China, which the White House has called one of the ***world***’s biggest ***trade*** offenders. And if China is awarded the designation against the wishes of the United States, it could test the Trump administration’s willingness to remain in the W.T.O., an international body for establishing ***trade*** rules and settling disputes that President Trump previously called a “disaster.”

China is classified as a nonmarket economy, which allows the United States and other countries to use a special framework under W.T.O. rules to decide whether it is “dumping” its products in other countries by selling them at unfairly low prices. Under this framework, the United States can add an extra duty on some Chinese products to help protect American producers.

China maintains that the United States and other W.T.O. members promised to award it the market economy label on Dec. 11, 2016, the 15th anniversary of its accession to the W.T.O. But the United States and the European Union have opposed that, claiming that China has failed to hold up its end of the bargain by curtailing the state’s role in the economy. United States officials say the Chinese government’s heavy hand distorts costs and prices in the country and harms competitors abroad.

Last December, China challenged both the European Union and the United States at the W.T.O., saying that it was merely protecting its lawful rights. The case with the E.U. is proceeding and could serve as precedent in China’s challenge against the United States, which a W.T.O. panel will consider next.

If China succeeds in this case, that would weaken the ability of European and American officials to levy anti-dumping duties against it. It could also strengthen the resolve among top Trump administration officials in their claims that the W.T.O. has been ineffective in defending the interests of Americans abroad — and perhaps lead to the ***organization***’s demise altogether.

Those officials include Robert E. Lighthizer, the United States ***trade*** representative, who in his confirmation hearing before the Senate in June described China’s challenge against Europe and the United States as “the most serious ***litigation*** matter we have at the W.T.O. right now.”

Mr. Lighthizer said that he had “made it very clear that a bad decision” on China’s status “would be cataclysmic for the W.T.O.”

Nicholas R. Lardy, a senior fellow at the Peterson Institute for International Economics, said Mr. Lighthizer’s statements called into question whether the United States was looking for a reason to withdraw from the W.T.O.

“I don’t know what the outcome is going to be, but I think there’s a pretty good chance China is going to prevail,” he said. “Maybe this is going to be one of the nominal excuses to taking us out.”

On Wednesday, senior United States officials said that the W.T.O. served a number of purposes, but that they would like to see it work the way members intended it to work.

The W.T.O. and its predecessor, the General Agreement on Tariffs and ***Trade***, have been led for decades by the United States and other relatively developed and open economies. As other countries joined, the presumption was always that they were seeking to become more market-driven economies like the United States.

But the rise of China has called this into question. Since beginning to open up to ***world*** ***trade*** in the 1980s, China has maintained an economy that melds market capitalism with state control. Some analysts argue that the state has taken a bigger role in the economy in the last few years, under the leadership of President Xi Jinping.

The Trump administration has identified recalibrating ***trade*** with China as one of its defining challenges. The president repeatedly referenced China on the campaign trail, and his message that cheap Chinese imports decimated American manufacturing resonated with voters. Economists [*estimate*](https://economics.mit.edu/files/12751) that the ***trade***-related shock from China entering the international ***trading*** system cost 2.4 million jobs in the United States from 1999 to 2011.

The Trump administration argues that the W.T.O. is ill-equipped to deal with this challenge, and has advocated a more unilateral approach. It is preparing a range of ***trade*** actions that could affect China, including investigations into imports of steel and aluminum, as well as China’s violations of intellectual property.

Members of Congress on both sides of the aisle [*have proposed tighter restrictions on Chinese purchases*](https://www.nytimes.com/2017/11/08/us/politics/china-foreign-investments.html) of American companies and technology.

On Wednesday, United States officials said that China’s behavior violated the language of the agreement China signed when it joined the W.T.O. 15 years ago, as well as the text of the W.T.O.’s precursor, the General Agreement on Tariffs and ***Trade***, which calls for using market-determined prices in calculations.

The W.T.O. filing follows on another unusual step, in which the Department of Commerce initiated a ***trade*** case against Chinese aluminum producers on Tuesday. It was the first time that the United States had started an anti-dumping investigation without a request from the industry involved since 1985.

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* [*Targeting China’s Purchases, Congress Proposes Tougher Reviews of Foreign Investments*](https://www.nytimes.com/2017/11/08/us/politics/china-foreign-investments.html)

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2. [*Trump’s* ***Trade*** *Policy Is Lifting Exports. Of Canadian Lobster.*](https://www.nytimes.com/2017/11/12/business/trump-trade-lobster-canada.html)

**Load-Date:** December 5, 2017

**End of Document**

[***U.S. Joins Europe in Fight Over China's Future Status in the W.T.O.***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R2S-K8X1-JBG3-647P-00000-00&context=)

The New York Times

November 30, 2017 Thursday, Late Edition - Final

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**Section:** Section B; Column 0; Business/Financial Desk; Pg. 5

**Length:** 972 words

**Byline:** By ANA SWANSON

**Body**

WASHINGTON -- The United States will file arguments to the ***World Trade Organization*** on Thursday in a looming dispute over China's future in the international body, which could shape the global ***trading*** system for decades to come. Senior United States officials said on Wednesday that they would file a brief to the W.T.O. as a third party in a case that China has brought against the European Union. The brief will lay out their legal arguments for why China does not deserve the designation of a ''market economy,'' a distinction that would entitle it to preferential economic treatment under the W.T.O. The move is likely to ratchet up ***trade*** tensions with China, which the White House has called one of the ***world***'s biggest ***trade*** offenders. And if China is awarded the designation against the wishes of the United States, it could test the Trump administration's willingness to remain in the W.T.O., an international body for establishing ***trade*** rules and settling disputes that President Trump previously called a ''disaster.'' China is classified as a nonmarket economy, which allows the United States and other countries to use a special framework under W.T.O. rules to decide whether it is ''dumping'' its products in other countries by selling them at unfairly low prices.

Under this framework, the United States can add an extra duty on some Chinese products to help protect American producers. China maintains that the United States and other W.T.O. members promised to award it the market economy label on Dec. 11, 2016, the 15th anniversary of its accession to the W.T.O. But the United States and the European Union have opposed that, claiming that China has failed to hold up its end of the bargain by curtailing the state's role in the economy. United States officials say the Chinese government's heavy hand distorts costs and prices in the country and harms competitors abroad. Last December, China challenged both the European Union and the United States at the W.T.O., saying that it was merely protecting its lawful rights. The case with the E.U. is proceeding and could serve as precedent in China's challenge against the United States, which a W.T.O. panel will consider next. If China succeeds in this case, that would weaken the ability of European and American officials to levy anti-dumping duties against it. It could also strengthen the resolve among top Trump administration officials in their claims that the W.T.O. has been ineffective in defending the interests of Americans abroad -- and perhaps lead to the ***organization***'s demise altogether. Those officials include Robert E. Lighthizer, the United States ***trade*** representative, who in his confirmation hearing before the Senate in June described China's challenge against Europe and the United States as ''the most serious ***litigation*** matter we have at the W.T.O. right now.'' Mr. Lighthizer said that he had ''made it very clear that a bad decision'' on China's status ''would be cataclysmic for the W.T.O.'' Nicholas R. Lardy, a senior fellow at the Peterson Institute for International Economics, said Mr. Lighthizer's statements called into question whether the United States was looking for a reason to withdraw from the W.T.O. ''I don't know what the outcome is going to be, but I think there's a pretty good chance China is going to prevail,'' he said. ''Maybe this is going to be one of the nominal excuses to taking us out.'' On Wednesday, senior United States officials said that the W.T.O. served a number of purposes, but that they would like to see it work the way members intended it to work. The W.T.O. and its predecessor, the General Agreement on Tariffs and ***Trade***, have been led for decades by the United States and other relatively developed and open economies. As other countries joined, the presumption was always that they were seeking to become more market-driven economies like the United States. But the rise of China has called this into question. Since beginning to open up to ***world*** ***trade*** in the 1980s, China has maintained an economy that melds market capitalism with state control. Some analysts argue that the state has taken a bigger role in the economy in the last few years, under the leadership of President Xi Jinping. The Trump administration has identified recalibrating ***trade*** with China as one of its defining challenges. The president repeatedly referenced China on the campaign trail, and his message that cheap Chinese imports decimated American manufacturing resonated with voters. Economists estimate that the ***trade***-related shock from China entering the international ***trading*** system cost 2.4 million jobs in the United States from 1999 to 2011. The Trump administration argues that the W.T.O. is ill-equipped to deal with this challenge, and has advocated a more unilateral approach. It is preparing a range of ***trade*** actions that could affect China, including investigations into imports of steel and aluminum, as well as China's violations of intellectual property. Members of Congress on both sides of the aisle have proposed tighter restrictions on Chinese purchases of American companies and technology. On Wednesday, United States officials said that China's behavior violated the language of the agreement China signed when it joined the W.T.O. 15 years ago, as well as the text of the W.T.O.'s precursor, the General Agreement on Tariffs and ***Trade***, which calls for using market-determined prices in calculations. The W.T.O. filing follows on another unusual step, in which the Department of Commerce initiated a ***trade*** case against Chinese aluminum producers on Tuesday. It was the first time that the United States had started an antidumping investigation without a request from the industry involved since 1985.

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

**Load-Date:** November 30, 2017

**End of Document**

[***Europe's New Trade Chief Has a Soft Landing in U.S.***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4FG3-3VC0-TW8F-G33F-00000-00&context=)

The New York Times

February 12, 2005 Saturday, Late Edition - Final

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**Section:** Section C; Column 1; Business/Financial Desk; Pg. 2; WASHINGTON MEMO

**Length:** 703 words

**Byline:** By ELIZABETH BECKER

**Dateline:** WASHINGTON, Feb. 11

**Body**

Peter Mandelson, the new European Union ***trade*** commissioner, was asked to explain why bark left on wooden transport pallets had become a ***trade*** dispute with the United States.

''We're worried about infestation,'' Mr. Mandelson said.

Then Mr. Mandelson, a dapper politician who was once a close adviser to Prime Minister Tony Blair of Britain, looked over the room of journalists and noted that ''people's eyes are glazing over at the mention of these pallets.''

''You shouldn't be ashamed,'' he said, ''because I was part of that group until recently.''

Indeed, the appointment of Mr. Mandelson to be Europe's senior ***trade*** negotiator seemed as unlikely, at first, as naming Karl Rove to become the next Federal Reserve chairman. Both men have played the role of chief political and policy strategist to their nation's leaders, not masters of economic arcana.

Yet midway through his first visit here in his new role, Mr. Mandelson seemed extremely comfortable discussing insects infesting wooden pallets carrying American goods to Europe, multimillion-dollar subsidies to Boeing and Airbus and, especially, the need for better relations between the United States and Europe.

''We are revitalizing the trans-Atlantic relation after what has been a very difficult time over Iraq between the United States and Europe and within Europe,'' Mr. Mandelson said. ''We will work together on an agenda that focuses on the Middle East peace process where ***trade*** can make a positive contribution.''

During his two-day visit, Mr. Mandelson seems to have been successful in persuading Republicans and Democrats, politicians and business leaders that he is serious about using ***trade*** as a springboard to larger geopolitical goals -- as well as figuring out solutions to some very serious ***trade*** problems.

Robert B. Zoellick, the departing United States ***trade*** representative, spoke well of Mr. Mandelson.

''I believe Peter will be a strong ***trade*** commissioner,'' Mr. Zoellick said, ''combining a sharp mind, an enjoyable wit and astute political judgment.''

Mr. Mandelson displayed that wit at a lunch on Friday before the United States Chamber of Commerce, feeding stereotypes of the bureaucracy at the European Union headquarters in Brussels in several deadpan jokes that had the room laughing.

''No one missed a single word,'' said Gary Litman, vice president for Europe at the business lobbying ***organization***. ''He was very, very thoughtful beyond the technical issues of ***trade***, but it also pushed ***trade*** into the broader context of the global economy.''

He had a harder sell on Capitol Hill.

On a hectic day of voting on Thursday, Senator Charles E. Grassley, the Republican from Iowa who is chairman of the Finance Committee, spent 45 minutes with Mr. Mandelson to tell him what was wrong with Europe's ***trade*** position on several issues.

Mr. Grassley's first impression of the new ***trade*** commissioner?

''It was a pleasant meeting,'' he said. ''We had a cordial discussion.''

Representative Sander M. Levin, Democrat from Michigan and a member of the ***trade*** subcommittee of the Ways and Means committee, said he appreciated Mr. Mandelson's candid discussion of some ''very thorny issues.''

''He is clearly an experienced public figure -- candid, direct, very knowledgeable, with plenty of savvy,'' Mr. Levin said. ''There's a need to repair relations on both sides and I believe his visit here was a plus, a good beginning.''

To his benefit, Mr. Mandelson's resume fits the political winds on both sides of the Atlantic. Unlike many of his countrymen, he has been a Europeanist all his political career and is at home in Brussels. To the delight of the administration, he is a close friend of Mr. Blair, one of the few European leaders who championed good relations with Mr. Bush over the Iraq fighting.

The honeymoon could be over in a few months when the deadline is up for negotiating an agreement over how to control government subsidies to Boeing and Airbus, the European civil aviation company.

But even knowing that billions of dollars are at stake, Mr. Mandelson is confident a deal can be reached.

''This requires the precision of negotiations,'' he said, ''rather than the hammer of ***litigation*** at the ***World Trade Organization***.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photo: Peter Mandelson at an Airbus plant. Talks between Europe and the United States over subsidies for jet makers could become contentious. (Photo by Christophe Ena/Associated Press)

**Load-Date:** February 12, 2005

**End of Document**

[***INTERNATIONAL BUSINESS;***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:41XJ-JD40-00MH-F0VN-00000-00&context=)[***Advocates Gain Ground in a Globalized Era - Correction Appended***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:41XJ-JD40-00MH-F0VN-00000-00&context=)

The New York Times

**Correction Appended**



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**Distribution:** Business/Financial Desk

**Section:** Section C; ; Section C; Page 19; Column 2; Business/Financial Desk ; Column 2;

**Length:** 1818 words

**Byline:** By ALAN COWELL

By ALAN COWELL

**Dateline:** LONDON

**Body**

De Beers, the global diamond giant, has a payroll of more than 20,000 people in about 20 countries. It operates from imposing offices in Johannesburg and London and, in the first half of this year, sold diamonds that totaled $3.4 billion in value.

Global Witness, a seven-year-old not-for-profit advocacy group, employs 14 people in two countries. It operates from offices cluttered with computers and the odd bicycle in what used to be a spectacles factory on a nondescript residential street in North London. It runs on a budget of about $800,000 a year.

On the surface, the two ***organizations*** might seem unequal foes. Yet, in the last two years, Global Witness, a member of a fast-growing network of bodies known as nongovernmental ***organizations***, has been at the forefront of a largely successful campaign to turn De Beers' corporate strategy around, pressing the multinational colossus into a reversal of its attitude toward so-called conflict diamonds to cast itself these days as the champion of a cleaned-up ***world*** diamond ***trade***.

Indeed, for the first time this year, De Beers began certifying the provenance of its diamonds, offering a written guarantee that they do not come from areas where they fuel insurrection.

The campaign and its fruits, though, go beyond diamonds, because they reinforce one of the most striking effects of the globalization that has been under way since the end of the cold war. Increasingly, with multinational corporations gathering unparalleled power as the standard-bearers of freewheeling capitalism -- in many countries, more powerful than the governments themselves -- they are being held to account by shoestring advocacy groups like Global Witness that have filled the vacuum created by the end of the ideological contest between East and West, between capitalism and socialism.

De Beers is not alone in acknowledging the power of the nongovernmental ***organizations***. This year, both the United Nations and the ***World*** Economic Forum in Davos, Switzerland, recognized the ***organizations***' role, conferring a new legitimacy as many corporations move from confrontation to at least the appearance of cooperation with them.

De Beers, for instance, has given one board-level executive, Andrew Coxon, responsibility for dealing with the ***organizations***. And significantly, the ***World*** Economic Forum has increased the number of nongovernmental ***organizations*** -- known as NGO's -- that are invited to next year's glittery gathering in Davos. There, a central theme will be "bridging the global divide," a debate that acknowledges the role of the NGO's as champions of the ***world***'s have-nots as they press their case onto the global corporate agenda.

The issues they are championing vary from the environment to food safety, from the oil business to mining to financial services. But for many companies, the clamor of nongovernmental ***organizations***' pressing businesses to assume social and other responsibilities as part of their corporate mission can seem almost deafening. "They are part of the 21st-century economic landscape," said Andrew Lamont, a spokesman for De Beers.

Indeed, businesses like BP Amoco, the ***world***'s third-largest oil company, have taken those demands a step further, weaving them into the corporate image of an environmental pioneer.

Of course, for many casual observers, nongovernmental ***organizations*** are associated with the rowdy protests at the gatherings of such international institutions as the ***World*** Bank, the International Monetary Fund and the ***World Trade Organization*** over the last year in Seattle and Prague.

Far from projecting an image of noble intentions, the protesters have seemed to some to be more intent on wrecking McDonald's or Starbucks outlets, venting their rage at the perceived emblems of globalized business and subordinating private property rights to the dictates of direct action. One group, Friends of the Earth, routinely tears up fields of experimental genetically modified crops. Another, Greenpeace, developed the hallmark tactic of boarding vessels at sea to advertise its protests.

But beyond that, linked by the Internet and a sense of shared objectives, nongovernmental ***organizations*** are building networks of influence as the representatives of what they term the "civil society," acting essentially as self-appointed watchdogs on dubious corporate behavior.

"We look for the white underbelly of the dragon," said Patrick Alley, the director of Global Witness.

Once that "underbelly" has been identified -- be it to establish the role of diamonds in fueling African conflict or the status of oil companies in the same conflicts -- "we use the media as a tool to illuminate the target so that the company, decision makers and the public know that there's an issue," he said.

Similar tactics have been used to protest the labor practices involved in the manufacture of Nike shoes and the environmental impact of Royal/Dutch Shell's oil operations in Nigeria, forcing both companies into reappraisals of their public posture on labor rights and the environment.

Indeed, as corporations consolidate in quest of economies of scale, there is some evidence that advocacy groups are seeking the same sort of power through the politics of scale.

Just last month, 263 consumer advocacy groups, grouped as Consumers International, gathered in Durban, South Africa, to press for changes in the ***World Trade Organization***, the ***World*** Bank and other international financial groups and to advocate "social justice and consumer protection in the global market."

The sectors and issues selected as targets, according to a statement, included e-commerce, food safety, corporate responsibility, pharmaceuticals, tobacco, financial markets and health care.

And while corporations are generally able to deploy vastly greater resources in public relations, ***litigation***, lobbying and advertising and are often skilled at co-opting adversaries, "it's not such an unequal power relationship," an executive from a London-based international mining corporation said.

"You can be an $8 billion company or whatever," he continued. "But in the court of public opinion, the nongovernmental ***organizations*** start with more credibility than businesses."

Not only that, the push for corporate responsibility has received the imprimatur of the United Nations -- the biggest nongovernmental ***organization*** of them all. Almost two years ago, Kofi Annan, the United Nations secretary general, warned that suspicion of the globalized economy made it "fragile and vulnerable to backlash from all the -isms of our post-cold-war ***world***: protectionism, populism, ethnic chauvinism, fanaticism and terrorism."

And in July, more than 50 corporations -- very few of them American -- joined with nongovernmental ***organizations*** to sign a United Nations global compact to promote high standards on human rights, the environment and labor practices among transnational corporations.

"Business has to accept that it has to demonstrate that it can deliver responsibly," Mark Moody-Stuart, the head of Royal Dutch/Shell, a signer of the compact, said in remarks published at the end of the meeting.

Yet the relationship between these ***organizations*** and business is less evident.

In using the term "civil society" to denote their purported following, nongovernmental ***organizations***, as some see it, are assuming a mandate that has not been granted by any democratic or representative process of accountability.

In parts of Africa, nongovernmental ***organizations*** involved in relief work have been accused of prolonging rather than ending wars and of acting as surrogates for their governments back home .

The question of legitimacy is important because, as not-for-profit ***organizations***, many of these groups need to promote their own credentials in seeking financing from foundations and charitable trusts.

"If people think you are a charlatan," said Mr. Alley at Global Witness, "then your life expectancy is short, and rightly so."

But the question arises: who watches the watchdogs?

That question has not been adequately answered. Activists like Mr. Alley, for instance, say that NGO's themselves should be as accountable to the public as corporations are to their shareholders.

But such is the breadth and complexity of the NGO's -- ranging from local, village-level groups in the developing ***world*** to well-financed groups like Oxfam, one of the best-endowed charities -- that there are no general standards of transparency.

Even tactically, the NGO umbrella covers movements from politically active advocacy groups to the looser and sometimes violence-prone ***organizations*** that staged the protests in Seattle and Prague -- groups that might lose most of their impact and support by accepting restraints.

Similarly, though, the NGO's themselves face a quandary: their strength lies, essentially, in their freedom to act outside formal strictures. And, as soon as they are drawn into formal alliances with more strait-laced, formal bodies, they risk being enfeebled.

And corporations can be adept at manipulating what some of them depict as a new partnership -- using advocacy groups to shield themselves from the protests against globalization. When the United Nations global compact was signed, some nonparticipating advocacy groups accused the United Nations of providing ***organizations*** with a kind of political cover without being able to force them to change corporate practices.

Some nongovernmental ***organizations*** remain wary of the corporations they deal with, sensing that their interlocutors may be only too ready to use private dialogue as a means of stifling public debate, or of co-opting their adversaries.

Yet, whether the assessment is cynical or not, the publicly offered wisdom among some executives these days is that in a globalized era, the range of stakeholders in any corporate venture has broadened far beyond just the stockholders to encompass advocates for a range of human rights and environmental and labor issues.

Profit, therefore, these executives argue, must be coupled to corporate responsibility to avoid protests that would do far more damage to business.

That may be no more than lip service, but it also acknowledges a shift in the way that labor unions, advocacy groups and grass-roots ***organizations*** are able to articulate demands and grievances.

"Businesses do not do this sort of thing out of a lack of self-interest, but perhaps out of philanthropic self-interest," a mining company executive said. And sometimes, corporate interests overlap with those of their challengers.

By publicly supporting the campaign against conflict diamonds, for instance, De Beers strengthened its position in the far more valuable market for clean diamonds. "They used the campaign to their advantage," Mr. Alley at Global Witness said. "If business can operate more responsibly, and make more money, that's ideal."

[*http://www.nytimes.com*](http://www.nytimes.com)

**Correction**

An article in the special Outlook issue of Business Day on Dec. 18 about the role played by advocacy groups in the debate over globalization referred erroneously to the British group Friends of the Earth. An e-mail from the ***organization*** on Jan. 12 pointed out that it conducts research and lobbies on environmental issues, and has not taken part in campaigns to destroy experimental fields of genetically modified crops.

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**Correction-Date:** January 16, 2001, Tuesday January 16, 2001, Tuesday

**Graphic**

Photos: Friends of the Earth demonstrated at the ***World*** Climate Conference in The Hague earlier this year. (Agence France-Press)(pg. 19); Charmain Gooch, left, Simon Taylor and Patrick Alley, right, belong to Global Witness, a not-for-profit advocacy group that employs 14 people in two countries. They gathered at the Global Witness office in Islington, England. (Jonathan Player for The New York Times); Greenpeace activists hung a banner on the Congress Center in The Hague as a protest to the ***World*** Climate Conference. Greenpeace also boards vessels at sea to advertise its cause. (Agence France-Press)(pg. 20)

**Load-Date:** December 18, 2000

**End of Document**

[***In Mexico, Sugar vs. U.S. Corn Syrup***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4CK5-JKJ0-TW8F-G2KW-00000-00&context=)

The New York Times

June 9, 2004 Wednesday, Late Edition - Final

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**Section:** Section W; Column 3; Business/Financial Desk; Pg. 1

**Length:** 1276 words

**Byline:** By ELISABETH MALKIN

**Dateline:** ZACATEPEC, Mexico

**Body**

Along the sooty gangways and rickety catwalks of the Emiliano Zapata sugar mill, sweat-soaked workers operate presses, vats and ovens in a process that has changed little since the mill's first harvest in 1938.

From a distance, the mill's chimney sprouts from the cane fields of this verdant part of central Mexico, where sugar has been cultivated since the time of the conquistadors.

Bankrupt twice since 1990 and now run by the government, the mill trucks in 7,000 tons of machete-cut cane a day from the surrounding fields. For the 5,000 growers who sell to the mill, its existence is their only hope of a livelihood.

''We go on just the same as we were 50 years ago,'' said the mill's general superintendent, Luis Armando Hernandez, bemoaning the creaky equipment and the high price of cane.

The mill, its union workers and the impoverished growers are the face of an industry at the center of a ***trade*** dispute between Mexico and the United States that has ended up in the ***World Trade Organization***.

What is nominally at issue is a 20 percent Mexican tax on soft drinks made with high-fructose corn syrup imposed in January 2002. The tax was a response, legislators and government officials say, to the United States' unwillingness to accept imports of the Mexican sugar that were displaced in Mexico by cheaper American corn syrup.

''The purpose was to level the playing field,'' said Carlos Blackaller, a legislator from the opposition Institutional Revolutionary Party and president of the National Union of Cane Growers.

The tax has halted corn syrup imports from the United States and has helped restore the five million-ton-a-year sugar industry, which supports up to three million Mexicans.

''If the U.S. wants to send fructose to Mexico, then it needs to give access to Mexican sugar,'' said Juan Cortina Gallardo, chief executive of Grupo Azucarero Mexico, which owns and operates four mills.

Behind the dispute is the determination of both Mexico and the United States, even under the North American Free ***Trade*** Agreement, to continue protecting their industries.

Industry representatives from both countries have been looking for a compromise since October that would allow some corn syrup into Mexico and open the American market to surplus sugar.

''Thanks to the tax, they are sitting at the negotiating table,'' Jose O. Menchaca, president of the National Chamber of the Sugar and Alcohol Industries, Mexico's sugar industry association, said of American growers and refiners. ''Without the tax, they would not even answer the telephone.''

Under the deal, which would have to be approved by both governments, Mexico would scrap the tax, and the United States would withdraw the case it filed in March with the ***World Trade Organization***.

In addition, two American producers of corn syrup -- Corn Products International and Archer Daniels Midland -- would stop any ***litigation*** against the Mexican government. The next round of talks is planned for June 22 in New York.

Both sides are looking ahead to 2008, when Nafta envisions free ***trade*** in all sweeteners, an event American sugar producers want to head off in advance.

''Chaos would stem from that,'' said Jack Roney, director of economics and policy analysis for the American Sugar Alliance, the main industry group.

In a truly free market, Mexico's soft drink bottlers would import two million tons of corn syrup, he said, displacing that amount of sugar, which Mexico could then sell to the United States. Mexico would rather sell its surplus sugar to the United States, where the guaranteed price is as much as three times the ***world*** market price.

''That would collapse the U.S. market and destroy the sugar price,'' Mr. Roney said.

The Mexicans, for their part, want to avoid being swamped with corn syrup.

''There's enough space in Mexico for U.S. high-fructose and enough space in the U.S. for Mexican sugar,'' Mr. Cortina said, ''but it needs to be managed so that there are no excesses.''

An agreement would unwind a dispute that goes back to Nafta's beginnings, when the United States and Mexico dickered over how fast to open the American market to surplus Mexican sugar before 2008. Each country's legislators wound up approving different calculations.

So when Mexico began to run surpluses in 1996, the United States, pointing to its version, blocked duty-free sugar imports.

Mexico asked for a dispute resolution panel under Nafta, but the United States never named its judges, said Hugo Perez Cano, a legal adviser to Mexico's economy ministry.

''In our view, it's a double violation of Nafta,'' he said. ''One is the lack of access to sugar, and the other is that the United States won't allow a panel to resolve it.''

Mexico tried imposing antidumping tariffs on fructose, but these were thrown out by the ***World Trade Organization***. The soda drink tax was the next alternative.

''It has given the industry a break, but it is not an optimum solution,'' Mr. Perez Cano said. ''Nobody benefits from unilateral solutions.''

The dispute reflects a larger issue about the ***world*** ***trade*** in sugar, one of the most policy-distorted of all commodities, according to the ***World*** Bank.

Governments everywhere use subsidies, artificial prices, inventories and tariffs to support their industries. No government will be the first to end protection because cheap sugar from the open ***world*** market would swamp its industry.

Mexicans point to American subsidies that make corn syrup so cheap and import controls and inventory management practices that keep prices high for American sugar producers.

In Mexico, sugar's political power grows out of its social importance. Some 155,000 cane growers, who each farm an average of 9 or 10 acres, sell cane to about 60 mills. The farmers are organized in two associations linked to the P.R.I., the Institutional Revolutionary Party, which ruled Mexico for 71 years until 2000.

The government sets the price the mills must pay growers. By ***world*** standards, the price is high to ensure peace in the countryside, but the farmers' plots are too small to lift them out of poverty. The growers who supply the Emiliano Zapata mill earn about $1,400 to $1,600 a year, estimates Gerardo Collado Aguilar, the mill's field superintendent.

Yet Mexican farmers are so poor that cane is their best assurance of a steady income.

''Whoever grows cane knows that he will earn,'' said Quintin Silva, standing in the middle of his family's five-and-a-half-acre plot.

The harvest is almost finished, and as Mr. Silva talks, cane cutters advance across the fields, their machetes ringing against the stalks.

The cutters' faces are blackened by the cane, which must be burned before it can be cut. The pay is about $2.50 for every ton they harvest. A good cutter can gather as much as seven tons a day.

Mexico protects its own sugar -- and, by extension, jobs -- with high tariffs. The government has also stepped in to ensure that all the country's mills continue to operate.

Three years ago, President Vicente Fox's government expropriated 27 mills, about half of an industry that was buckling under multiple pressures. Prices had fallen as corn syrup imports grew and some mill owners illegally dumped sugar on the domestic market. The owners had borrowed heavily to pay growers, and by 2000, the industry owed the government $3 billion.

Under government management and protected by the soft drink tax, the sugar industry has returned to health.

''Without expropriation, many of the mills would have shut down,'' said Mr. Blackaller of the cane growers' union. ''The effect of the tax has been a stable market for sugar and better price for our cane.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photos: A sugar cane cutter, like this one near Zacatepec, Mexico, can cut as much as seven tons a day, at $2.50 a ton. (Photo by Adriana Zehbrauskas for The New York Times)(pg. W1)

The Emiliano Zapata sugar mill in Zacatepec, Mexico, produces 1,500 tons of refined sugar a day. (Photo by Adriana Zehbrauskas for The New York Times)(pg. W7)Map of Mexico highlighting Zacatepec: The Emiliano Zapata sugar mill is 50 miles south of Mexico City. (pg. W1)

**Load-Date:** June 9, 2004

**End of Document**

[***At Climate Talks, Trade Pressures Mount***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:7XBJ-6MB1-2PBB-2221-00000-00&context=)

The New York Times

December 18, 2009 Friday, The New York Times on the Web

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

**Length:** 1095 words

**Byline:** ; Andrew C. Revkin contributed reporting from Copenhagen.

**Body**

COPENHAGEN - Could a legacy of the Copenhagen climate conference turn out to be higher tariffs?

With little prospect of an agreement at the talks this week bringing immediate and binding emissions limits on the developing ***world***, pressures are mounting in Europe and the United States to impose restrictions, called border adjustments, on imports from low-cost producers like China and India that are resisting cutting greenhouse gases.

''The shadow of border adjustments hangs over these talks,'' said David G. Victor, a professor of international relations and an expert in environmental issues at the University of California at San Diego. ''Unions and heavy industry are deeply worried about climate policies that could make them less competitive, especially with the Chinese, and nothing in Copenhagen will change that fact.''

The prospect that climate policy could become entangled in ***trade*** issues has been looming for years.

The United States refused to ratify the Kyoto Protocol on the grounds that it gives manufacturers in nations like China and India an unfair advantage because they do not face restrictions on their emissions under that treaty.

More recently, organized labor in the United States has demanded keeping border adjustments as part of their support for the Obama administration on passing climate legislation, leading some commentators to warn that plans to cap and ***trade*** greenhouse gases will trigger what they have described as a ''green ***trade*** war.''

In Copenhagen, the simmering battle over ***trade*** warmed up late last week, with the United States pushing for the right to impose border adjustments in a version of a draft deal, while powerful emerging economies are seeking to outlaw the practice in a competing version of a deal.

''We are totally against it -- totally against it,'' said Jairam Ramesh, the chief negotiator for India, speaking about border adjustments Monday.

A ***trade*** war ''is what we are doing our best to try to avoid,'' he said. Border adjustments are essentially import fees levied by carbon-taxing countries on goods manufactured in non-carbon-taxing countries.

With the issue threatening agreement between the most important emitters at the conference, Connie Hedegaard, the Danish minister who is overseeing the proceedings, asked negotiators from Norway and Singapore to study the issue early this week.

***Trade*** experts said Ms. Hedegaard's selection reflected the role those two nations had played in resolving issues at the ***World Trade Organization*** in the past.

In more negotiations on border adjustments Tuesday afternoon, Australia, the United States and the European Union firmly resisted calls by developing countries to renounce any use of such tariffs as part of their climate control plans, according to a diplomat at the meeting.

Even so, in a concession to the developing countries, Australia, the United States and China reaffirmed a principle from previous climate agreements not to hide protectionism behind climate objectives, said the diplomat, who spoke on the condition of anonymity because of the sensitivity of the talks.>> In a sign of the sensitivities around the issue of border adjustments, a draft agreement circulating Tuesday afternoon said ''provisions on ***trade*** measures'' were still ''to be elaborated.''

The provisions would aim to protect cement, steel and products made by other industries that expect to face higher costs under emissions caps in advanced economies like the E.U. and the United States.

According to many ***trade*** law experts, the measures could -- depending on how they are drafted and imposed -- be compatible with W.T.O. rules that allow states to take measures to protect the environment.

But importers and multinational corporations are skeptical they would be legal in practice. They also warn that there could be a backlash from key ***trading*** partners like China and India that could, in the end, trigger tit-for-tat actions that would hurt exporters and, ultimately, harm consumers. Mr. Ramesh, the Indian negotiator, promised Monday that his nation would appeal the imposition of any border adjustments by the United States or the E.U. at the W.T.O.

And on Tuesday, Yu Quingtai, the Chinese special representative on climate change, warned that his country would ''always oppose the actions by any countries to make use of protection of the environment or climate as a pretext to conduct ***trade*** protectionism.''

Pascal Lamy, the director general of the W.T.O., has been pushing for months for governments to hammer out their own rules on border adjustments -- and minimizing the prospect he will have to intervene in an issue that already is creating fissures in one area of regulation.

Keith Rockwell, a spokesman for the W.T.O., said Tuesday, ''It's very important that governments reach a decision on these measures multilaterally at Copenhagen as any individual action taken may ruffle feathers.''

Issues that would be particularly thorny for the W.T.O. to resolve include measuring the amount of greenhouse gases involved in the manufacture of some goods, like cars and electronics, that use complex supply chains, and deciding which country should be responsible for those emissions.

Border taxes could mean years of ***litigation*** because of ''immense complexities over how CO2 emissions are actually measured and whether these will be accurate,'' said Michel Taly, a partner at Arsene Taxand, a tax advisory firm in Paris and an expert in the issue of border adjustments.

Despite threats that border adjustments pose to the global ***trading*** system, the provisions continue to fit well with domestic politics in the United States and European countries like France and Italy, particularly at a time when major economies are still reeling from the worst downturn in decades.

In the United States, a House bill allows for the imposition of tariffs on goods from countries that do not constrain their carbon output.

In the E.U., President Nicolas Sarkozy of France has led calls in favor of imposing a carbon tax at the bloc's border to protect industries and jobs.

Mr. Sarkozy has underlined that he and Chancellor Angela Merkel of Germany are proceeding with plans for a ''border adjustment tax'' on imports from countries without targets and ***trading*** systems comparable to those in Europe.

Even so, Mr. Victor warned that ''a danger was that once countries start applying border adjustments, they will use these policies to pander to parochial national interests.'' He said ''some kind of scheme to discipline border adjustments will be needed.'''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Load-Date:** December 18, 2009

**End of Document**

[***U.S. and Europe Resume Dispute Over Aircraft***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4FRT-1WG0-TW8F-G2FH-00000-00&context=)

The New York Times

March 20, 2005 Sunday, Late Edition - Final

Copyright 2005 The New York Times Company

**Section:** Section 1; Column 1; Foreign Desk; Pg. 15

**Length:** 398 words

**Byline:** Reuters

**Dateline:** BRUSSELS, March 19

**Body**

The United States and Europe ***traded*** threats and accusations on Saturday in a renewal of their disagreement over subsidies for the American company Boeing and the European company Airbus.

Last year, each side initiated competing ***litigation*** at the ***World Trade Organization*** but had agreed on Jan. 11 to a three-month truce in the hope of reaching a negotiated settlement on eliminating subsidies to the rival civilian aircraft makers.

Using unusually blunt language, Peter Mandelson, the top European ***trade*** minister, rebuffed the United States' accusations that Europe was blocking talks. He said the United States was responsible for what appeared to be the collapse of the talks.

''I regret this unilateral action in breaking off the negotiations,'' Mr. Mandelson said Saturday. ''I am happy to return to the negotiating table.''

His remarks came after a telephone conversation on Friday, which a European Union official said was abruptly ended by Robert B. Zoellick, the departing United States ***trade*** representative, after Mr. Mandelson mapped out plans for a phased approach to a deal.

On Saturday, Mr. Zoellick's spokesman, Rich Mills, said it was Mr. Mandelson who ended the call. But Mr. Mills said the United States was ready to resume talks.

''The problem is that over the last two months the E.U. has been focused more on maneuvering than on negotiating the core substance,'' he said by telephone from Washington.

Although both sides appeared eager to cool the angry statements on Saturday, the European Union said if the United States took the matter back to the ***trade*** ***organization***, it would resume its own ***litigation*** and would continue to provide aid for Airbus's new model, the A350.

The ***litigation*** could put a strain on the ***trade*** ***organization*** and open the door for penalties on both sides. It could strain ties between the United States and Europe at a time when they need to cooperate to conclude the latest round of ***world*** ***trade*** talks.

The United States wants Europe to stop providing loans to Airbus. The loans have added up to $15 billion since 1967 and include $3.2 billion for the new A380 superjumbo jet.

Airbus counters that Boeing benefits from tax breaks in Washington State, federal contracts for military and space research and support from the Japanese government.

Airbus overtook Boeing in 2003 as the ***world***'s largest manufacturer of big commercial jets.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Load-Date:** March 20, 2005

**End of Document**

[***Simmering Trade Disputes Will Greet Bush in Canada***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4DWN-97H0-TW8F-G3CD-00000-00&context=)

The New York Times

November 27, 2004 Saturday, Late Edition - Final

Copyright 2004 The New York Times Company

**Section:** Section C; Column 1; Business/Financial Desk; Pg. 3; INTERNATIONAL BUSINESS

**Length:** 973 words

**Byline:** By IAN AUSTEN

**Dateline:** OTTAWA, Nov. 26

**Body**

Canadians remember two things about Ronald Reagan's trip to Quebec City in 1985: his rendition of ''When Irish Eyes Are Smiling'' with Prime Minister Brian Mulroney, and the announcement that the two countries would work to foster free ***trade*** and end lingering disputes.

Canadians, however, feel they are still waiting. While ***trade*** with the United States has soared 135 percent since 1988 to $391 billion, several disputes will be on the table when President Bush comes to Ottawa on Tuesday to meet with Prime Minister Paul Martin. Chief among them will be a dispute over the United States' 27 percent duty on Canadian softwood lumber, which has been going on since 1982.

Despite the free ***trade*** pact negotiated by the Reagan and Mulroney governments, the birth of the North American Free ***Trade*** Agreement and the formation of the ***World Trade Organization***, Canadian industries still abide by ***trade*** penalty laws drawn up by the United States instead of by a multilateral body. Richard Mills, a spokesman for Robert B. Zoellick, the United States ***trade*** representative, strongly rejected suggestions that United States antidumping laws were unfair.

''Our process is fair and transparent and in large measure has been upheld by the W.T.O.,'' he said. ''Over all, our ***trade*** relationship with Canada is very good. We have disputes with one another. We handle them, and ***trade*** goes on.'' The United States had a $49.3 billion ***trade*** deficit with Canada for the first nine months of this year.

While softwood lumber remains the most visible case, it is not the only one. American wheat growers are challenging the system Canada uses to sell its grain. Hog producers say Canadian swine are being shipped to the United States at unfairly low prices. And the border has been closed to Canadian cattle ever since a calf in Alberta was found in 2003 to have mad cow disease.

Earlier this week, the United States filed an extraordinary challenge of a Nafta decision in August that found Canadian lumber exports are not harming American mills. The challenge follows Canadian victories before six different forums in recent years, including the W.T.O. and regional bodies. Canada's international ***trade*** minister, Jim Peterson, suggested this week that the time had come for the United States to give up. ''Panel after panel has made it clear that Canadian softwood lumber is not harming the American industry,'' he said. ''We expect to see duties refunded.''

Canada is among the countries that has been seeking relief from a part of United States ***trade*** law known as the Byrd amendment, which transfers duties collected from foreign imports to American companies. Under the amendment, the United States is proposing to give American lumber companies the $2.5 billion it has collected under the softwood lumber duty.

Canada threatened retaliation this week, and proposed hitting a variety of American products, from peanut butter to yachts, with 100 percent tariffs. On Friday the W.T.O. approved a measure to let the European Union, Canada and five other countries impose ***trade*** sanctions on the United States to compensate for the effects of the Byrd amendment.

Despite years of what it views as ***trade*** harassment, however, things have rarely been better in the Canadian lumber industry. John Allan, president of the British Columbia Lumber ***Trade*** Council, said that the tariffs had forced the Canadian industry to improve operations. Canada's share of the American market has remained fairly constant for the last several years, at around 34 percent.

''When the tariffs were first levied, I was the first guy to say, 'This is the end,''' Mr. Allan recalled. ''But the American lumber ***litigation*** drove a new cost paradigm in Canada.''

An industry consolidation in Canada helped reduce costs by allowing Canadian producers to build larger mills. Investments in new machinery, including computerized cutting equipment, have, by Mr. Allan's calculations, increased the amount of lumber extracted from each log by 16 percent since about 1991. And to raise efficiency further, most mills in British Columbia now operate around the clock.

In addition, lumber demand this past summer was exceptionally high in the United States, offsetting both the tariff and rise in the Canadian dollar. ''The duties didn't make much difference,'' Mr. Allan said. ''It was a seller's market.''

At the heart of the lumber dispute is land ownership. Softwood in the United States is generally harvested from private land. In Canada, lumber companies generally pay fees to chop down trees on land owned by the provinces.

Those stumpage fees, as they are known, have been raised over the years in an attempt to placate American producers and also in part to conform with a W.T.O. ruling. Over the years, Canada has also proposed a special lumber export tax, generally of about 15 percent, to end the dispute. William A. Dymond, a former Canadian ***trade*** negotiator who is now a senior executive fellow at the Centre for ***Trade*** Policy and Law at Carleton University in Ottawa, noted, however, that there had been an overall lessening in ***trade*** tensions. Antidumping disputes involving manufactured goods have almost disappeared, largely because they find their own political balance. For instance, while restricting Canadian steel imports might please the American steel industry, it would upset United States auto and automotive parts makers.

The continuing ***trade*** disputes sometimes lead to the impression in Canada that the relationship with its neighbor to the South is in poor health, despite the overwhelming growth in ***trade***. Bruce Campbell, executive director of the Canadian Centre for Policy Alternatives and a longtime critic of many Canadian ***trade*** policies, sees no end in sight.

''These disputes are like the Canadian winter,'' he said. ''They're going to be with us all the time.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photo: Logs being processed at a yard in Canal Flats, British Columbia. Canadians say it is unfair that the United States imposes a 27 percent duty on its lumber, and will raise the issue during President Bush's visit. (Photo by Norm Betts/Bloomberg News)

**Load-Date:** November 27, 2004

**End of Document**

[***Oracle's Ellison Unveils Hydroponic Farming Start-Up: DealBook Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RX7-6SW1-DXY4-X3CV-00000-00&context=)

The New York Times

March 20, 2018 Tuesday, The New York Times on the Web

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

**Length:** 4008 words

**Body**

Good Monday. Here's what we're watching:

Facebook's stock slides as lawmakers want answers on the latest controversy.

Mark Zuckerberg is on the hot seat following the Cambridge Analytica revelations.

Congress is racing to complete its spending bill.

U.S. companies warn President Trump about sweeping tariffs.

Get this in your inbox every morning. Sign up here.

Larry Ellison and Dr. David Agus unveil their hydroponic farming start-up.

Larry Ellison is the founder of Oracle and the 10th-richest man on the planet, according to Forbes. Dr. David Agus is a best-selling author and physician whose clients included Steve Jobs and Sumner Redstone.

Of all the companies the two could have started together, they've chosen an unusual approach: a hydroponic farming start-up focused on creating more healthful food.

Their new business, Sensei, formally unveiled itself Monday afternoon, wading into an industry that has become increasingly popular among investors.

Silicon Valley Start-up Plenty raised $200 million from SoftBank's $100 billion Vision Fund. Bowery Farming, whose vegetables are now sold in a few grocery stores in New York City, has collected money from the likes of Google's venture arm and General Catalyst.

Sensei is focused more on wellness. While the company ultimately plans to expand into an array of businesses, its initial focus is on hydroponic farming, using software and sensors to monitor growing conditions. (Its first farm is on Lanai, the Hawaiian island of which Mr. Ellison owns roughly 98 percent.)

Sensei's first batch of crops includes Black Trifele tomatoes and Komatsuna mustard greens, with its yardstick for production being nutrition per acre.

''So far, the conversation in agriculture has been dominated by productivity: How much food can we grow in a square foot. But scale is just part of the equation,'' Dr. Agus said in a statement. ''To properly nourish the ***world***, we need to consider how nutritious that food is. This is where Sensei is focused.''

Its first customer is Hawaii, which imports the majority of its food. Sensei said that it can provide the state fresh food within 24 hours of harvesting, compared with over a week for imported vegetables.

But the company is also eager to tout its tech bona fides. Its farm runs off solar power provided by Tesla panels. And it claims to use just 10 percent of the water used in traditional farming methods.

''For so long, agriculture has been one of the least digitized industries,'' Daniel Gruneberg, Sensei's president, said in a statement. ''Now, we can combine software, sensors and robotics to make giant leaps in sustainable farming and perhaps, more importantly, the quality of our food.''

-- Michael de la Merced

Facebook's slide drags down FANG stocks.

Facebook's stock had its worst day in about four years.

Shares of the social media giant finished down about 7 percent after the NYT reported that a political data firm with ties to 2016 Trump campaign harvested private information from over 50 million user profiles.

The news reports raised the specter of greater government scrutiny and potential regulatory action toward the technology sector. Already, government officials in the United States, Europe and elsewhere have been demanding tougher oversight of the ***world***'s largest tech companies. That, in turn, could erode the industry's profits and potentially force some companies to adjust their business models.

Facebook's stock is now down more than 12 percent from its all-time high hit at the start of February.

''We think this episode is another indication of systemic problems at Facebook,'' said Brian Wieser, an analyst at New York-based brokerage Pivotal Research Group.

Facebook's woes showed signs of spreading, too.

The S.&P. 500 tech sector is the worst performing of the index's 11 sectors.

Shares of Google-parent Alphabet closed down about 3.2 percent. Amazon fell around 1.7 percent and Apple finished off 1.5 percent.

In all, Monday's slide wiped more than $80 billion off the market value of Facebook, Amazon, Netflix and Alphabet. Facebook accounted for more than $35 billion of that total. In fact, the company is no longer among the five biggest companies in the S.&P. 500 by market capitalization.

Fund flows added fuel to the selloff. MoneyBeat's Akane Otani reports that mutual funds and exchange-***traded*** funds tracking U.S. technology stocks posted a record $2.6 billion in net inflows last week, according to data from fund tracker EPFR Global. That put year-to-date inflows at $47.5 billion.

''The record-setting stream of money into stock funds has underlined how much the market has been driven by investor fervor for a handful of popular names, which some say makes stocks vulnerable to sudden reversals.''

Given the outsized role the tech sector has played in the aging bull market, its declines Monday dragged down the broader stock indexes.

The Dow Jones industrial average closed down 336 points, or 1.35 percent, while the S.&P. 500, was off nearly 39 points, or 1.42 percent.

The latest test to Zuckerberg's leadership.

Is Mark Zuckerberg's unusually powerful position at Facebook in part to blame for the latest backlash against the company?

The giant social media company is under the spotlight because a political data firm apparently misused information about more than 50 million Facebook users. Facebook is still facing questions about Russia-linked accounts that had significant reach within the United States through the social network. In both cases, Facebook has struggled to show the public that it can get in front of its problems. Information about the Russia-linked accounts came out piecemeal, and Facebook knew as early as 2015 that the political data firm had violated its data policies.

Mr. Zuckerberg at first downplayed concerns about Facebook's role in the 2016 presidential election (something he later said he regretted). His recent communications contain more high-minded deliberation than hard discussion of the company's problems and how to deal with them.

These look like the reactions of a leader who thinks he is not going anywhere. Indeed, through his holding of special voting shares, Mr. Zuckerberg has an especially powerful position at Facebook that might shield him from the normal forces of accountability. C.E.O.s without that protection might do more to tackle a big problem because it more directly threatens their job security.

Facebook, of course, has taken steps to address the abuse of its network. It has added hundreds of new employees to help police posts, and it has implemented artificial intelligence technology to spot material that falls afoul of the company's guidelines. Such initiatives cost money. Mr. Zuckerberg earlier this year said that such initiatives would have a significant impact on Facebook's profitability. Indeed, there's a strong argument to make that Mr. Zuckerberg's protected position will allow the company to press ahead with expensive investments in the face of any shareholder grumbling that may arise.

In the near term, though, it's hard to envision shareholders applying significant pressure on Facebook to be more responsive to the political and legal risks. They may believe Facebook's extraordinary profitability -- its operating profits are roughly equivalent to 40 percent of its revenue -- will help the stock ride what they see as a passing storm.

If governments propose restrictions on using members' data, Facebook's business model would be tested. The company's board, in theory, should press Mr. Zuckerberg for details on how he will deal with such shackles. But prominent board members like Marc L. Andreessen and Peter A. Thiel are skeptical of regulation. Facebook might be tempted to fight back.

Lawmakers may hold the line, however, sensing that the public has real concerns about the company. And if Facebook's responses look tardy and inadequate, the consequences could be harsh, as the fate of Wells Fargo shows. Mr. Zuckerberg, in his uniquely dominant position, is the one person who can make sure this doesn't happen.

-- Peter Eavis

Lawmakers want answers on Facebook's latest controversy

Lawmakers in the U.S. and Britain want Mark Zuckerberg to explain how Cambridge Analytica, the political data firm founded by Steve Bannon and Robert Mercer, harvested private information from over 50 million user profiles.

''It's clear these platforms can't police themselves,'' tweeted Senator Amy Klobuchar, a Democratic member of the Senate Judiciary Committee.

What happened: The NYT and The Observer of London reported how Cambridge had collected data from an outside researcher to better target Facebook users. Christopher Wylie, who oversaw Cambridge's data collection until 2014, told the NYT of his former company, ''For them, this is a war, and it's all fair.''

Facebook argued that the incident wasn't a data breach and that Cambridge had committed a violation. But former Federal ***Trade*** Commission officials told the WaPo that Facebook may have violated a privacy pact reached with the regulator. (The tech giant is reviewing whether one of its employees had been aware of the data leak.)

More on Cambridge Analytica: Alexander Nix, the company's chief, is facing scrutiny over business dealings with Russian interests. Mr. Wylie said that one Russian company, the oil giant Lukoil, appeared more interested in political message targeting than commercial uses. And Cambridge is reportedly trying to block the airing of a report by Channel 4, a British television channel, in which reporters went undercover at the firm.

Critic's corner

Jeffrey Goldfarb of Breakingviews writes:

''Facebook has abjectly failed to grasp the magnitude of its problems. It took Zuckerberg almost a year to apologize for his blithe 2016 comment that fake news posted across his website didn't influence the U.S. election. In the meantime, there are mounting concerns over its online advertising power, handling of privacy matters and how much tax it pays in Europe. Ten years ago, Zuckerberg hired Sheryl Sandberg to help turn his startup into a serious corporation. It may be time for more adult supervision.''

A self-driving Uber car kills a pedestrian.

A woman in Tempe, Ariz., has died after being hit by a self-driving car operated by Uber, in what appears to be the first known death of a pedestrian struck by an autonomous vehicle on a public road.

The Uber vehicle was in autonomous mode with a human safety driver at the wheel when it struck the woman, who was crossing the street outside of a crosswalk, the Tempe police said in a statement. The episode happened on Sunday around 10 p.m. The woman was not publicly identified.

Uber said it had suspended testing of its self-driving cars in Tempe, Pittsburgh, San Francisco and Toronto.

''Our hearts go out to the victim's family. We are fully cooperating with local authorities in their investigation of this incident,'' an Uber spokeswoman, Sarah Abboud, said in a statement.

The fatal crash will most likely raise questions about regulations for self-driving cars. Testing of self-driving cars is already underway for vehicles that have a human driver ready to take over if something goes wrong, but states are starting to allow companies to test cars without a person in the driver's seat. This month, California said that, in April, it would start allowing companies to test autonomous vehicles without anyone behind the wheel.

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Michael Ferro has stepped down as chairman of Tronc.

The newspaper publisher announced Monday that Michael W. Ferro Jr., a Chicago entrepreneur and its biggest shareholder, has stepped down as the company's chairman. The move came just weeks after Mr. Ferro helped negotiate the sale of Tronc's crown jewel, The Los Angeles Times.

Justin Dearborn, the company's chief executive, will replace Mr. Ferro as chairman.

''I am confident that under the leadership of Justin and the rest of the board and management team Tronc will continue to deliver value for investors while executing the plan for digital transformation,'' Mr. Ferro said in a statement.

Mr. Ferro will remain an investor in Tronc. But his decision to step down as chairman follows a period of intense public scrutiny.

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The LTSE takes a step to make companies think about the long term.

The Long-Term Stock Exchange hoping to popularize long-term thinking as a corporate governance strategy has taken another step toward making its goal a reality.

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It's budget time, and Congress is preparing to spend

Friday is the deadline for lawmakers to pass a budget, and they are considering a plan that would cost more than $1 trillion. Expect the deficit to widen to more than $800 billion, as well as a lot of pet projects.

The proposal will probably garner Democratic support, but opposition could come from: a) fiscal conservatives, and b) President Trump (if it includes funding for a New York tunnel project).

In related news: How the tax bill could make your credit card payments more expensive.

U.S. companies warn the White House on China tariffs

Forty-five ***trade*** groups, including the U.S. Chamber of Commerce, urged President Trump not to move forward with sweeping tariffs on Chinese goods.

Here's what Thomas Donohue, the C.E.O. of the chamber, said:

''The livelihood of America's consumers, businesses, farmers, and ranchers are at risk if the administration proceeds with this plan.''

Elsewhere in ***trade***: Mr. Trump is requesting authority to unilaterally raise tariffs, power that could undermine the ***World Trade Organization***. And Latin American countries are forging closer commercial ties with each other, and with China.

The political flyaround

President Trump attacked Robert Mueller's investigation, using the special counsel's name in his tweets for the first time and drawing rebukes from some Republican lawmakers. Despite one Trump lawyer's call for an end to the special counsel's investigation, another says that there is no plan to fire Mr. Mueller.

The special counsel is looking into the Trump ***Organization***'s finances. What's the connection to Russia? (NYT)

Mr. Mueller's case against Paul Manafort includes evidence from hard-to-crack jurisdictions like Cyprus and St. Vincent and the Grenadines. (WSJ)

Attorney General Jeff Sessions fired Andrew McCabe, the F.B.I.'s deputy director. Several Democratic lawmakers offered to hire Mr. McCabe to help him qualify for his government pension. Mr. McCabe says he kept memos on Mr. Trump.

Senior Trump administration officials were asked to sign nondisclosure agreements about their time in the White House that would extend past Mr. Trump's tenure.

Kushner Companies filed false paperwork with New York City to improperly remove tenants in Queens. (A.P.)

Keep track of who has left the Trump administration. (NYT)

What does the Saudi crown prince want from his U.S. tour?

Crown Prince Mohammed bin Salman will meet with the Trump administration and tour several cities this week. Here are a few things most likely on his agenda:

Shoring up military and political support for its bombing in Yemen, despite American lawmakers' concerns about the U.S. role.

Persuading American businesses to invest in Saudi Arabia as part of his Vision 2030 plan. The crown prince will meet with Apple and Google, among other companies. Also of interest: In an interview on ''60 Minutes,'' he said that women were ''absolutely'' equal to men.

Elsewhere in the Middle East: How Saudi Arabia is building a homegrown entertainment industry. The head of the broadcast conglomerate MBC touted his company's expanding ties to the kingdom -- after he was freed from detention. And here's the fascinating tale of Qatari royalty who were kidnapped while on a falconry hunt.

Your Spotify must-read

Bill Gurley of Benchmark asked in a tweet storm whether the streaming giant was better off pursuing profitability instead of growth. Mr. Gurley argues no -- and points out that the company is now more valuable takeover bait.

How realistic is Paul Jacobs's quest to buy Qualcomm?

The son of the company's founder wants to take the chip maker private, à la Michael Dell and his eponymous computer empire. But it would be a herculean task. Consider:

Mr. Jacobs would probably have to pay more than the $117 billion that Broadcom offered.

He only owns about 1 percent of the company. Mr. Dell owned 14 percent of his.

He would have to bring in significant equity partners, since there is no way he could finance a takeover with debt alone. But it's not clear where they might come from (SoftBank has shown little interest so far) and whether any foreign backers could pass a national security review.

Critics' corner: Shira Ovide of Gadfly writes, ''It's unwise for the company's former C.E.O. to chase after a dream that can't possibly come true.'' And John Foley of Breakingviews asserts that Qualcomm's biggest issue is mending fences with Apple.

Elsewhere in deals: Newell Brands revamped its board to settle a fight with Carl Icahn. HNA plans to sell $2.2 billion worth of property across China. CACI has bid $7.2 billion for the tech services contractor CSRA to try to spoil CSRA's impending sale to General Dynamics.

The tech flyaround

SoftBank is considering taking ARM Holdings public again, though it's not clear when. (FT)

Dropbox has reached a new low for corporate governance, John Plender of the FT writes. (FT)

Bitcoin is at $8,353 after another wild weekend. And Mastercard says it would be ''very happy to look at'' digital money issued by central banks. And Twitter will ban many virtual currency ads.

Ola, the Indian ride-hailing company, is expanding in Australia and challenging Uber there. (NYT)

Foreign smugglers are trying to ship advanced American military technologies to China, Russia and other adversaries at rates that outpace the Cold War. (NYT)

FedEx has found that while robots may take your role, they might not take your job. (NYT)

Apple is designing and producing its own device displays for the first time, unnamed sources said. (Bloomberg)

Google wants a cut of the purchases made through user searches. (Reuters)

Pricing ever-more-popular cybersecurity insurance is difficult. (FT)

Point72's president quits amid gender bias accusations

Douglas D. Haynes, who was named as a defendant in a suit that accuses Point72 Asset Management of underpaying women and fostering a hostile work environment, resigned on Friday, the NYT reported. Two sources said the move wasn't related to the ***litigation***, but it still creates another headache for Steven Cohen's investment firm as it prepares to become a full-fledged hedge fund.

The misconduct flyaround

A lawyer for Steve Wynn reported a woman to the F.B.I. after she threatened to go public with allegations of the casino mogul's misconduct toward her. (WSJ)

An Alaska Airlines pilot sued the company, alleging she was drugged and raped by another pilot during a layover last year. (NYT)

James Levine, former music director at the Metropolitan Opera, is suing the company after he was fired following an internal inquiry that said it had found evidence of sexual misconduct. (NYT)

Few law firms are choosing to include partners in their gender pay gap reporting in Britain, a move that would likely widen the pay gap significantly. (FT)

Revolving door

Alex Wilmot-Sitwell, the head of Bank of America Merrill Lynch's European operations, has left amid frustration with Brexit. (FT)

Ann Gronowski, a professor of pathology at the Washington University School of Medicine, has resigned from Theranos's board. (FT)

The speed read

The activist investor Edward Bramson has acquired just over 5 percent of Barclays, increasing pressure on the British bank to turn around its performance. (FT)

Hillhouse Capital Management is raising a fund that could be the largest ever devoted to the China region, surpassing the $9.3 billion raised by K.K.R. last year. (FT)

BBL Commodities, one of the biggest energy-focused hedge funds, is looking to raise $1 billion for a new fund that will wager on macroeconomic trends. (WSJ)

China plans to name Yi Gang, an American-educated economist, to lead its central bank in a move signaling that Beijing will continue an ambitious -- and, some say, much needed -- financial shake-up to get the country's debt under control and keep its economy growing. China's president also handed the reins of the country's financial system to a close ally, Liu He.

Blackstone guaranteed Stephen Schwarzman new rewards for his contribution to the firm as a founder when he chooses to retire -- and even after his death. (WSJ)

Christian Bittar, once a star banker for Deutsche Bank, pleaded guilty to conspiring to rig the interest-rate benchmark known as Euribor. (Bloomberg)

An influential committee of lawmakers in Britain says the country should seek to postpone its exit from the European Union if talks drag on. (NYT)

We'd love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com)

[*https://www.nytimes.com/2018/03/19/business/dealbook/facebook-cambridge-analytica.html*](https://www.nytimes.com/2018/03/19/business/dealbook/facebook-cambridge-analytica.html)

**Load-Date:** March 20, 2018

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[***Facebook’s 7% Decline Drags Down Its Fellow FANG Stocks: DealBook Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RXG-4JH1-DXY4-X4FB-00000-00&context=)

The New York Times

March 19, 2018 Monday 16:46 EST

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**Section:** BUSINESS; dealbook

**Length:** 3446 words

**Highlight:** Facebook’s stock had its worst day in about four years as shares of the social media giant finished down about 7 percent.

**Body**

Good Monday. Here’s what we’re watching:

Facebook’s stock slides as lawmakers want answers on the latest controversy.

The trial for the Justice Department’s lawsuit over AT&T’s deal for Time Warner starts this morning.

Mark Zuckerberg is on the hot seat following the Cambridge Analytica revelations.

Congress is racing to complete its spending bill.

U.S. companies warn President Trump about sweeping tariffs.

Get this in your inbox every morning. Sign up [*here*](https://www.nytimes.com/newsletters/dealbook?pgtype=subscriptionspage&version=new&contentId=DK&eventName=signup&module=newsletter-sign-up&region=button).

Facebook’s slide drags down FANG stocks.

Facebook’s stock had its worst day in about four years.

Shares of the social media giant finished down about 7 percent after the NYT reported that a political data firm with ties to 2016 Trump campaign harvested private information from over 50 million user profiles.

The news reports raised the specter of greater government scrutiny and potential regulatory action toward the technology sector. Already, government officials in the United States, Europe and elsewhere have been demanding tougher oversight of the ***world***’s largest tech companies. That, in turn, could erode the industry’s profits and potentially force some companies to adjust their business models.

Facebook’s stock is now down more than 12 percent from its all-time high hit at the start of February.

“We think this episode is another indication of systemic problems at Facebook,” [*said Brian Wieser*](https://www.reuters.com/article/us-facebook-cambridge-analytica-stocks/facebook-shares-slide-after-reports-of-data-misuse-idUSKBN1GV1E8), an analyst at New York-based brokerage Pivotal Research Group.

Facebook’s woes showed signs of spreading, too.

The S.&P. 500 tech sector is the worst performing of the index’s 11 sectors.

Shares of Google-parent Alphabet closed down about 3.2 percent. Amazon fell around 1.7 percent and Apple finished off 1.5 percent.

In all, Monday’s slide wiped more than $80 billion off the market value of Facebook, Amazon, Netflix and Alphabet. Facebook accounted for more than $35 billion of that total. In fact, the company is no longer among the five biggest companies in the S.&P. 500 by market capitalization.

Fund flows added fuel to the selloff.[*MoneyBeat’s Akane Otani reports*](https://blogs.wsj.com/moneybeat/2018/03/19/record-fund-inflows-leads-to-stock-market-whiplash/) that mutual funds and exchange-***traded*** funds tracking U.S. technology stocks posted a record $2.6 billion in net inflows last week, according to data from fund tracker EPFR Global. That put year-to-date inflows at $47.5 billion.

Given the outsized role the tech sector has played in the aging bull market, its declines Monday dragged down the broader stock indexes.

The Dow Jones industrial average closed down 336 points, or 1.35 percent, while the S.&P. 500, was off nearly 39 points, or 1.42 percent.

The latest test to Zuckerberg’s leadership.

Is Mark Zuckerberg’s unusually powerful position at Facebook in part to blame for the latest backlash against the company?

The giant social media company is [*under the spotlight*](https://www.nytimes.com/2018/03/18/us/cambridge-analytica-facebook-privacy-data.html?action=click&module=Top%20Stories&pgtype=Homepage) because a political data firm apparently misused information about more than 50 million Facebook users. Facebook is still facing questions about Russia-linked accounts that had significant reach within the United States through the social network. In both cases, Facebook has struggled to show the public that it can get in front of its problems. Information about the Russia-linked accounts   [*came out piecemeal*](https://www.usatoday.com/story/tech/2017/11/01/facebook-says-146-million-americans-targeted-russia-campaign/821306001/), and Facebook   [*knew as early as 2015*](https://newsroom.fb.com/news/2018/03/suspending-cambridge-analytica/) that the political data firm had violated its data policies.

Mr. Zuckerberg at first [*downplayed concerns*](https://www.recode.net/2016/11/11/13596792/facebook-fake-news-mark-zuckerberg-donald-trump) about Facebook’s role in the 2016 presidential election (something he later said he regretted). His recent communications contain more   [*high-minded deliberation*](https://www.recode.net/2017/2/16/14640460/mark-zuckerberg-facebook-manifesto-letter) than hard discussion of the company’s problems and how to deal with them.

These look like the reactions of a leader who thinks he is not going anywhere. Indeed, through his holding of special voting shares, Mr. Zuckerberg has an especially powerful position at Facebook that might shield him from the normal forces of accountability. C.E.O.s without that protection might do more to tackle a big problem because it more directly threatens their job security.

Facebook, of course, has taken steps to address the abuse of its network. It has added hundreds of new employees to help police posts, and it has implemented artificial intelligence technology to spot material that falls afoul of the company’s guidelines. Such initiatives cost money. Mr. Zuckerberg earlier this year said that such initiatives would have a significant impact on Facebook’s profitability. Indeed, there’s a strong argument to make that Mr. Zuckerberg’s protected position will allow the company to press ahead with expensive investments in the face of any shareholder grumbling that may arise.

In the near term, though, it’s hard to envision shareholders applying significant pressure on Facebook to be more responsive to the political and legal risks. They may believe Facebook’s extraordinary profitability – its operating profits are roughly equivalent to 40 percent of its profits – will help the stock ride what they see as a passing storm.

If governments propose restrictions on using members’ data, Facebook’s business model would be tested. The company’s board, in theory, should press Mr. Zuckerberg for details on how he will deal with such shackles. But prominent board members like[*Marc L. Andreessen*](https://www.vox.com/2014/6/26/5837638/the-ipo-is-dying-marc-andreessen-explains-why) and   [*Peter A. Thiel*](http://bigthink.com/articles/peter-thiel-regulation-stifles-innovation) are skeptical of regulation. Facebook might be tempted to fight back.

Lawmakers may hold the line, however, sensing that the public has real concerns about the company. And if Facebook’s responses look tardy and inadequate, the consequences could be harsh, as the fate of Wells Fargo [*shows*](https://www.nytimes.com/2018/02/02/business/wells-fargo-federal-reserve.html). Mr. Zuckerberg, in his uniquely dominant position, is the one person who can make sure this doesn’t happen.

— Peter Eavis

Lawmakers want answers on Facebook’s latest controversy

Lawmakers in the U.S. and Britain [*want Mark Zuckerberg to explain*](https://www.nytimes.com/2018/03/18/us/cambridge-analytica-facebook-privacy-data.html?dlbk) how Cambridge Analytica, the political data firm founded by Steve Bannon and Robert Mercer, harvested private information from over 50 million user profiles.

“It’s clear these platforms can’t police themselves,” tweeted Senator [*Amy Klobuchar*](https://twitter.com/amyklobuchar/status/975158333446541312), a Democratic member of the Senate Judiciary Committee.

What happened: [*The NYT*](https://www.nytimes.com/2018/03/17/us/politics/cambridge-analytica-trump-campaign.html?dlbk) and   [*The Observer*](https://www.theguardian.com/news/2018/mar/17/cambridge-analytica-facebook-influence-us-election) of London reported how Cambridge had collected data from an outside researcher to better target Facebook users. Christopher Wylie, who oversaw Cambridge’s data collection until 2014, told the NYT of his former company, “For them, this is a war, and it’s all fair.”

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Justin Dearborn, the company’s chief executive, will replace Mr. Ferro as chairman.

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The proposal will probably garner Democratic support, but opposition could come from: a) [*fiscal conservatives*](https://www.axios.com/spending-bill-democrats-republicans-congress-deficit-358e5773-3230-4d2b-bd3f-f369a747df05.html?dlbk), and b) President Trump (if it includes funding for a New York tunnel project).

In related news: How the tax bill could make your credit card payments [*more expensive*](https://www.nytimes.com/2018/03/16/business/federal-borrowing-deficits-car-payments.html?dlbk).

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Here’s what [*Thomas Donohue*](https://www.uschamber.com/press-release/us-chamber-s-donohue-comments-potential-tariffs-against-china), the C.E.O. of the chamber, said:

Elsewhere in ***trade***: Mr. Trump is requesting authority to [*unilaterally raise tariffs*](https://www.axios.com/trump-trade-war-world-trade-organization-wto-c1302568-953f-4b36-acca-19b1831feb5e.html?dlbk), power that could undermine the ***World Trade Organization***. And Latin American countries are forging   [*closer commercial ties*](https://www.nytimes.com/2018/03/18/world/americas/trump-trade-latin-america.html?dlbk) with each other, and with China.

The political flyaround

President Trump [*attacked Robert Mueller’s investigation*](https://www.nytimes.com/2018/03/18/us/politics/trump-mueller.html?dlbk), using the special counsel’s name in his tweets for the first time and drawing   [*rebukes from some Republican lawmakers*](https://www.nytimes.com/2018/03/18/us/politics/trump-tweets-mueller-republican-response.html?dlbk). Despite one Trump lawyer’s call for an   [*end to the special counsel’s investigation*](https://www.nytimes.com/2018/03/17/us/politics/trump-mueller-dowd.html?dlbk), another says   [*that there is no plan to fire Mr. Mueller*](https://www.axios.com/white-house-fire-mueller-no-plan-ty-cobb-71a537f7-a8f0-4b17-a694-efb0e0099b93.html?dlbk).

The special counsel is looking into the Trump ***Organization***’s finances. What’s the connection to Russia? ([*NYT*](https://www.nytimes.com/2018/03/17/business/trump-organization-russia-mueller.html?dlbk))

Mr. Mueller’s case against Paul Manafort includes evidence from hard-to-crack jurisdictions like Cyprus and St. Vincent and the Grenadines. ([*WSJ*](https://www.wsj.com/articles/muellers-tax-case-against-manafort-rests-on-hard-to-get-evidence-1521370800?dlbk))

Attorney General Jeff Sessions [*fired Andrew McCabe*](https://www.nytimes.com/2018/03/16/us/politics/andrew-mccabe-fbi-fired.html?dlbk), the F.B.I.’s deputy director. Several Democratic lawmakers   [*offered to hire Mr. McCabe*](https://www.huffingtonpost.co.uk/entry/democrats-offer-andrew-mccabe-job-after-firing_us_5aadc716e4b05b2217ff4c72) to help him qualify for his government pension. Mr. McCabe says he   [*kept memos on Mr. Trump*](https://www.nytimes.com/2018/03/17/us/politics/andrew-mccabe-fbi-memos-trump.html).

Senior Trump administration officials were [*asked to sign nondisclosure agreements*](https://www.washingtonpost.com/opinions/trumps-nondisclosure-agreements-came-with-him-to-the-white-house/2018/03/18/226f4522-29ee-11e8-b79d-f3d931db7f68_story.html?dlbk) about their time in the White House that would extend past Mr. Trump’s tenure.

Kushner Companies filed false paperwork with New York City to improperly remove tenants in Queens. ([*A.P.*](https://apnews.com/amp/002703e70347481cb993027d04f543cc))

Keep track of who has left the Trump administration. ([*NYT*](https://www.nytimes.com/interactive/2018/03/16/us/politics/all-the-major-firings-and-resignations-in-trump-administration.html))

What does the Saudi crown prince want from his U.S. tour?

Crown Prince Mohammed bin Salman will meet with the Trump administration and tour several cities this week. Here are a few things most likely on his agenda:

[*Shoring up military and political support*](https://www.nytimes.com/2018/03/18/us/politics/trump-saudi-yemen.html?dlbk) for its bombing in Yemen, despite American lawmakers’ concerns about the U.S. role.

Persuading American businesses to [*invest in Saudi Arabia*](https://www.washingtonpost.com/world/national-security/after-meetings-in-washington-saudi-crown-prince-will-focus-on-business/2018/03/18/91f39858-2930-11e8-bc72-077aa4dab9ef_story.html?dlbk) as part of his Vision 2030 plan. The crown prince will meet with   [*Apple and Google*](https://www.bloomberg.com/news/articles/2018-03-16/saudi-crown-prince-is-said-to-plan-meetings-with-apple-google), among other companies. Also of interest: In   [*an interview on “60 Minutes,”*](https://www.cbsnews.com/news/saudi-crown-prince-talks-to-60-minutes/) he said that women were “absolutely” equal to men.

Elsewhere in the Middle East: How Saudi Arabia is building a [*homegrown entertainment industry*](https://www.nytimes.com/2018/03/17/world/middleeast/saudi-arabia-entertainment-economy.html?dlbk). The head of the broadcast conglomerate MBC   [*touted his company’s expanding ties*](https://www.wsj.com/articles/freed-saudi-media-mogul-touts-new-business-ties-with-government-1521306115) to the kingdom — after he was freed from detention. And here’s the fascinating tale of Qatari royalty   [*who were kidnapped*](https://www.nytimes.com/2018/03/14/magazine/how-a-ransom-for-royal-falconers-reshaped-the-middle-east.html?dlbk) while on a falconry hunt.

Your Spotify must-read

Bill Gurley of Benchmark asked in [*a tweet storm*](https://twitter.com/bgurley/status/975110096559714306) whether the streaming giant was better off pursuing profitability instead of growth. Mr. Gurley argues no — and points out that the company is now more valuable takeover bait.

How realistic is Paul Jacobs’s quest to buy Qualcomm?

The son of the company’s founder wants to [*take the chip maker private*](https://www.nytimes.com/2018/03/16/technology/qualcomm-taking-company-private.html?dlbk), à la Michael Dell and his eponymous computer empire. But it would be a herculean task. Consider:

Mr. Jacobs would probably have to pay more than the $117 billion that Broadcom offered.

He only owns about 1 percent of the company. Mr. Dell owned 14 percent of his.

He would have to bring in significant equity partners, since there is no way he could finance a takeover with debt alone. But it’s not clear where they might come from (SoftBank has shown little interest so far) and whether any foreign backers could pass a national security review.

Critics’ corner: [*Shira Ovide of Gadfly*](https://www.bloomberg.com/gadfly/articles/2018-03-16/qualcomm-can-t-waste-time-on-a-pointless-takeover-dream) writes, “It’s unwise for the company’s former C.E.O. to chase after a dream that can’t possibly come true.” And   [*John Foley of Breakingviews*](https://www.nytimes.com/2018/03/16/business/dealbook/qualcomm-apple-mediator.html?dlbk) asserts that Qualcomm’s biggest issue is mending fences with Apple.

Elsewhere in deals: Newell Brands [*revamped its board*](https://www.businesswire.com/news/home/20180319005528/en/Newell-Brands-Announces-Agreement-Carl-C.-Icahn) to settle a fight with Carl Icahn. HNA plans to   [*sell $2.2 billion worth of property*](https://www.bloomberg.com/news/articles/2018-03-19/hna-is-said-to-plan-sales-of-properties-in-beijing-shanghai) across China. CACI has   [*bid $7.2 billion*](https://www.wsj.com/articles/caci-makes-bid-for-csra-seeking-to-break-up-general-dynamics-dealfor-csra-1521392051) for the tech services contractor CSRA to try to spoil CSRA’s impending sale to General Dynamics.

The tech flyaround

SoftBank is considering taking ARM Holdings public again, though it’s not clear when. ([*FT*](https://www.ft.com/content/29a28ad8-2b3e-11e8-9b4b-bc4b9f08f381))

Dropbox has reached a new low for corporate governance, John Plender of the FT writes. ([*FT*](https://www.ft.com/content/4333c554-279a-11e8-b27e-cc62a39d57a0))

Bitcoin is at $8,353 after [*another wild weekend*](https://www.bloomberg.com/news/articles/2018-03-19/bitcoin-rises-from-six-week-low-as-g-20-weighs-cryptocurrencies). And Mastercard says it would be “   [*very happy to look at*](https://www.ft.com/content/9afa9f4c-2772-11e8-b27e-cc62a39d57a0)” digital money issued by central banks. And Twitter will   [*ban many virtual currency ads*](https://www.axios.com/twitter-ban-cryptocurrency-ads-facebook-google-a55fa28e-14e3-4a3f-b8ef-59783f26881d.html?dlbk).

Ola, the Indian ride-hailing company, is expanding in Australia and challenging Uber there. ([*NYT*](https://www.nytimes.com/2018/03/18/technology/ola-uber-australia-india.html))

Foreign smugglers are trying to ship advanced American military technologies to China, Russia and other adversaries at rates that outpace the Cold War. ([*NYT*](https://www.nytimes.com/2018/03/17/world/asia/us-technology-smuggling-foreign-weapons.html))

FedEx has found that while robots may take your role, they might not take your job. ([*NYT*](https://www.nytimes.com/2018/03/18/technology/fedex-robots.html))

Apple is designing and producing its own device displays for the first time, unnamed sources said. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-03-19/apple-is-said-to-develop-displays-to-replace-samsung-screens))

Google wants a cut of the purchases made through user searches. ([*Reuters*](https://www.reuters.com/article/us-google-retail-exclusive/exclusive-where-can-i-buy-google-makes-push-to-turn-product-searches-into-cash-idUSKBN1GV0B0?dlbk))

Pricing ever-more-popular cybersecurity insurance is difficult. ([*FT*](https://www.ft.com/content/31515a18-238f-11e8-ae48-60d3531b7d11))

Point72’s president quits amid gender bias accusations

Douglas D. Haynes, who was named as a defendant in a suit that accuses [*Point72 Asset Management*](https://www.nytimes.com/2018/03/17/business/point72-douglas-haynes-steven-cohen.html?rref=collection/sectioncollection/business-dealbook) of underpaying women and fostering a hostile work environment, resigned on Friday, the NYT reported. Two sources said the move wasn’t related to the ***litigation***, but it still creates another headache for Steven Cohen’s investment firm as it prepares to become a full-fledged hedge fund.

The misconduct flyaround

A lawyer for Steve Wynn reported a woman to the F.B.I. after she threatened to go public with allegations of the casino mogul’s misconduct toward her. ([*WSJ*](https://www.wsj.com/articles/steve-wynn-attorney-says-he-went-to-fbi-when-woman-who-got-settlement-threatened-to-go-public-records-1521451800))

An Alaska Airlines pilot sued the company, alleging she was drugged and raped by another pilot during a layover last year. ([*NYT*](https://www.nytimes.com/2018/03/17/travel/alaska-air-pilot-rape.html))

James Levine, former music director at the Metropolitan Opera, is suing the company after he was fired following an internal inquiry that said it had found evidence of sexual misconduct. ([*NYT*](https://www.nytimes.com/2018/03/16/arts/music/james-levine-peter-gelb-metropolitan-opera.html))

Few law firms are choosing to include partners in their gender pay gap reporting in Britain, a move that would likely widen the pay gap significantly. ([*FT*](https://www.ft.com/content/1a0819b6-286a-11e8-b27e-cc62a39d57a0))

Revolving door

Alex Wilmot-Sitwell, the head of Bank of America Merrill Lynch’s European operations, has left amid frustration with Brexit. ([*FT*](https://www.ft.com/content/05d2ea34-293c-11e8-b27e-cc62a39d57a0))

Ann Gronowski, a professor of pathology at the Washington University School of Medicine, has resigned from Theranos’s board. ([*FT*](https://www.ft.com/content/ce3bbfbc-296b-11e8-b27e-cc62a39d57a0))

The speed read

The activist investor Edward Bramson has acquired just over 5 percent of Barclays, increasing pressure on the British bank to turn around its performance. ([*FT*](https://www.ft.com/content/ce9039f8-2b4a-11e8-9b4b-bc4b9f08f381))

Hillhouse Capital Management is raising a fund that could be the largest ever devoted to the China region, surpassing the $9.3 billion raised by K.K.R. last year. ([*FT*](https://www.ft.com/content/9ff61048-2a9d-11e8-9b4b-bc4b9f08f381))

BBL Commodities, one of the biggest energy-focused hedge funds, is looking to raise $1 billion for a new fund that will wager on macroeconomic trends. ([*WSJ*](https://www.wsj.com/articles/oil-hedge-fund-bbl-looks-to-launch-1-billion-macro-fund-1521383520))

China plans to name Yi Gang, an American-educated economist, to lead [*its central bank*](https://www.nytimes.com/2018/03/18/business/china-central-bank-yi-gang.html) in a move signaling that Beijing will continue an ambitious — and, some say, much needed — financial shake-up to get the country’s debt under control and keep its economy growing. China’s president also handed the reins of the country’s financial system to   [*a close ally, Liu He*](https://www.nytimes.com/2018/03/19/business/economy/china-xi-jinping-liu-he.html).

Blackstone guaranteed Stephen Schwarzman new rewards for his contribution to the firm as a founder when he chooses to retire — and even after his death. ([*WSJ*](https://www.wsj.com/articles/blackstone-grants-new-rewards-to-ceo-schwarzman-1521381601))

Christian Bittar, once a star banker for Deutsche Bank, pleaded guilty to conspiring to rig the interest-rate benchmark known as Euribor. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-03-19/from-a-126-million-bonus-to-jail-the-fall-of-a-star-trader))

An influential committee of lawmakers in Britain says the country should seek to postpone its exit from the European Union if talks drag on. ([*NYT*](https://www.nytimes.com/2018/03/18/world/europe/uk-brexit-delay.html))

We’d love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com?subject=Newsletter%20Feedback).

PHOTO: (PHOTOGRAPH BY Stephen Lam/Reuters FOR THE NEW YORK TIMES)

**Load-Date:** March 21, 2018

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[***China Trade Policies Draw A Warning From Europe***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4M68-T140-TW8F-G36D-00000-00&context=)

The New York Times

October 25, 2006 Wednesday, Late Edition - Final

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**Section:** Section C; Column 1; Business/Financial Desk; Pg. 4

**Length:** 512 words

**Byline:** By JAMES KANTER

International Herald Tribune

**Dateline:** PARIS, Oct. 24

**Body**

The European Union told China on Tuesday that it could face barriers to its booming exports like clothes, shoes and electronic goods if it did not work toward creating a two-way street for global commerce.

Disputes not resolved through negotiations could lead to ***litigation*** at the ***World Trade Organization*** ''to ensure that obligations are met and rules enforced,'' the union said in a newly issued policy paper on ***trade*** relations with China.

A large and growing ***trade*** deficit is a sign of looming problems between the sides, European officials said. While Chinese exports to Europe during 2005 were worth 158 billion euros ($198 billion), European exports to China were worth only 52 billion euros ($64 billion), the paper said.

Europe also called on China to allow the value of its currency to rise to cool the demand for Chinese goods in Europe, and to make European products more attractive to Chinese buyers.

''There is a growing risk that the E.U.-China ***trading*** relationship will not be seen as genuinely reciprocal,'' the union said. ''A range of obstacles to market access and skewed conditions of competition need urgent attention.'' The ***trading*** partners have already clashed over exports of cheap clothes, leather shoes, car parts and plastic bags from China.

The disputes have sometimes split the Europeans, opening a division between countries that favor open ***trade*** with China and those that want to re-erect barriers.

Southern Europeans and many manufacturers tend to fear being crushed by Chinese exports in products like clothing and shoes. But northern Europeans, and many retailers like department stores and major sporting goods chains, see profit and benefits to consumers in reselling low-cost Chinese products.

The European ***trade*** commissioner, Peter Mandelson, has sought to reduce the friction by reminding Europe that it will be most competitive in innovative and high-quality products. Low-cost goods from China have helped tame inflation and keep interest rates down.

China ''is not a globalization scare story,'' Mr. Mandelson said in Strasbourg, France. ''It is a globalization success story.'' At the same time, Mr. Mandelson has increased pressure on China to change practices that have undermined European companies. In the new policy paper on ***trade***, Europe said that it would not hesitate to use so-called ***trade*** defense measures, which could include higher duties and other sanctions. ''The E.U. will use these instruments carefully but rigorously where they are justified,'' the paper said.

Robert M. MacLean, a ***trade*** partner with the Crowell & Moring law firm in Brussels, where the European Union has its headquarters, said China was unlikely to react favorably to the policy paper. ''It's a bit unilateralist,'' he said. ''I see more stick than carrot in these policies.''

It would be only a matter of time before China would bring legal challenges of its own against ***trade*** sanctions, Mr. MacLean added.

The warnings come as the French president, Jacques Chirac, takes a delegation of business leaders to China this week.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Load-Date:** October 25, 2006

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[***Tobacco Industry Tactics Limit Poorer Nations' Smoking Laws***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5B20-WF11-DXY4-X3TC-00000-00&context=)

The New York Times

December 13, 2013 Friday, Late Edition - Final

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

**Length:** 1437 words

**Byline:** By SABRINA TAVERNISE

**Body**

Tobacco companies are pushing back against a worldwide rise in antismoking laws, using a little-noticed legal strategy to delay or block regulation. The industry is warning countries that their tobacco laws violate an expanding web of ***trade*** and investment treaties, raising the prospect of costly, prolonged legal battles, health advocates and officials said.

The strategy has gained momentum in recent years as smoking rates in rich countries have fallen and tobacco companies have sought to maintain access to fast-growing markets in developing countries. Industry officials say that there are only a few cases of active ***litigation***, and that giving a legal opinion to governments is routine for major players whose interests will be affected.

But tobacco opponents say the strategy is intimidating low- and middle-income countries from tackling one of the gravest health threats facing them: smoking. They also say the legal tactics are undermining the ***world***'s largest global public health treaty, the W.H.O. Framework Convention on Tobacco Control, which aims to reduce smoking by encouraging limits on advertising, packaging and sale of tobacco products. More than 170 countries have signed it since it took effect in 2005.

More than five million people die annually of smoking-related causes, more than from AIDS, malaria and tuberculosis combined, according to the ***World*** Health ***Organization***.

Alarmed about rising smoking rates among young women, Namibia, in southern Africa, passed a tobacco control law in 2010 but quickly found itself bombarded with stern warnings from the tobacco industry that the new statute violated the country's obligations under ***trade*** treaties.

''We have bundles and bundles of letters from them,'' said Namibia's health minister, Dr. Richard Kamwi.

Three years later, the government, fearful of a punishingly expensive legal battle, has yet to carry out a single major provision of the law, like limiting advertising or placing large health warnings on cigarette packaging.

The issue is particularly urgent now as the United States completes talks on a major new ***trade*** treaty with 11 Pacific Rim countries that aims to be a model for the rules of international commerce. Administration officials say they want the new treaty to raise standards for public health. They single out tobacco as a health concern, wording that upset the U. S. Chamber of Commerce, which said that the inclusion would leave the door open for other products, like soda or sugar, to be heavily regulated in other countries.

''Our goal in this agreement is to protect the legitimate health regulations that treaty countries want to pursue from efforts by tobacco companies to undermine them,'' said Michael Froman, the United States ***trade*** representative, in a telephone interview. The language is not yet final, he said.

But public health advocates say the current wording would not stop countries from being sued when they adopt strong tobacco control measures, though some ***trade*** experts said it might make the companies less likely to win. This fall, more than 50 members of the House and about a dozen members of the Senate sent letters to the administration expressing concern.

Tobacco consumption more than doubled in the developing ***world*** from 1970 to 2000, according to the United Nations. Much of the increase was in China, but there has also been substantial growth in Africa, where smoking rates have traditionally been low. More than three-quarters of the ***world***'s smokers now live in the developing ***world***.

Dr. Margaret Chan, director general of the W.H.O., said in a speech last year that legal actions against Uruguay, Norway and Australia were ''deliberately designed to instill fear'' in countries trying to reduce smoking.

''The wolf is no longer in sheep's clothing, and its teeth are bared,'' she said.

Tobacco companies are objecting to laws in both developed and developing nations. Industry officials say they respect countries' efforts to protect public health, but face difficulties promoting their brands as more countries ban cigarette ads. Often, the only space left is the packaging, and even that is shrinking, with some countries requiring that packages be plastered with shocking pictures of people with cancer; in Australia, brand names are reduced to uniform block letters on drab olive backgrounds.

''Removing our trademarks removes our assurance to customers of the origin and quality of our lawfully available products, meaning they and their characteristics become indistinguishable from those of our competitors,'' said Gareth Cooper, group head of regulation at British American Tobacco.

In the early 1990s, the American government used to pressure countries to open their markets to American tobacco companies. As smoking rates in some of these countries rose, outrage grew, and President Bill Clinton issued an executive order in 2001 that banned the United States government from lobbying on the industry's behalf.

But other types of ***trade*** agreements have emerged that give companies rights.

Such treaties are intended to promote prosperity by reducing ***trade*** barriers and protecting investors from expropriation by foreign governments. They allow companies to sue directly, instead of having to persuade a state to take up their case. They have proliferated since the 1990s, and number around 3,000, up from a few hundred in the late 1980s, according to Robert Stumberg, a law professor at the Harrison Institute for Public Law at Georgetown University, whose clients include antismoking groups.

In Africa, at least four countries -- Namibia, Gabon, Togo and Uganda -- have received warnings from the tobacco industry that their laws run afoul of international treaties, said Patricia Lambert, director of the international legal consortium at the Campaign for Tobacco Free Kids.

''They're trying to intimidate everybody,'' said Jonathan Liberman, director of the McCabe Center for Law and Cancer in Australia, which gives legal support to countries that have been challenged by tobacco companies. In Namibia, the tobacco industry has said that requiring large warning labels on cigarette packages violates its intellectual property rights and could fuel counterfeiting.

Mr. Cooper, of British American Tobacco, whose local affiliate sent the government a legal opinion, said in an email that countries should ''consider the broader context of implementing regulations that can impact ***trade***.''

Thomas Bollyky, a ***trade*** lawyer and a fellow at the Council on Foreign Relations, said many developing countries are at a disadvantage in investment cases because they do not have the specialized legal expertise or resources to fight.

Uruguay has acknowledged that it would have had to drop its tobacco control law and settle with Philip Morris International if the foundation of the departing mayor of New York, Michael R. Bloomberg, had not paid to defend the law. (The company's net revenue last year was $77 billion, substantially more than Uruguay's gross domestic product.) Even developed countries like Canada and New Zealand have backed away from planned tobacco laws in the face of investment treaty claims, Mr. Bollyky said.

The most closely watched legal battle is playing out in Australia, where the tobacco industry lost a case in domestic courts last year. Philip Morris International has filed suit under an investment treaty between Australia and Hong Kong, where the firm has a branch. The proceedings, which are not public, will be held in Singapore and decided by outside arbitrators, not judges.

Philip Morris International has dozens of subsidiaries, allowing the company ''to play the treaty game much more adroitly,'' Professor Stumberg said.

Companies are even paying for countries to make the industry's case against other nations in the ***World Trade Organization***. Ukraine filed a complaint with the ***organization*** against Australia's packaging rule, even though the two countries barely ***trade***. Mr. Cooper acknowledged that his company was helping Ukraine pay the legal bills, but said that was standard practice in W.T.O. disputes.

Bashupi Maloboka, a Health Ministry official who steered the tobacco control law to passage in Namibia, said the industry's approach had slowed what was already a plodding process.

''The fear is that they have the money and they have the resources, so they can pay for anything,'' said Mr. Maloboka, who retired last year.

But Dr. Kamwi, the health minister, said he hoped the regulations to put the 2010 law into practice would be finished next year. ''We have decided to put our foot down,'' he said. ''If they want to go to court, we will see them there.''

[*http://www.nytimes.com/2013/12/13/health/tobacco-industry-tactics-limit-poorer-nations-smoking-laws.html*](http://www.nytimes.com/2013/12/13/health/tobacco-industry-tactics-limit-poorer-nations-smoking-laws.html)

**Graphic**

PHOTOS: A cigarette display and antismoking messages in Australia, where the tobacco industry lost a case last year. Philip Morris International has filed suit under an investment treaty. (PHOTOGRAPHS BY CONOR ASHLEIGH FOR THE NEW YORK) (A16)

**Load-Date:** December 13, 2013

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[***A Solar Rise in Malaysia***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5DTM-9131-JBG3-628F-00000-00&context=)

The New York Times

December 12, 2014 Friday, Late Edition - Final

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**Length:** 1418 words

**Byline:** By KEITH BRADSHER; Diane Cardwell contributed reporting from New York.

**Body**

KULIM, Malaysia -- Tucked away in this former tin-mining town, past the small farms of banana trees and oil palms, is one of the solar industry's best-kept secrets.

The six factories here with cavernous rooms up to one-third of a mile long constitute the production backbone of First Solar. Working alongside minivan-size robots adapted from car assembly plants and other industries, 3,700 employees produce five-sixths of the American company's solar panels. Workers in Ohio make the rest.

The list of manufacturers is long. Panasonic of Japan has a solar panel factory a mile down the road. SunEdison makes wafers 60 miles away in Chemor. Hanwha Q Cells and SunPower have giant factories even farther south, while Solexel, a Silicon Valley start-up, is preparing to build an $810 million solar panel factory in stages.

Malaysia, a Southeast Asian nation with just 30 million people, is the biggest winner in the ***trade*** wars that have embroiled the solar sector. As Chinese companies have been hit with American tariffs and European quotas, Malaysia has increasingly attracted multinationals with its relatively low labor costs, lucrative tax breaks, warm relations with the West and abundance of English-speaking engineering talent.

Malaysia is now the ***world***'s third-largest producer of solar equipment, trailing China by a wide margin but catching up rapidly with the European Union. And Malaysia's role in the global solar ***trade*** is only likely to increase in the coming months if the American government broadens tariffs on panels made in China next Tuesday as expected.

''We liked Malaysia because it was a cross between just a straight low-cost play and a high-engineering play -- it was sort of in the middle, where it was lower-cost but good engineering,'' said Tom Werner, the chief executive of the California-based SunPower, which manufactures half its solar panels in Malacca, Malaysia.

The solar manufacturing boom in Malaysia has been almost invisible, a rarity in an industry known for heavily promoting even the smallest factory opening or new solar panel farm as progress toward cleaner energy.

Manufacturers don't want to draw attention to moving production offshore. The factories here are almost entirely owned by American, European, South Korean and Japanese companies that much prefer to talk about operations in their home countries.

Hanwha Q Cells, for example, produces 1,100 megawatts a year worth of panels in Malaysia and just 200 megawatts in its home market in Germany. But the company highlights that the engineering work is still done at its headquarters in Thalheim, Germany.

Production in Malaysia ''gives us the flexibility to reliably address very different and dynamic international market needs with high-quality products 'Engineered in Germany,' '' said Jochen Endle, a company spokesman.

It is a common theme. The technology comes from overseas, but the employees and most of the materials are Malaysian.

Except for two expatriates in the finance department, all of First Solar's 3,700 employees on three shifts are local hires. A few materials are imported from the United States, like certain electrical cables. But most others are now bought from Malaysian suppliers, like cord plates.

''Localization of materials is part of our strategy of continuous cost reduction,'' said AR. Jeyaganesh, First Solar's plant manager, walking across an immaculate floor at one of the 24 production lines here, each an exact replica of the company's four lines in Perrysburg, Ohio.

Multinationals are also hustling to introduce their latest inventions just as quickly here as in their home markets, to maintain standardized production techniques and quality. ''When the decision is made'' to add more robots or make other production changes, Mr. Jeyaganesh said, ''it happens almost simultaneously in Perrysburg and here.''

Malaysia's surge in the solar industry has irritated some of the original backers of American ***trade*** action against China. Critics say the goal was to create jobs in the United States, not Southeast Asia.

''In solar, a key technology to achieve our energy efficiency goals, the administration needs to implement a more aggressive and comprehensive ***trade*** strategy,'' said Michael R. Wessel, a member of the U.S.-China Economic and Security Review Commission, an advisory group created by Congress. ''If not, we'll simply ***trade*** our historical dependence on foreign oil for a dependence on foreign energy technologies and products.''

***Trade*** wars have helped some American companies. SolarWorld, a big manufacturer that has led ***trade*** ***litigation*** against China, recently said that it was expanding capacity by 150 megawatts and adding 200 jobs at its main solar panel factory in Hillsboro, Ore. It partly pointed to the ***trade*** actions that had slowed the flood of Chinese imports.

But production in Malaysia, already triple the United States' output, is rising faster. The latest project underway in Cyberjaya, Malaysia, is an 800-megawatt solar module factory for Hanwha Q Cells. First Solar is putting the finishing touches on a 100-megawatt factory here to supply the Japanese market.

Malaysia is a beneficiary of the complex interaction of global ***trade*** rules, economic competitiveness and environmental policies in the solar industry. Tariffs have had the most immediate effect.

Solar prices started plummeting during the global financial crisis in 2009, as Chinese factories swiftly increased production, buoyed by large loans from state-owned banks at preferential interest rates, and free or nearly free land from local governments. Chinese manufacturers were also dumping panels, or selling them for less than it cost to make and ship them.

A flood of cheap Chinese exports caused two dozen solar manufacturers in the United States and Europe to go bankrupt or close factories. The United States responded in 2012 by imposing stiff anti-subsidy and anti-dumping duties totaling about 30 percent on panels from China. The European Union set import quotas and minimum prices for Chinese panels last year.

On Tuesday, the Commerce Department is widely expected to broaden its steep duties on solar panels from China. Pending ***litigation*** would impose duties on panels made partly in China and partly in Taiwan, closing a loophole that allowed some Chinese companies to bypass the original duties.

The plunge in prices through 2013, which leveled off as Chinese giants like Suntech Power and LDK Solar began going bankrupt from underpricing their panels, put a heavy emphasis on cost competitiveness. China's rapidly rising wages, together with mounting geopolitical tensions, prompted multinationals to look elsewhere as well.

That gave an edge to Malaysia, with its fairly low pay for skilled engineers and machinery operators.

Malaysian wages were much higher than those in China for years, but the disparity has now disappeared or even reversed. According to Malaysian government statistics, median nationwide monthly pay last year was $765 for factory technicians and $400 for machinery operators and assembly-line workers. That is similar to or lower than pay scales these days in coastal provinces of China with large export industries.

Malaysia also has some of Asia's lowest costs for electricity, even after raising prices for industrial users 14.9 percent last January. Prices are so low partly because the country is a large producer of natural gas, exporting what it cannot burn at home.

One of Malaysia's biggest attractions is the 10-year exemption from corporate taxes for large domestic and foreign investors. While some American states offer breaks, comparable holidays from federal taxes are not available.

The Office of the United States ***Trade*** Representative expressed concern this year about Malaysia's tax breaks in a review of ***trade*** policies. The White House agency has asked Malaysia to provide details of how they work so other countries can assess whether the tax breaks violate a ***World Trade Organization*** ban on export subsidies.

Malaysia denies breaking any ***trade*** rules. ''All of the incentives, all the things that we do, are W.T.O.-compliant,'' said Senator Idris Jala, Malaysia's minister for economic development and efficiency.

The tax break cinched the deal for First Solar to set up most of its production here, said Maja Wessels, an executive vice president at the company.

''That's easy, the 10-year tax holiday,'' she said. ''When you look at solar manufacturing, and our manufacturing in particular, low labor costs contribute, but those taxes are critical.''

[*http://www.nytimes.com/2014/12/12/business/energy-environment/solar-rises-in-malaysia-during-****trade****-wars-over-panels.html*](http://www.nytimes.com/2014/12/12/business/energy-environment/solar-rises-in-malaysia-during-trade-wars-over-panels.html)

**Graphic**

PHOTOS: A First Solar project in California. The company is among those with operations in Malaysia, now the third-largest supplier of solar equipment. (PHOTOGRAPH BY SAM HODGSON/BLOOMBERG VIA GETTY IMAGES) (B1)

The First Solar complex in Kulim, Malaysia. The American company's 100-megawatt factory will supply the Japanese market. (PHOTOGRAPH BY KEITH BRADSHER/THE NEW YORK TIMES) (B6) CHART: Power From the Sun: As the United States and the European Union have restricted imports of solar panels from China -- the ***world***'s dominant producer -- Malaysia has emerged as a large rival. (Sources: GTM Research

U.S. Dept. of Commerce, via Global ***Trade*** Information Services) (B1)

MAPS : Malaysia offers a 10-year corporate tax exemption. (B6)

**Load-Date:** December 12, 2014

**End of Document**

[***Apple, Alphabet, Amazon Reported Results. Here's How They Fared: DealBook Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RJD-PT51-JBG3-61ST-00000-00&context=)

The New York Times

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**Body**

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A tale of three tech companies earnings.

CBS and Viacom are talking about getting back together.

A shake-up in Airbnb's C-suite

Why Europe matters for Facebook.

Regulators are worried that Bitcoin's price is being manipulated.

Jeff Immelt has gone from C.E.O. to V.C.

And when will Congress raise the debt ceiling?

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A tale of three tech companies earnings.

Apple reported record profit and sales, Amazon easily beat expectations, and Google-parent Alphabet posted a loss because of the new tax law.

Here's a look at the numbers:

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$20.1 billion -- Apple's profit during the quarter, up 12 percent.

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$60 billion to $62 billion -- Apple's revenue guidance for the current quarter, well below analysts' expectations of $65.9 billion.

$285 billion -- Apple's big cash pile.

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Robert Cryan of Breakingviews:

''Apple has long followed Mies van der Rohe's design precept that ''less is more.'' Now it's doing the same financially. The company sold fewer iPhones for more money in the last quarter, it reported on Thursday. That raises fears that the company is losing its innovation edge. But that's OK -- persuading customers to pay more arguably requires as much genius as getting people to adopt the technology in the first place.''

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$1.9 billion --the e-commerce giant's fourth-quarter profit, more than double its profit from a year ago and the first time Amazon's earnings have surpassed $1 billion in a quarter.

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Amazon.com is going gangbusters. But some of the nearly $700 billion internet retailer's fastest-expanding -- and most profitable -- businesses could be ones that irritate users. Over time, that could sully the company's image.

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$3.02 billion -- The loss Alphabet reported for the fourth quarter.

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Jennifer Saba of Breakingviews:

Alphabet is stuck at the letter G. The holding company of Google was created to safeguard against conventionality and let moonshot ideas, like self-driving cars, flourish. Almost three years in, it's basically still just Google. Which means, in turn, that the A in Alphabet stands mainly for advertising.

It wouldn't hurt Alphabet to put more energy into revenue sources that don't start with a G.

CBS and Viacom are talking about getting back together.

More than a decade after Viacom and CBS split, the boards of the two companies have formed a special committee to evaluate a possible merger.

Why now

Shari Redstone, who along with her father, Sumner Redstone, controls the two companies, is pushing for a deal.Her previous effort to combine the two companies in 2016 faltered over the concerns of CBS' directors and CBS's chief executive, Les Moonves. According to media reports, Mr. Moonves may be more open to a deal, though the WSJ reports that he remains wary.

Walt Disney's deal for much of 21st Century Fox late last year has sparked much strategic rethinking across the industry. Ms. Redstone believes that CBS and Viacom need greater scale to better compete with Disney, Netflix and Amazon.

Critics corner

Tara Lachapelle of Bloomberg Gadfly:

''CBS isn't safe from the industry's broad ratings pressure and subscriber declines, which is why scale is important. Viacom won't provide enough of it, but it will offer substantial cost-saving opportunities. Those synergies may amount to some $500 million based on what past deals have yielded, according to Geetha Ranganathan, an analyst for Bloomberg Intelligence. That could create quite a lift for CBS's earnings.''

A shake-up in Airbnb's C-suite

Belinda Johnson is moving up. Laurence Tosi is moving out. And don't expect the company to go public this year.

What's happening: Ms. Johnson, who's currently the home-rental company's chief business affairs and legal officer, will become its chief operating officer. Meanwhile, Mr. Tosi, who had been Airbnb's chief financial officer since coming over from Blackstone, will leave the company to focus on his investment fund.

Airbnb has hired a search firm to find a new C.F.O. Ellie Mertz, the company's head of global financial planning, will fill in that role on an interim basis.

Between the lines

Ms. Johnson had been a rising star at Airbnb, often compared to Facebook's Sheryl Sandberg as the company's business-minded grown-up in the room.

Mr. Tosi had been increasingly at odds with Airbnb's C.E.O., Brian Chesky, over strategy. (The Information covered their disputes -- which were over both strategy and tactics -- in great detail.)

The context

Airbnb is heading ever so slowly toward an initial public offering. It hired Ken Chenault as its first outside director, for example, and promoting its most successful business mind to C.O.O. is another step in that direction. Still losing its C.F.O. -- particularly one well versed in Wall Street -- could set those plans back a bit.

The company line

Here's Mr. Chesky on Ms. Johnson:

''She takes critical functions that might be seen as constraints in other companies, and clears a path so they can become competitive advantages and facilitate the growth of the business.''

And here's a statement from Eric Holder, the former U.S. Attorney General who has been advising the company on anti-discrimination policies:

''Having worked with Belinda over the years and at Airbnb, I have been consistently impressed by her ability to anticipate issues and leverage strategic opportunities. She combines technical expertise with great care for her colleagues.''

And here's Mr. Chesky on Mr. Tosi:

''He helped Airbnb establish a rigorous financial discipline, aided our expansion into new businesses including into luxury rentals, which is now one of our core businesses, and helped us develop new and innovative ways to grow Airbnb and our businesses.''

-- Michael J. de la Merced

Why Europe matters for Facebook.

Some of the most consequential battles in the ***world*** of technology are playing out in Europe, where governments are cracking down on tech giants like Google and Facebook.

Facebook's quarterly results, released Wednesday, provide crucial information for better understanding the balance of power between Silicon Valley titans and the democracies of Europe.

The results clearly showed the importance of the European market to Facebook's future growth. The company's average revenue per European user in the fourth quarter of 2017 was $8.86, well below the $26.76 that Facebook rakes in per user in the United States and Canada.

Facebook should be able to move that European number a lot higher in the coming years. Europe's economy is only a bit smaller than the United States', and the Continent contains prosperous nations whose citizens are just as addicted to social media as Americans. Indeed, Facebook has more daily active users in Europe than in the United States and Canada (277 million versus 184 million.) What is more, total European daily active users grew in the fourth quarter, while the United States and Canada number edged lower.

All this helps explain why the growth in European revenue per user, at nearly 50 percent in the fourth quarter versus the year-earlier period, is significantly higher than the 35 percent rate for the United States and Canada.

What does this mean for Facebook as European countries introduce measures aimed at protecting their citizens that may go beyond what the company is used to in the United States?

Given how lucrative Europe is and will be to Facebook, it may be willing to spend what it takes to comply with new regulations, and even tolerate any inefficiencies the rules impose on its advertising business. Indeed, Facebook itself says it wants to make its network safer for users and democracies. But if there is any slip in that stance, Europe's leaders, seeing how important their countries are to Facebook's bottom line, arguably have considerable leverage to respond.

-- Peter Eavis

Bitcoin's slump continues.

Its price on Thursday: $8,915

Its all-time high hit on Dec. 18: $19,511.

That's more than a 50 percent slide, and it marks it lowest price since November. To put the Bitcoin's recent slide in perspective, the cryptocurrency has lost $44 billion in market value last month, according to Bloomberg.

The tumble has continued so far in February. Bitcoin is down 11 percent Thursday.

New questions about Bitcoin's price

Regulators are increasingly worried that Bitfinex, a widely used (and famously opaque) exchange, has been propping it up. The Commodity Futures ***Trading*** Commission has subpoenaed the company, whose Tether digital token is often used to buy other virtual currencies.

More from Nathaniel Popper of the NYT:

Hundreds of millions of dollars worth of new Tether were created; almost always when the prices of other virtual currencies were heading down. The Tether were used on the Bitfinex exchange to make big purchases of Bitcoin and other tokens, helping push their prices back up, according to multiple analyses of data from Bitfinex.

''This became more and more concerning, because every time the markets went down, you have seen the same thing happen,'' said Joey Krug, the co-chief investment officer at Pantera Capital, which runs several virtual currency hedge funds. ''It could mean that a lot of the rally over December and January might not have been real.''

Where we stand: According to CoinMarketCap, Bitcoin is ***trading*** at $9,545, down almost 7 percent over the last 24 hours, Ethereum's Ether at $1,099, and Ripple's XRP at $1.05, down 7 percent.

The digital money flyaround

How Goldman Sachs was rushed into supporting Bitcoin. (Bloomberg)

Meet Bibor, a proposed interest rate for lending Bitcoin. (Bloomberg)

Samsung is making specialist chips for mining virtual currency. (CNBC)

Google and Aramco discuss building tech hubs.

The Wall Street Journal, citing anonymous sources, is reporting that Saudi Arabia's Aramco and Google's parent, Alphabet, are in talks to build a tech hub within the kingdom.

Details, including when and if a deal will come to fruition, remain scant at this point.

The context

Saudi Arabia is seeking to diversify its economy away from oil, and Crown Prince Mohammed bin Salman has made developing Saudi Arabia's tech sector a key part of his ''Vision 2030'' plan. In late 2016, he traveled to Silicon Valley to promote those reforms, and the kingdom has taken bigger steps in recent years into the tech investing ***world***.

That year Saudi Arabia poured $3.5 billion into Uber, and its Public Investment Fund put $45 billion into SoftBank's $100 billion Vision Fund, which is making eye-popping investments in tech companies.

An interesting point, from the WSJ article:

While a potential joint venture between Alphabet and Aramco isn't necessarily connected to the latter company's IPO, if a deal is struck before the offering, advisers to the company could pitch the pact as a way for investors to bake in technology valuations.

It isn't clear how setting up tech hubs could fundamentally transform an oil company into a tech company -- and therefore command a higher multiple -- but it'd be interesting to see bankers make that argument.

-- Stephen Grocer

What Jeff Immelt will be doing at N.E.A.

The former G.E. chairman and C.E.O. will focus on tech and health care companies in his new role as a partner at N.E.A., one of the biggest V.C. firms in the ***world*** (that isn't named SoftBank).

From the release:

''I am excited to join NEA because they understand how to work with visionary entrepreneurs to build successful technology and health care enterprises,'' Immelt said. ''I have a passion for these sectors and I am eager to work with NEA and its partners to develop great businesses, nurture talented leaders and grow diverse teams.''

and:

''Jeff is deeply knowledgeable about the complex global innovation landscape we're operating in today and he understands how businesses must evolve to compete and win in that environment, particularly across industrial and medical technologies,'' said Scott Sandell, Managing General Partner, NEA.

(Worth noting: Mr. Immelt's successor at G.E. is struggling to turn that company around. See below.)

Mr. Immelt is only the latest corporate chieftain to find his next act in venture capital. Earlier this week, Ken Chenault announced that he would become chairman of General Catalyst Partners.

Mr. Immelt himself famously dallied with Silicon Valley last year, when he was in the running to become Uber's next C.E.O.

-- Michael J. de la Merced

Should investors worry about Facebook?

The good news: Its fourth-quarter earnings handily beat expectations. The average price per ad went up 43 percent.

The possibly bad news: Mark Zuckerberg said changes to the News Feed had cut 50 million hours a day from the time users spent on it (as Shira Ovide of Gadfly points out, that's about 2 minutes less each).

Here's where our colleague Peter Eavis says investors should focus:

Daily active users in the United States and Canada actually fell to 184 million in the fourth quarter of 2017 from 185 million in the third quarter of last year. But Facebook still managed to generate a huge amount of revenue from the United States and Canada. The region accounted for $6.4 billion of revenue in the fourth quarter of last year, a 40 percent jump from the same period in 2016.

Another figure that might cause concern is the growth in capital expenditures, the money a company spends as it invests in new initiatives. Capex hit $2.26 billion in the fourth quarter of last year, a staggering 78 percent jump from the same period in 2016.

Today's a big day for tech earnings

Apple: Everyone wants to know how well the iPhone X has sold -- well enough to start a new ''supercycle''?

Alphabet: Will Google's hardware sales make its nonadvertising business more than a tiny blip in earnings?

Amazon: Will Wall Street have finally got the fourth-quarter results right? Â¯\\_(ãƒ„)\_/Â¯

The tech flyaround

Is digital advertising what's wrong with the internet? (NYT)

More than a million followers have disappeared from the accounts of dozens of prominent Twitter users in recent days. Funny, that. (NYT)

Microsoft's cloud computing push continues to pay off. (NYT)

Uber is offering bicycle sharing in San Francisco. (NYT)

EBay will shift its payments business from PayPal. That pummeled PayPal's share price in after-hours ***trading***. (Bloomberg)

The Twitter co-founder Biz Stone and the Craigslist co-founder Craig Newmark are investing in a fact-checking start-up. (Bloomberg)

When will Congress raise the debt limit?

Steven Mnuchin urged lawmakers to do it quickly, amid worries that the government could run out of borrowing capacity late this month. (The Congressional Budget Office has changed its estimate because of the tax cuts.)

The Treasury secretary argued that the cuts would eventually pay for themselves, but conceded that it wouldn't happen this year.

In the meantime, the Treasury Department said that the size of Treasury auctions will increase. And Republicans are increasingly split over whether to keep supporting short-term bills to keep the government operating.

The policy flyaround

Robert Mueller appears to be focusing on the White House's initial statement about a June 2016 meeting between Trump campaign officials and Russian individuals over potential dirt on Hillary Clinton. (NYT)

The F.B.I. made an unusual public statement opposing the release of a secret House Intelligence Committee memo about surveillance of a Trump campaign aide. (NYT)

A federal appeals court ruled that the president could fire the Consumer Financial Protection Bureau's director only for cause. (NYT)

The E.U. is preparing measures to stop Britain undercutting it on tax or regulation after Brexit. (FT)

The Treasury Department insisted that new sanctions are coming against Russian individuals close to Vladimir Putin. (Bloomberg)

Prosecutors have dropped corruption charges against Senator Bob Menendez, Democrat of New Jersey. (NYT)

The director of the C.D.C., Brenda Fitzgerald, resigned after she was reported to have bought stock in a tobacco company. (Politico)

What will the Fed do at its March meeting?

Yesterday's meeting, Janet Yellen's last as Fed chairwoman, left rates unchanged. But the accompanying statement hinted that higher inflation -- and rate hikes -- might be around the corner.

Analysts' takes:

Economists at Bank of America Merrill Lynch write, ''This shows that the Fed is taking notice of the recent shift in market perception about inflation.''

Ian Shepherdson of Pantheon Macroeconomics writes, ''In short, the statement sets up the March hike, which will be followed by Jay Powell's first press conference.''

Diane Swonk of Grant Thornton said, ''Everything from stronger growth at home and abroad to debt-financed tax cuts have raised expectations for inflation.''

The scene at the Fed yesterday, from Binyamin Appelbaum of the NYT:

On Wednesday, some Fed employees wore shirts or jackets with the collars turned up, or popped, in a tribute to Ms. Yellen, who favored that look in public appearances.

Could G.E. be dropped from the Dow?

Analysts over at Deutsche Bank think so. They wrote in a research note yesterday:

As the company's absolute share price has continued to drop (and as the share prices of the other companies have been increasing), G.E. increasingly falls into the category of outlier and consequently a likely candidate for removal, in our opinion.

G.E. is the last survivor of the index's 12 original components from when it started in 1896, and has been in it continuously for more than 110 years.

More on G.E.'s troubles in Bloomberg Businessweek's cover story.

The deals flyaround

SoftBank agreed to buy a majority stake in the cellphone service unit of Line, a Japanese messaging company. (CNBC)

Brookfield Asset Management is in talks to buy Forest City Realty Trust, a fellow real estate owner with a market value of about $6.2 billion, according to unnamed sources. (Bloomberg)

CVC Capital Partners has hired Morgan Stanley and UBS to lead an initial public offering of the antivirus company Avast Software, which could be the biggest ever in British tech, according to unnamed sources. (Reuters)

Meet the three-month old boutique investment bank that helped put together the Blackstone Group's $20 billion deal for Thomson Reuters' financial information unit. (Bloomberg)

General Assembly, the coding boot camp, may sell itself. (Reuters)

Tell us your memories of Xerox as the onetime corporate icon strikes a deal with Fujifilm of Japan. (NYT)

What's at stake for Wynn Resorts in Massachusetts' inquiry

The state's gaming commission is looking into the numerous, decade-spanning sexual assault and misconduct allegations against Steve Wynn. It has the power to revoke the operating license for Wynn Boston Harbor, the biggest single-phase development in Massachusetts history, which is expected to create thousands of jobs.

More from Susan Pulliam, Jon Kamp, Chris Kirkham and Kate O'Keeffe of the WSJ:

''We will be looking at how the company, from the board on down, handles the allegations,'' said Karen Wells, who directs the investigations and enforcement bureau at the state gambling commission.

She said allegations in the settlement agreement weren't disclosed before the commission granted Wynn a license in September 2014, or at any point before The Wall Street Journal report.

Shares in Wynn Resorts fell more than 3 percent yesterday.

Revolving door

Stephen Cutler, who spent 11 years at JPMorgan, mostly as its general counsel, has joined Simpson Thacher & Bartlett as a ***litigation*** partner. (Simpson Thacher)

The public relations firm Brunswick Group has hired Bob Zoellick, the former president of the ***World*** Bank, and Pascal Lamy, the former director general of the ***World Trade Organization***, as part of a new consultancy focused on geopolitical advice. (Brunswick)

Is retirement for you or your kids?

Our colleagues want to know how you're thinking about retirement. They'll use the best responses in a forthcoming special section.

The Speed Read

U.S. prosecutors have issued grand jury subpoenas in an investigation into potential corruption at international sports bodies, and exploring bringing charges of racketeering, money laundering and fraud. (NYT)

BMW and Daimler said they had taken action against executives involved in an ***organization*** that sponsored emissions experiments on monkeys. (NYT)

Equifax began offering a free service on Wednesday that promised to let consumers lock their credit files using their cellphones. It didn't work. (NYT)

Some of Interior Secretary Ryan Zinke's rapid moves on environmental regulation look vulnerable to legal challenge, experts say. (NYT)

SoFi is laying off dozens of employees in its mortgage division, according to people familiar with the matter. It used to highlight the area as a growth prospect. (WSJ)

Hong Kong developers and distressed debt and private credit funds are lining up to offer financing to HNA, bankers and property investors say. (FT)

David Einhorn's Greenlight Capital lost roughly 6 percent in January, extending a multiyear period of weakness. (WSJ)

Private equity heavyweights like K.K.R., Carlyle and Apollo have started issuing U.S. preferred shares, which pay higher interest than traditional bonds and can be a highly efficient way to raise capital. (FT)

Hedge funds have earned spectacular payoffs from bearish bets against companies like Steinhoff International and Carillion, but can accounting sleuths expect more wins on that scale? (FT)

We'd love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com)

[*https://www.nytimes.com/2018/02/01/business/dealbook/bitcoin-price-manipulation-bitfinex.html*](https://www.nytimes.com/2018/02/01/business/dealbook/bitcoin-price-manipulation-bitfinex.html)

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It wouldn’t hurt Alphabet to put more energy into revenue sources that don’t start with a G.

CBS and Viacom are talking about getting back together.

More than a decade after Viacom and CBS split, the boards of the two companies[*have formed a special committee to evaluate a possible merger*](https://www.nytimes.com/reuters/2018/02/01/arts/01reuters-viacom-m-a-cbs-committee.html).

Why now

Shari Redstone, who along with her father, Sumner Redstone, controls the two companies, is pushing for a deal.Her previous effort to combine the two companies in 2016 faltered over the concerns of CBS’ directors and CBS’s chief executive, Les Moonves. According to media reports, Mr. Moonves[*may be more open to a dea*](https://www.reuters.com/article/us-viacom-cbs-m-a-exclusive/exclusive-viacom-cbs-ceos-discuss-potential-merger-sources-idUSKBN1FE2XT)l, though   [*the WSJ reports*](https://www.wsj.com/articles/cbs-and-viacom-after-12-years-apart-again-explore-deal-to-recombine-1517524131)that he remains wary.

Walt Disney’s deal for much of 21st Century Fox late last year has sparked much strategic rethinking across the industry. Ms. Redstone believes that CBS and Viacom need greater scale to better compete with Disney, Netflix and Amazon.

Critics corner

[*Tara Lachapelle of Bloomberg Gadfly:*](https://www.bloomberg.com/gadfly/articles/2018-02-01/cbs-viacom-reunion-is-next-episode-of-great-media-roll-up)

“CBS isn’t safe from the industry’s broad ratings pressure and subscriber declines, which is why scale is important. Viacom won’t provide enough of it, but it will offer substantial cost-saving opportunities. Those synergies may amount to some $500 million based on what past deals have yielded, according to Geetha Ranganathan, an analyst for Bloomberg Intelligence. That could create quite a lift for CBS’s earnings.”

A shake-up in Airbnb’s C-suite

Belinda Johnson is moving up. Laurence Tosi is moving out. And don’t expect the company to go public this year.

What’s happening: Ms. Johnson, who’s currently the home-rental company’s chief business affairs and legal officer, will become its chief operating officer. Meanwhile, Mr. Tosi, who had been Airbnb’s chief financial officer since coming over from Blackstone, will leave the company to focus on his investment fund.

Airbnb has hired a search firm to find a new C.F.O. Ellie Mertz, the company’s head of global financial planning, will fill in that role on an interim basis.

Between the lines

Ms. Johnson had been a rising star at Airbnb, often compared to Facebook’s Sheryl Sandberg as the company’s [*business-minded grown-up in the room*](https://www.wired.com/2016/07/airbnbs-sheryl-sandberg-is-the-valleys-quiet-superpower/).

Mr. Tosi had been increasingly at odds with Airbnb’s C.E.O., Brian Chesky, over strategy. (The Information covered their disputes — which were over [*both strategy and tactics*](https://www.theinformation.com/at-airbnb-tensions-bubble-between-chesky-and-tosi) — in great detail.)

The context

Airbnb is heading ever so slowly toward an initial public offering. [*It hired Ken Chenault*](https://www.nytimes.com/2018/01/25/business/dealbook/airbnb-ken-chenault.html?dlbk) as its first outside director, for example, and promoting its most successful business mind to C.O.O. is another step in that direction. Still losing its C.F.O. — particularly one well versed in Wall Street — could set those plans back a bit.

The company line

Here’s Mr. Chesky on Ms. Johnson:

“She takes critical functions that might be seen as constraints in other companies, and clears a path so they can become competitive advantages and facilitate the growth of the business.”

And here’s a statement from Eric Holder, the former U.S. Attorney General who has been advising the company on anti-discrimination policies:

“Having worked with Belinda over the years and at Airbnb, I have been consistently impressed by her ability to anticipate issues and leverage strategic opportunities. She combines technical expertise with great care for her colleagues.”

And here’s Mr. Chesky on Mr. Tosi:

“He helped Airbnb establish a rigorous financial discipline, aided our expansion into new businesses including into luxury rentals, which is now one of our core businesses, and helped us develop new and innovative ways to grow Airbnb and our businesses.”

— Michael J. de la Merced

Why Europe matters for Facebook.

Some of the most consequential battles in the ***world*** of technology are playing out in Europe, where governments are cracking down on tech giants like Google and Facebook.

Facebook’s quarterly results, released Wednesday, provide crucial information for better understanding the balance of power between Silicon Valley titans and the democracies of Europe.

The results clearly showed the importance of the European market to Facebook’s future growth. The company’s average revenue per European user in the fourth quarter of 2017 was $8.86, well below the $26.76 that Facebook rakes in per user in the United States and Canada.

Facebook should be able to move that European number a lot higher in the coming years. Europe’s economy is only a bit smaller than the United States’, and the Continent contains prosperous nations whose citizens are just as addicted to social media as Americans. Indeed, Facebook has more daily active users in Europe than in the United States and Canada (277 million versus 184 million.) What is more, total European daily active users grew in the fourth quarter, while the United States and Canada number edged lower.

All this helps explain why the growth in European revenue per user, at nearly 50 percent in the fourth quarter versus the year-earlier period, is significantly higher than the 35 percent rate for the United States and Canada.

What does this mean for Facebook as European countries introduce measures aimed at [*protecting their citizens*](https://www.nytimes.com/2018/01/28/technology/europe-data-privacy-rules.html) that may go beyond what the company is used to in the United States?

Given how lucrative Europe is and will be to Facebook, it may be willing to spend what it takes to comply with new regulations, and even tolerate any inefficiencies the rules impose on its advertising business. Indeed, Facebook itself says it wants to make its network safer for users and democracies. But if there is any slip in that stance, Europe’s leaders, seeing how important their countries are to Facebook’s bottom line, arguably have considerable leverage to respond.

— Peter Eavis

Bitcoin’s slump continues.

Its price on Thursday: $8,915

Its all-time high hit on Dec. 18: $19,511.

That’s more than a 50 percent slide, and it marks it lowest price since November. To put the Bitcoin’s recent slide in perspective, the cryptocurrency has lost $44 billion in market value last month, according to Bloomberg.

The tumble has continued so far in February. Bitcoin is down 11 percent Thursday.

New questions about Bitcoin’s price

Regulators are increasingly worried that Bitfinex, a widely used (and famously opaque) exchange, [*has been propping it up*](https://www.nytimes.com/2018/01/31/technology/bitfinex-bitcoin-price.html?dlbk). The Commodity Futures ***Trading*** Commission has subpoenaed the company, whose Tether digital token is often used to buy other virtual currencies.

More from Nathaniel Popper of the NYT:

Hundreds of millions of dollars worth of new Tether were created; almost always when the prices of other virtual currencies were heading down. The Tether were used on the Bitfinex exchange to make big purchases of Bitcoin and other tokens, helping push their prices back up, according to multiple analyses of data from Bitfinex.

“This became more and more concerning, because every time the markets went down, you have seen the same thing happen,” said Joey Krug, the co-chief investment officer at Pantera Capital, which runs several virtual currency hedge funds. “It could mean that a lot of the rally over December and January might not have been real.”

Where we stand: According to [*CoinMarketCap*](https://coinmarketcap.com/), Bitcoin is ***trading*** at $9,545, down almost 7 percent over the last 24 hours, Ethereum’s Ether at $1,099, and Ripple’s XRP at $1.05, down 7 percent.

The digital money flyaround

How Goldman Sachs was rushed into supporting Bitcoin. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-01-31/goldman-sachs-felt-rushed-by-quick-roll-out-of-bitcoin-futures))

Meet Bibor, a proposed interest rate for lending Bitcoin. ([*Bloomberg*](https://www.bloomberg.com/news/features/2018-02-01/bored-with-banking-this-former-citi-trader-went-full-crypto))

Samsung is making specialist chips for mining virtual currency. ([*CNBC*](https://www.cnbc.com/2018/01/31/samsung-cryptocurrency-mining-semiconductor-chips.html?dlbk))

Google and Aramco discuss building tech hubs.

The Wall Street Journal, citing anonymous sources, [*is reporting*](https://www.wsj.com/articles/google-parent-alphabet-and-aramco-in-talks-to-build-tech-hub-in-saudi-arabia-1517495498) that Saudi Arabia’s Aramco and Google’s parent, Alphabet, are in talks to build a tech hub within the kingdom.

Details, including when and if a deal will come to fruition, remain scant at this point.

The context

Saudi Arabia is seeking to diversify its economy away from oil, and Crown Prince Mohammed bin Salman has made [*developing Saudi Arabia’s tech*](https://www.nytimes.com/2017/10/27/business/saudi-arabia-is-open-for-business-but-not-everybodys-buying.html?dlbk)   [*sector*](https://www.nytimes.com/2017/10/27/business/saudi-arabia-is-open-for-business-but-not-everybodys-buying.html?dlbk) a key part of his “Vision 2030” plan. In late 2016, he traveled to Silicon Valley to promote those reforms, and the kingdom has taken bigger steps in recent years into the tech investing ***world***.

That year Saudi Arabia [*poured $3.5 billion into Uber*](http://www.nytimes.com/2016/06/02/technology/uber-investment-saudi-arabia.html), and its Public Investment Fund put $45 billion into SoftBank’s   [*$100 billion Vision Fund*](https://www.nytimes.com/2017/10/10/technology/masayoshi-son-softbank-vision-fund.html), which is making eye-popping investments in tech companies.

An interesting point, from the WSJ article:

While a potential joint venture between Alphabet and Aramco isn’t necessarily connected to the latter company’s IPO, if a deal is struck before the offering, advisers to the company could pitch the pact as a way for investors to bake in technology valuations.

It isn’t clear how setting up tech hubs could fundamentally transform an oil company into a tech company — and therefore command a higher multiple — but it’d be interesting to see bankers make that argument.

— Stephen Grocer

What Jeff Immelt will be doing at N.E.A.

The former G.E. chairman and C.E.O. will focus on tech and health care companies in his new role as [*a partner at N.E.A.*](https://www.prnewswire.com/news-releases/jeff-immelt-former-ceo-and-chairman-of-ge-joins-nea-as-venture-partner-300591628.html?dlbk), one of the biggest V.C. firms in the ***world*** (that isn’t named SoftBank).

From the release:

“I am excited to join NEA because they understand how to work with visionary entrepreneurs to build successful technology and health care enterprises,” Immelt said. “I have a passion for these sectors and I am eager to work with NEA and its partners to develop great businesses, nurture talented leaders and grow diverse teams.”

and:

“Jeff is deeply knowledgeable about the complex global innovation landscape we’re operating in today and he understands how businesses must evolve to compete and win in that environment, particularly across industrial and medical technologies,” said Scott Sandell, Managing General Partner, NEA.

(Worth noting: Mr. Immelt’s successor at G.E. is struggling to turn that company around. See below.)

Mr. Immelt is only the latest corporate chieftain to find his next act in venture capital. Earlier this week, Ken Chenault announced that he would become [*chairman of General Catalyst Partners*](https://www.nytimes.com/2018/01/29/business/dealbook/kenneth-chenault-silicon-valley.html?dlbk).

Mr. Immelt himself famously dallied with Silicon Valley last year, when [*he was in the running*](https://www.nytimes.com/2017/08/29/technology/uber-ceo-board.html?dlbk) to become Uber’s next C.E.O.

— Michael J. de la Merced

Should investors worry about Facebook?

The good news: Its fourth-quarter earnings handily beat expectations. The average price per ad went up 43 percent.

The possibly bad news: Mark Zuckerberg said changes to the News Feed [*had cut 50 million hours a day*](https://www.nytimes.com/2018/01/31/technology/facebook-news-feed.html?dlbk) from the time users spent on it (as Shira Ovide of Gadfly points out, that’s about   [*2 minutes less each*](https://twitter.com/ShiraOvide/status/958809775571169281)).

Here’s where our colleague Peter Eavis says investors should focus:

Daily active users in the United States and Canada actually fell to 184 million in the fourth quarter of 2017 from 185 million in the third quarter of last year. But Facebook still managed to generate a huge amount of revenue from the United States and Canada. The region accounted for $6.4 billion of revenue in the fourth quarter of last year, a 40 percent jump from the same period in 2016.

Another figure that might cause concern is the growth in capital expenditures, the money a company spends as it invests in new initiatives. Capex hit $2.26 billion in the fourth quarter of last year, a staggering 78 percent jump from the same period in 2016.

Today’s a big day for tech earnings

Apple: Everyone wants to know [*how well the iPhone X has sold*](http://fortune.com/2018/01/31/apple-iphone-stock-earnings/) — well enough to start a new “supercycle”?

Alphabet: Will [*Google’s hardware sales*](https://www.marketwatch.com/story/alphabet-earnings-google-hardware-push-should-boost-non-advertising-business-2018-01-29) make its nonadvertising business more than a tiny blip in earnings?

Amazon: Will Wall Street have finally [*got the fourth-quarter results right*](https://qz.com/1193204/this-amazon-quarter-is-one-wall-street-can-never-seem-to-get-right/)? ¯\\_(ツ)\_/¯

The tech flyaround

Is digital advertising what’s wrong with the internet? ([*NYT*](https://www.nytimes.com/2018/01/31/technology/internet-advertising-business.html?dlbk))

More than a million followers have disappeared from the accounts of dozens of prominent Twitter users in recent days. [*Funny, that*](https://www.nytimes.com/interactive/2018/01/27/technology/social-media-bots.html?dlbk). (   [*NYT*](https://www.nytimes.com/interactive/2018/01/31/technology/social-media-bots-investigations.html))

Microsoft’s cloud computing push continues to pay off. ([*NYT*](https://www.nytimes.com/2018/01/31/technology/microsoft-cloud-computing.html?rref=collection/sectioncollection/business))

Uber is offering bicycle sharing in San Francisco. ([*NYT*](https://www.nytimes.com/2018/01/31/technology/uber-bike-sharing-san-francisco.html?rref=collection/sectioncollection/business))

EBay will shift its payments business from PayPal. That pummeled PayPal’s share price in after-hours ***trading***. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-01-31/ebay-to-ditch-paypal-for-dutch-processor-adyen-lowering-costs))

The Twitter co-founder Biz Stone and the Craigslist co-founder Craig Newmark are investing in a fact-checking start-up. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-02-01/twitter-craigslist-co-founders-back-fact-checking-startup-factmata))

When will Congress raise the debt limit?

[*Steven Mnuchin urged lawmakers*](https://www.cnbc.com/2018/01/31/us-treasury-plans-bigger-debt-auctions-and-warns-on-the-federal-debt-limit.html?dlbk) to do it quickly, amid worries that the government could run out of borrowing capacity late this month. (The Congressional Budget Office   [*has changed its estimate*](https://www.nytimes.com/2018/01/31/us/politics/united-states-debt-limit.html?dlbk) because of the tax cuts.)

The Treasury secretary argued that the cuts would eventually pay for themselves, but conceded that it wouldn’t happen this year.

In the meantime, the Treasury Department said that [*the size of Treasury auctions will increase*](https://www.wsj.com/articles/treasury-plans-to-increase-size-of-debt-auctions-1517408688). And   [*Republicans are increasingly split*](https://www.politico.com/story/2018/01/31/government-shutdown-republicans-congress-380576) over whether to keep supporting short-term bills to keep the government operating.

The policy flyaround

Robert Mueller appears to be focusing on the White House’s initial statement about a June 2016 meeting between Trump campaign officials and Russian individuals over potential dirt on Hillary Clinton. ([*NYT*](https://www.nytimes.com/2018/01/31/us/politics/trump-russia-hope-hicks-mueller.html?dlbk))

The F.B.I. made an unusual public statement opposing the release of a secret House Intelligence Committee memo about surveillance of a Trump campaign aide. ([*NYT*](https://www.nytimes.com/2018/01/31/us/politics/fbi-director-republicans-secret-memo.html?dlbk))

A federal appeals court ruled that the president could fire the Consumer Financial Protection Bureau’s director only for cause. ([*NYT*](https://www.nytimes.com/2018/01/31/business/cfpb-director-firing.html?dlbk))

The E.U. is preparing measures to stop Britain undercutting it on tax or regulation after Brexit. ([*FT*](https://www.ft.com/content/9052ed50-06d5-11e8-9650-9c0ad2d7c5b5))

The Treasury Department insisted that new sanctions are coming against Russian individuals close to Vladimir Putin. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-02-01/u-s-treasury-defends-russian-billionaires-list-against-critics))

Prosecutors have dropped corruption charges against Senator Bob Menendez, Democrat of New Jersey. ([*NYT*](https://www.nytimes.com/2018/01/31/nyregion/justice-department-moves-to-dismiss-corruption-case-against-menendez.html?dlbk))

The director of the C.D.C., Brenda Fitzgerald, resigned after she was reported to have bought stock in a tobacco company. ([*Politico*](https://www.politico.com/story/2018/01/31/cdc-director-resigns-over-financial-conflicts-380206))

What will the Fed do at its March meeting?

Yesterday’s meeting, Janet Yellen’s last as Fed chairwoman, [*left rates unchanged*](https://www.nytimes.com/2018/01/31/us/politics/federal-reserve-rates.html?dlbk). But the accompanying statement hinted that higher inflation — and rate hikes — might be around the corner.

Analysts’ takes:

Economists at Bank of America Merrill Lynch write, “This shows that the Fed is taking notice of the recent shift in market perception about inflation.”

Ian Shepherdson of Pantheon Macroeconomics writes, “In short, the statement sets up the March hike, which will be followed by Jay Powell’s first press conference.”

Diane Swonk of Grant Thornton said, “Everything from stronger growth at home and abroad to debt-financed tax cuts have raised expectations for inflation.”

The scene at the Fed yesterday, from Binyamin Appelbaum of the NYT:

On Wednesday, some Fed employees [*wore shirts or jackets with the collars turned up*](https://twitter.com/NewYorkFed/status/958693944002535424), or popped, in a tribute to Ms. Yellen, who favored that look in public appearances.

Could G.E. be dropped from the Dow?

Analysts over at Deutsche Bank think so. They wrote in a research note yesterday:

As the company’s absolute share price has continued to drop (and as the share prices of the other companies have been increasing), G.E. increasingly falls into the category of outlier and consequently a likely candidate for removal, in our opinion.

G.E. is the last survivor of the index’s 12 original components from when it started in 1896, and has been in it continuously for more than 110 years.

More on G.E.’s troubles in [*Bloomberg Businessweek’s cover story*](https://www.bloomberg.com/news/features/2018-02-01/how-ge-went-from-american-icon-to-astonishing-mess?dlbk).

The deals flyaround

SoftBank agreed to buy a majority stake in the cellphone service unit of Line, a Japanese messaging company. ([*CNBC*](https://www.cnbc.com/2018/01/31/softbank-buys-majority-stake-in-lines-mobile-division.html?dlbk))

Brookfield Asset Management is in talks to buy Forest City Realty Trust, a fellow real estate owner with a market value of about $6.2 billion, according to unnamed sources. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-01-31/brookfield-is-said-to-be-in-talks-to-acquire-forest-city-realty))

CVC Capital Partners has hired Morgan Stanley and UBS to lead an initial public offering of the antivirus company Avast Software, which could be the biggest ever in British tech, according to unnamed sources. ([*Reuters*](https://www.reuters.com/article/us-avast-ipo-banks/morgan-stanley-ubs-to-lead-software-firm-avast-float-in-london-sources-idUSKBN1FK1NU))

Meet the three-month old boutique investment bank that helped put together the Blackstone Group’s $20 billion deal for Thomson Reuters’ financial information unit. ([*Bloomberg*](https://www.bloomberg.com/news/articles/2018-01-31/blackstone-s-biggest-deal-in-decade-stitched-by-3-month-old-bank))

General Assembly, the coding boot camp, may sell itself. ([*Reuters*](https://www.reuters.com/article/us-usa-bootcamps-generalassembly/coding-boot-camp-general-assembly-explores-potential-sale-ceo-idUSKBN1FK2XV))

Tell us your memories of Xerox as the onetime corporate icon strikes a deal with Fujifilm of Japan. ([*NYT*](https://www.nytimes.com/2018/01/31/reader-center/xerox-memories.html?dlbk))

What’s at stake for Wynn Resorts in Massachusetts’ inquiry

The state’s gaming commission is looking into the numerous, decade-spanning sexual assault and misconduct allegations against Steve Wynn. It has the power to [*revoke*](https://www.nytimes.com/2018/01/31/business/stephen-wynn-massachusetts-casino.html?dlbk)   [*the operating license*](https://www.nytimes.com/2018/01/31/business/stephen-wynn-massachusetts-casino.html?dlbk) for Wynn Boston Harbor, the biggest single-phase development in Massachusetts history, which is expected to create thousands of jobs.

More from Susan Pulliam, Jon Kamp, Chris Kirkham and Kate O’Keeffe of [*the WSJ*](https://www.wsj.com/articles/massachusetts-review-of-wynn-allegations-holds-high-stakes-for-casino-1517400000):

“We will be looking at how the company, from the board on down, handles the allegations,” said Karen Wells, who directs the investigations and enforcement bureau at the state gambling commission.

She said allegations in the settlement agreement weren’t disclosed before the commission granted Wynn a license in September 2014, or at any point before The Wall Street Journal report.

Shares in Wynn Resorts fell more than 3 percent yesterday.

Revolving door

Stephen Cutler, who spent 11 years at JPMorgan, mostly as its general counsel, has joined Simpson Thacher & Bartlett as a ***litigation*** partner. ([*Simpson Thacher*](http://www.stblaw.com/about-us/news/details?id=c45dea0e-743d-6a02-aaf8-ff0000765f2c))

The public relations firm Brunswick Group has hired Bob Zoellick, the former president of the ***World*** Bank, and Pascal Lamy, the former director general of the ***World Trade Organization***, as part of a new consultancy focused on geopolitical advice. ([*Brunswick*](https://www.brunswickgroup.com/brunswick-announces-new-geopolitical-offer-i7076/))

Is retirement for you or your kids?

Our colleagues [*want to know how you’re thinking about retirement*](https://www.nytimes.com/interactive/2018/01/29/us/Retirement-callout29.html?dlbk). They’ll use the best responses in a forthcoming special section.

The Speed Read

U.S. prosecutors have issued grand jury subpoenas in an investigation into potential corruption at international sports bodies, and exploring bringing charges of racketeering, money laundering and fraud. ([*NYT*](https://www.nytimes.com/2018/01/31/sports/fifa-ioc-usoc-iaaf.html))

BMW and Daimler said they had taken action against executives involved in an ***organization*** that sponsored emissions experiments on monkeys. ([*NYT*](https://www.nytimes.com/2018/01/31/business/energy-environment/bmw-daimler-volkswagen-diesel-monkeys.html))

Equifax began offering a free service on Wednesday that promised to let consumers lock their credit files using their cellphones. It didn’t work. ([*NYT*](https://www.nytimes.com/2018/01/31/your-money/new-service-same-old-equifax-credit-locking-app-freezes-up.html?rref=collection%2Fsectioncollection%2Fbusiness))

Some of Interior Secretary Ryan Zinke’s rapid moves on environmental regulation look vulnerable to legal challenge, experts say. ([*NYT*](https://www.nytimes.com/2018/01/31/climate/trump-zinke-environmental-rollback.html))

SoFi is laying off dozens of employees in its mortgage division, according to people familiar with the matter. It used to highlight the area as a growth prospect. ([*WSJ*](https://www.wsj.com/articles/sofi-lays-off-5-of-staff-1517427705))

Hong Kong developers and distressed debt and private credit funds are lining up to offer financing to HNA, bankers and property investors say. ([*FT*](https://www.ft.com/content/7fc642b8-066a-11e8-9650-9c0ad2d7c5b5))

David Einhorn’s Greenlight Capital lost roughly 6 percent in January, extending a multiyear period of weakness. ([*WSJ*](https://www.wsj.com/articles/david-einhorns-greenlight-capital-lost-6-in-january-1517452727))

Private equity heavyweights like K.K.R., Carlyle and Apollo have started issuing U.S. preferred shares, which pay higher interest than traditional bonds and can be a highly efficient way to raise capital. ([*FT*](https://www.ft.com/content/b887b072-d691-11e7-8c9a-d9c0a5c8d5c9))

Hedge funds have earned spectacular payoffs from bearish bets against companies like Steinhoff International and Carillion, but can accounting sleuths expect more wins on that scale? ([*FT*](https://www.ft.com/content/045736c4-06aa-11e8-9650-9c0ad2d7c5b5))

We’d love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com?subject=Newsletter%20Feedback).

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[***Europe to Challenge Argentina's Trade Rules***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:55R9-8T51-JBG3-620R-00000-00&context=)

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**Body**

BRUSSELS -- Firing back after Argentina nationalized assets belonging to a Spanish oil company, the European Union said on Friday that it would go to the ***World Trade Organization*** to challenge what it called the South American country's ''protectionist'' import restrictions.

Although the rules -- called nonautomatic import licenses -- have been in effect since 2005, the European ***trade*** commissioner, Karel De Gucht, said Argentina ''tightened the screws'' in February by extending the restrictions to cover all imports instead of just some product categories, prompting an outcry not only in Europe and the United States and elsewhere.

The Argentine government's decision in April to seize the YPF unit of the Spanish company Repsol only poisoned relations further.

''The ***trade*** and investment climate in Argentina has steadily become worse over the years, and the recent expropriation of Repsol by the Argentinian state is clear proof of that,'' Mr. De Gucht said. ''But dig a little bit deeper and what you find is that Argentina's ***trade*** policy has become rooted in unfair ***trade*** practices.''

Mr. De Gucht stressed that Europe was not alone in its frustration with Argentina and said the door was open for others to join the legal challenge. At a W.T.O. meeting in Geneva on March 30, several countries including the United States, Mexico, Israel and Japan joined the European Union in a statement expressing concern over ''***trade***-restrictive measures taken by Argentina.''

Mr. De Gucht said the rules obliged ''all companies to go through a complex and bureaucratic registration process on not just some but all products,'' including cars, car parts, food products and mobile phones.

Last year -- before the import licenses were expanded -- the rules affected about 500 million euros of European exports, Mr. De Gucht said, adding that the figure probably underestimated the impact because it did not include ***trade*** flows that were blocked.

Under W.T.O. rules, a consultation process will begin in which the two sides can try to avoid ***litigation***. If no agreement is found in 60 days, a W.T.O. panel will be established to rule on the case, a process that could take years.

The Repsol seizure will not be included or affected, since such investments are not covered by W.T.O. rules. European Union officials also have few tools at their disposal in that dispute, since the investment is covered by a bilateral treaty between Spain and Argentina.

Spain has said that it will seek to restrict imports of biodiesel fuel from Argentina in retaliation for the seizure. Repsol is pursuing legal action in United States courts.

The Argentine mission in Brussels was closed Friday for a national holiday, and a diplomat said no statement was planned.

Nkenge Harmon, a spokeswoman for the United States ***trade*** representative, said the United States had expressed ''serious concerns'' several times about Argentine measures ''that appear to restrict imports.'' She said the United States would review the European Union's challenge but declined to comment on whether it would join in.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

PHOTO: Karel De Gucht, Europe's commissioner for ***trade***. (PHOTOGRAPH BY EUROPEAN PRESSPHOTO AGENCY)

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[***THE REPUBLICANS;***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:3S89-4120-0005-G2X8-00000-00&context=)[***Excerpts From Platform Adopted by Republican National Convention***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:3S89-4120-0005-G2X8-00000-00&context=)

The New York Times

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**Body**

Following are excerpts from the platform adopted yesterday by the Republican National Convention.

PREAMBLE

We meet to nominate a candidate and pass a platform at a moment of measureless national opportunity. A new century beckons, and Americans are more than equal to its challenges. But there is a problem. The Clinton Administration has proven unequal to the heritage of our past, the promise of our times, and the character of the American people. . . .

This is what we want for America: real prosperity that reaches beyond the stock market to every family, small business and worker. An economy expanding as fast as American enterprise and creativity will carry it, free from unnecessary taxes, regulation and ***litigation***.

This is what we want for America: the restoration of self-government by breaking Washington's monopoly on power. The American people want their country back. We will help them to regain it.

This too we want for America: moral clarity in our culture and ethical leadership in the White House. . . .

BUILDING A STRONGER AMERICA

Tax Relief for Economic Growth

American families are suffering from the twin burdens of stagnant incomes and near-record taxes. This is the key cause of middle-class anxiety. It is why people feel they are working harder but falling further behind; why they fear the current generation will not be as successful as the last generation; why they believe their children will be worse off; and why they feel so anxious about their own economic future.

In response to this unprecedented burden confronting America, we support an across-the-board, 15-percent tax cut to marginal tax rates. Fifteen percent represents the total increase in the Federal tax burden since Bill Clinton took office. . .

If the personal and dependent exemption that was $600 in 1950 had kept pace with inflation, it would be $3,800 rather than the current $2,500. That is why Republicans have made the $500-per-child family tax credit one of the primary features of our tax cut package. . . .

Today's personal savings rate is less than half what it was two decades ago. Republicans support expansion of I.R.A.'s and the establishment of spousal I.R.A.'s to encourage savings and investment. . . .

To remove impediments to job creation and economic growth, we support reducing the top tax rate on capital gains by 50 percent. . . .

We firmly commit to a tax code for the 21st century that will raise revenue sufficient for a smaller, more effective and less wasteful government without increasing the national debt. . . .

Balancing the Budget And Reducing Spending

Once and for all, we declare:

\*The budget deficit and high taxes are two halves of the vise that is producing the Clinton middle-class squeeze;

\*A balanced budget and lower taxes go hand in hand, not in separate directions;

\*Reducing the budget deficit by shrinking government produces a fiscal dividend in stronger growth and lower interest rates;

\*Ending that deficit will make possible a dramatic return of resources to the American people;

\*Tax relief is the only way to return the economy to the growth rates our country enjoyed from ***World*** War II to the coming of Bill Clinton; and

\*We will not mortgage our children's future by incurring deficits.

Creating Jobs for Americans

. . . In addition to our overall program of lower taxes, regulatory reform, and less spending, we will:

\*Allow small businesses to deduct the costs of their health insurance;

\*Restore the fair home-office deduction so important to start-up businesses;

\*Assure that no one who inherits a small business or farm has to sell it to pay inheritance taxes;

\*Make the I.R.S. stop its discrimination against independent contractors;

\*Enact both legal reform and product liability legislation to shield small businesses and protect jobs from the threat of unfair ***litigation***; and

\*Transfer from the public sector services that can be provided by the private sector more efficiently and cost effectively.

Home Ownership

. . . We affirm our commitment to open housing, without quotas or controls, and we condemn the Clinton Administration's abuse of fair housing laws to harass citizens exercising their First Amendment rights.

In addition, we support transforming public housing into private housing, converting low-income families into proud homeowners. Resident management of public housing is a first step toward that goal, which includes eliminating the Department of Housing and Urban Development (HUD). HUD's core functions will be turned over to the states. Its civil rights component will be administered by the appropriate Federal agency, while enforcement will remain with the Department of Justice. . . .

Promoting ***Trade*** And International Prosperity

. . . Exports already fuel our economy; their continuing expansion is essential for full employment and long-term prosperity. That is possible only within the context of expanding ***trade***, and we can do it better without a Department of Commerce. . . .

Republicans are for vigorous enforcement of the ***trade*** agreements we already have on the books, unlike the Clinton Administration that uses United States ***trade*** policy as a bargaining chip and as a vehicle for pursuing a host of other social agenda items. . . .

To advance economic freedom, we insist that United States foreign aid, whether bilateral or through the ***World*** Bank and International Monetary Fund, promote market reforms, limit regulation and encourage free ***trade***. Republicans will stop subsidizing socialism in the less developed nations. Republicans will not allow the ***World Trade Organization*** to undermine United States sovereignty and will support a ***World Trade Organization*** oversight commission. . . .

Changing Washington From The Ground Up

. . . As a first step in reforming government, we support elimination of the Departments of Commerce, Housing and Urban Development, Education, and Energy . . . [Other] agencies we seek to defund or to privatize are the National Endowment for the Arts, the National Endowment for the Humanities, the Corporation for Public Broadcasting, and the Legal Services Corporation.

A Citizens' Congress

. . . We will eliminate made-in-Washington schemes to rig the election process under the guise of campaign reform. True reform is indeed needed: ending taxpayer subsidies for campaigns, strengthening party structures to guard against rogue operations, requiring full and immediate disclosure of all contributions, and cracking down on the indirect support, or "soft money," by which special interest groups underwrite their favored candidates.

Cleaning Up Government

It is time to restore honor and integrity to government. We propose to:

\*Revoke pension rights of public officials who have been convicted of crimes;

\*Strengthen citizen privacy laws and reform the F.B.I. to guard against the politicization of law enforcement that we have seen by the Clinton White House;

\*Refuse to allow special interest groups to block innovative solutions for the poor or to block workplace or legal reforms that would help all working Americans. . . .

Restoring Justice to the Courts

. . . The Federal judiciary, including the U.S. Supreme Court, has overstepped its authority under the Constitution. It has usurped the right of citizen legislators and popularly elected executives to make law by declaring duly enacted laws to be "unconstitutional" through the misapplication of the principle of judicial review. . . .

INDIVIDUAL RIGHTS AND PERSONAL SAFETY

Upholding the Rights of All

. . . As we strive to forge a national consensus on the divisive issues of our time, we call on all Republicans and all Americans to reject the forces of hatred and bigotry. Accordingly, we denounce all who practice or promote racism, anti-Semitism, ethnic prejudice, and religious intolerance. . . .

We endorse the Defense of Marriage Act to prevent states from being forced to recognize same-sex unions. . . .

We likewise endorse this year's Proposition 209, the California Civil Rights Initiative, to restore to law the original meaning of civil rights. . . .

The unborn child has a fundamental individual right to life which cannot be infringed. We support a human life amendment to the Constitution and we endorse legislation to make clear that the 14th Amendment's protections apply to unborn children. . . .

A Sensible Immigration Policy

As a nation of immigrants, we welcome those who follow our laws. . . . At the same time, we are determined to reform the system by which we welcome them. . . .

Illegal aliens should not receive public benefits other than emergency aid, and those who become parents while illegally in the United States should not be qualified to claim benefits for their offspring. . . .

We support a constitutional amendment or constitutionally-valid legislation declaring that children born in the United States of parents who are not legally present in the United States or who are not long-term residents are not automatically citizens.

FAMILIES AND SOCIETY

Improving Education

. . . Our goal is nothing less than a renaissance in American education . . .

We will abolish the Department of Education, end Federal meddling in our schools, and promote family choice at all levels of learning. We therefore call for prompt repeal of the Goals 2000 program . . .

Renewing Hope and Opportunity

. . . Because illegitimacy is the most serious cause of child poverty, we will encourage states to stop cash payments to unmarried teens and set a family cap on payments for additional children. . . .

To promote personal involvement with anti-poverty efforts, we call for a Charity Tax Credit. . . . To insure that religiously affiliated institutions can fulfill their helping mission, we endorse Republican legislation to stop discrimination against them in government programs.

A CLEANER, SAFER, HEALTHIER AMERICA

. . . While we have made substantial environmental progress, we must reject failed approaches created by fear-mongering and centralized control. . . .

The current Endangered Species Act is seriously flawed. . . . We will improve the E.S.A. by implementing an incentive-based program in cooperation with state, local, and tribal governments and private individuals to recognize the critical relationship between a healthy environment and a healthy economy founded on private property rights . . .

Improving Public Lands

We support a thorough review of the lands owned by the Federal Government with a goal of transferring lands that can best be managed by State, county, or municipal governments. This review should insure that the Federal Government retains ownership to unique property worthy of national oversight. . . .

Power for Progress

. . . The United States should continue its commitment to addressing global climate change in a prudent and effective manner that does not punish the U.S. economy. Despite scientific uncertainty about the role of human activity in climate change, the Clinton Administration has leapfrogged over reasoned scientific inquiry and now favors misdirected measures. . . .

Republicans deplore the arbitrary and premature abandonment of the previous policy of voluntary reductions of greenhouse gas emissions.

RESTORING AMERICAN ***WORLD*** LEADERSHIP

The Atlantic Alliance and Europe

The Atlantic Alliance: Our relations with the nations of Europe must continue to be based on the NATO alliance. . . . We call for the immediate expansion of the framework for peace to include those countries of Central Europe which demonstrate the strongest commitment to the democratic ideals NATO was created to protect. . . .

Bosnia: We support America's men and women in uniform who are serving in Bosnia and Herzegovina. However, we did not support the ill-conceived and inconsistent policies that led to their deployment. . . . We look forward to a timely withdrawal of U.S. forces from Bosnia. . . .

We have a national interest in a security relationship with a democratic Russia. Specifically, we will encourage Russia to respect the sovereignty and independence of its neighbors; support a special security arrangement between Russia and NATO, but not Moscow's veto over NATO enlargement; support Russian entry to the G-7 after its reforms have been achieved; and link U.S. assistance to Russian adherence to international treaty obligations. . . .

Defending America Against Missile Attack

The Republican Party is committed to the protection of all Americans -- including our two million citizens in Alaska and Hawaii -- against missile attack. . . . We therefore endorse the Defend America Act of 1996, introduced by Senator Bob Dole, which calls for a national missile defense system for all 50 states by the year 2003. . . .

To cope with the threat of the proliferation of weapons of mass destruction, the United States will have to deter the threat or use of weapons of mass destruction by rogue states. This in turn will require the continuing maintenance and development of nuclear weapons and their periodic testing. The Clinton Administration's proposed Comprehensive Test Ban Treaty is inconsistent with American security interests. . . .

The Middle East

. . . We reaffirm that Republican commitment to maintain Israel's qualitative military advantage over any adversary or group of adversaries. While we fully support Israel's efforts to find peace and security with its neighbors, we will judge the peace process by the security it generates both for Israel and for the United States. In that context, we support Israel's right to make its own decisions regarding security and boundaries. . . .

Space

The Republican Party led America into space and remains committed to its exploration and mastery. . . . We look toward our country's return to the moon and to completion of the International Space Station. . . . We will develop the Reusable Launch Vehicle, promote markets for commercial space launch services. . . .

APPENDIX I: MINORITY VIEWS

Amendments Considered By the Full Committee on Resolutions

Individual Rights and Personal Safety

. . . The Republican Party welcomes individuals on each side of the abortion issue, encourages their open discussion, solicits their active participation in the Party, and respects their positions and beliefs. . . .

We are committed as a party and as individuals to significantly reducing the number of abortions. . . . We believe that the decline in abortions we seek will be far better achieved by persuasion of individuals to choose -- as a matter of individual conscience -- behavior that will not produce unwanted pregnancies, than by governmental mandate and invasion of privacy. . . . Unlike the Democratic Party, we will not censor members of our party who hold opposing views on this issue. We are a party confident enough in our beliefs to tolerate dissent.

**Graphic**

Photo: A Counterpoint to Powell's Vision -- As Gen. Colin L. Powell was affirming a woman's right to choose in his speech to the Republican convention, a delegate waved a sign taking the opposite position. (Jim Wilson/The New York Times)

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[***POWELL, AT U.N., ASKS WAR ON AID - Correction Appended***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:43C3-2220-0109-T1GF-00000-00&context=)

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**Correction Appended**



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**Byline:**  By CHRISTOPHER S. WREN

**Dateline:** UNITED NATIONS, June 25

**Body**

Striking an assertive tone for the Bush administration on AIDS policy, Secretary of State Colin L. Powell told the General Assembly today that "from this moment on," the ***world***'s response to the disease "must be no less comprehensive, no less relentless and no less swift than the pandemic itself."

During a special session on AIDS, Secretary Powell held out the possibility of further American contributions to a global fund being set up to finance the fight against the disease, following the $200 million offered by the Bush administration last month. The secretary of state, who expressed his concern over the AIDS crisis in Africa during a visit last month, said the United States would also continue to lead the ***world*** in providing money for research.

Secretary Powell stopped short of saying how much more money the administration would contribute to the global fund, or when. But he said the initial contribution was "only a beginning."

As the session got under way, the United States also announced in Washington that it would drop its ***World Trade Organization litigation*** against Brazil for planning to produce and market generic anti-AIDS medicine. Page A4.

Echoing the basis of that decision, Secretary Powell told the delegates: "No war on the face of the ***world*** is more destructive than the AIDS pandemic. I was a soldier, but I know of no enemy in war more insidious or vicious than AIDS, an enemy that poses a clear and present danger to the ***world***."

Later, answering questions from reporters about the Bush administration's plans, Secretary Powell said, "I would expect that additional funds would be found in the future and appropriated" by the United States. He said he expected the new global fund, which Secretary General Kofi Annan proposed in April, to start showing results by the end of the year. "To date, the United States has dedicated over $1.6 billion to combat AIDS in the developing ***world***," Secretary Powell said in his speech. President Bush's budget for the next fiscal year seeks $480 million to fight AIDS, the secretary said, more than twice that spent during the 2000 fiscal year.

President Bush is also requesting more than $3.4 billion for AIDS research, Secretary Powell said. "The United States, I pledge today, will continue to lead the ***world*** in funding vital research," he said.

The special session, to conclude on Wednesday, is the first devoted to a public health issue. For all the talk today in more than 70 speeches, success hinges in large part on Mr. Annan's ability to attract donors to the global fund, which would spend $7 billion to $10 billion annually to combat AIDS and other infectious diseases, notably malaria and tuberculosis.

Mr. Annan said his goal was to have the fund operating by the end of the year. "We must mobilize the money required for this exceptional effort, and we must make sure it is used effectively," he said today.

So far, the United States, France and Britain, as well as the the Bill and Melinda Gates Foundation, have together pledged a little more than $500 million. Norway came forward today to offer $110 million. "The counteroffensive against AIDS cannot be won without a bigger war chest," said the Norwegian minister for international development, Anne Kristin Sydnes.

The secretary general opened the conference today with a plea for more compassion for people with AIDS. "When we urge others to change their behavior, so as to protect themselves against infection, we must be able to change our behavior in the public arena," Mr. Annan said.

"We cannot deal with AIDS by making moral judgments or refusing to face unpleasant facts -- and still less by stigmatizing those who are infected, and making out that it is all their fault," he continued. "We can only do it by speaking clearly and openly, both about the ways that people become infected, and about what they can do to avoid infection."

The secretary general's appeal for tolerance was the latest in his continuing effort during the last year to curb divisions and antagonisms -- prejudice against AIDS patients, poor countries' resentment of richer ones and suspicion of big business, especially pharmaceutical companies -- that have frustrated the formation of an effective united front against the epidemic.

Mr. Annan demonstrated anew his instincts for conciliation, which further assured his anticipated nomination this week for a second five-year term as secretary general. The Security Council is expected to endorse him on Wednesday and the General Assembly appears in a mood to approve another term.

Still, it was unclear how much would be accomplished at the General Assembly session, which was attended by two dozen heads of state and hundreds of health ministers, other government officials and diplomats. An estimated 3,000 people have attended, inside and outside the conference.

Clare Short, the British secretary of state for international development, complained that AIDS had been around for 20 years, and that too much time and energy were being wasted at United Nations conferences. "We use up enormous energy in arguing at great length over texts that provide few, if any, followup mechanisms or assurances that governments and U.N. agencies will carry forward the declarations that are agreed," she said.

"There have been enough conferences and declarations," Ms. Short said. "What we need now is urgent and much more effective action on a much wider scale to prevent the terrible suffering, loss of life and costs to development that this terrible disease is inflicting across the ***world***."

The conference is scheduled to conclude with the signing of a declaration setting out goals and targets containing and reversing the AIDS epidemic. But some Muslim countries have objected to explicit references in the draft text to homosexuals, prostitutes and intravenous drug users as people vulnerable to the disease, delaying its completion.

In another contentious event, a private advocacy group, the International Gay and Lesbian Human Rights Commission, regained its seat in one of the roundtable discussions outside the General Assembly after Canada, Norway and Sweden pressed its case. The group was excluded when some conservative delegates objected to its participation.

Mr. Annan reminded delegates that AIDS had set back development in some African countries by a decade or more, and was now spreading "with lightning speed" through Eastern Europe, Asia and the Caribbean. He recited statistics underscoring the toll taken by AIDS around the ***world***: nearly 22 million dead, 13 million children orphaned, more than 36 million living with AIDS or H.I.V. "Every day, another 15,000 people acquire the virus," he said.

President Olusegun Obasanjo of Nigeria painted an even bleaker picture of Africa as home to 70 percent of the adults and 80 percent of the children infected with H.I.V. in the ***world*** and three-fourths of those who have died from AIDS.

"With this trend in statistics, the future of our continent is bleak, to say the least, and the prospect of extinction of the entire continent looms larger and larger," Mr. Obasanjo said. "We do not have any choice but to contemplate exceptional measures to contain the spread and devastation of H.I.V./AIDS."

President John Agyekum Kufuor of Ghana said: "These statistics are frightening and more so when we know that only about 40 percent of the cases are recorded. What this means is that our social security and our economic development efforts are being undermined faster than we can by ourselves contain."

President Thabo Mbeki of South Africa, who once expressed doubts that AIDS was caused by a virus, did not attend the session, despite his visit to Washington this week.

His government recently set aside plans to distribute antiretroviral AIDS drugs, after battling pharmaceutical companies for the right to do do.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Correction**

A picture caption yesterday about the opening of the United Nations General Assembly on AIDS in New York misspelled the name of the president of the General Assembly. He is Harri Holkeri, not Harry.

**Correction-Date:** June 27, 2001

**Graphic**

Photo: Peter Piot, left, executive director of the United Nations agency fighting AIDS, with Secretary General Kofi Annan, center, and Harry Holkeri, president of the General Assembly, spreading an AIDS quilt yesterday. (Agence France-Presse)(pg. A4)

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[***How Foreign Is Broadcom? A Tale of the Tape: DealBook Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RTN-R4W1-DXY4-X2JR-00000-00&context=)

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**Body**

Good Wednesday. Here's what we're watching:

How foreign is Broadcom?

The markets are worried that free ***trade*** has no voice at the White House.

The E.U. formally announced its plan for any Trump tariffs.

Chuck Rosenberg, a former senior official at the Justice Department, is going to Crowell & Moring.

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How foreign is Broadcom?

As the Trump administration weighs whether to block the chip maker's $117 billion takeover bid for Qualcomm, a central issue is how much of a threat the deal is to national security. In an effort to assuage concerns, Broadcom pledged Wednesday to increase research spending on 5G wireless tech and to create a $1.5 billion fund to invest in training engineering talent in the United States to help allay those concerns.

The Committee on Foreign Investment in the United States, or Cfius, has jurisdiction over the transaction because Broadcom is currently incorporated in Singapore, where the company has been legally headquartered since 2005. But the company is preparing to move its corporate base to the United States, in part to avoid being considered a foreign acquirer.

Beyond Broadcom's legal domicile, though, is it a substantially foreign company? Let's take a look at a number of factors.

Sales

First, a caveat: Both Broadcom and Qualcomm categorize where their revenue based on the location to which the chips that go in the smartphones and other devices are delivered. As Qualcomm puts it:

''China revenues could include revenues related to shipments of integrated circuits to a company that is headquartered in South Korea but that manufactures devices in China, which devices are then sold to consumers in Europe and/or the United States.''

According to Broadcom's most recent annual report, roughly 7 percent of its $17.6 billion in net revenue comes from the United States. The single biggest market for the company is China, which accounted for roughly 54 percent of its net revenue. ''Other'' markets made up nearly 38 percent.

As a point of comparison, 2 percent of Qualcomm's revenues come from the United States. Some 65 percent of its revenue comes from China, including Hong Kong, according to its most recent annual report.

Employees

Roughly 55 percent of Broadcom's employees are based in North America, according to the annual report. About 38 percent are in Asia, and the remainder work in Europe, the Middle East and Africa. About 52 percent of Qualcomm's employees are based in the United States.

Broadcom also said that about 62 percent of the square footage of its properties, both owned and leased, are in the United States. By contrast, Qualcomm has roughly 56 percent of its owned and leased facilities in the United States.

Corporate governance

The vast majority of Broadcom's board are American citizens who live in the United States. That includes Jim Diller, its chairman; Henry Samueli, the founder of the original Broadcom; and Ken Hao, the Silver Lake partner who has backed Broadcom for years.

Hock Tan, the company's C.E.O., immigrated to the United States to attend M.I.T. and then Harvard Business School and lives in the San Francisco Bay Area. He became a naturalized citizen of the United States in 1990.

Broadcom does have one Singaporean director, Check Low, to comply with Singapore's corporate rules.

Ownership

The two companies share 11 of their top 20 shareholders, including big index fund managers like BlackRock and Vanguard.

-- Michael de la Merced

Who could succeed Gary Cohn?

President Trump's top economic adviser finally announced he would leave, in a sign that the nationalists have won the White House debate on tariffs.

The news prompted Tom Nides, Morgan Stanley's vice chairman, to utter aloud, ''Oh, that's a problem.''

More on Mr. Cohn's decision from Kate Kelly and Maggie Haberman of the NYT, who broke the news yesterday:

It leaves Mr. Trump surrounded primarily by advisers with strong protectionist views who advocate the types of aggressive ***trade*** measures, like tariffs, that Mr. Trump campaigned on but that Mr. Cohn fought inside the White House. Mr. Cohn was viewed by Republican lawmakers as the steady hand who could prevent Mr. Trump from engaging in activities that could trigger a ***trade*** war.

Potential replacements, according to Axios: Peter Navarro, the ***trade*** adviser who pushed for the tariffs; Kevin Warsh, the former Fed governor; Shahira Knight, a deputy of Mr. Cohn's; and the pro-free-***trade*** economist Larry Kudlow. But Axios says that there's no official succession plan, and that other members of the National Economic Council will likely leave (We can rule out Austan Goolsbee.)

The timing: CNBC notes that Mr. Cohn's announcement came hours after Mr. Trump said that ''everyone wants to work in the White House.'' It also came after Mr. Trump tweeted, ''There is no Chaos, only great Energy!''

Peter Eavis's take: Even if there is no plunge, now is a moment for investors to make up their minds about populism.

Critics' corner: The WSJ editorial board said Mr. Cohn's departure was ''a significant blow'' to Mr. Trump's presidency. The NYT editorial board said Mr. Cohn had done ''an awful job,'' which still probably represented ''the high-water mark for economic thinking'' for this White House. And his former boss, Lloyd Blankfein, said he had served his country ''in a first class way.''

Will the Fed be able to soften the blow of a ***trade*** war?

The Federal Reserve has helped support the economy when a big event -- fears for the survival of the euro, fiscal standoffs in Congress, oil price declines -- threatens to dampen growth. But will the Fed have the same leeway to stimulate the economy if rising ***trade*** tensions start to weigh on the growth prospects of the United States?

Maybe not.

The Fed had ample room to keep its policy loose when inflation was dormant for years after the financial crisis. But now that inflation seems to be waking up, the Fed might not have the same flexibility. Indeed, amid the current ***trade*** tumult, investors still seem to believe that inflation is moving higher. This can be seen in a closely watched bond market indicator flagged this morning by Lisa Abramowicz of Bloomberg.

One outcome: The concerns about a ***trade*** war may end up weighing on growth and causing the inflationary pressures to abate. That would give the Fed more room to maneuver, perhaps allowing it to raise interest rates more slowly.

But it could get messy. ***Trade*** tariffs, applied broadly, could push up the prices of many goods at a time when the Fed has to grapple with the enormous fiscal stimulus that Congress just enacted.

- Peter Eavis

Fed officials increasing seem to believe inflation will pick up.

Federal Reserve governor Lael Brainard became the latest policymaker to express confidence that inflation would hit the Fed's target of 2 percent this year.

''Mounting tailwinds at a time of full employment and above-trend growth tip the balance of considerations in my view. With greater confidence in achieving the inflation target, continued gradual increases in the federal funds rate are likely to be appropriate.''

What are those tailwinds?

''The most notable tailwind is the shift in America's fiscal policy stance from restraint to substantial stimulus in an economy close to full employment.''

Ms. Brainard's comments are notable because she had previously argued vocally for caution in tightening monetary policy.

How is Wall Street reacting to Mr. Cohn's decision to leave?

Major stocks indexes in the United States are down a bit. The Dow Jones industrial average and the S.&P. 500 are both off just over 0.5 percent. Futures fell more than 1 percent in the hours after the news broke.

Despite the muted response, a number of analysts are warning that investors need to prepare for the possibility that more protectionist/populist policies are on the way. Here's a look at some reactions:

Joe Brusuelas, the chief economist at RSM US, wrote:

''The resignation of Gary Cohen from his position at the White House will likely have no to little impact on policymaking out of the West Wing or the bureaucracy. His likely replacement be it Peter Navarro or Larry Kudlow will still be subject to the whims of the occupant of the oval office and a prisoner of the internal inconsistencies of the Trump economic agenda: that it could debt finance a $1.5 trillion dollar tax cut (with a $750 billion fudge factor) and then throw an additional $320 billion in kerosene on top of the debt fueled flames without stoking rising inflation and higher interest rates that are almost certain to follow in its wake. No economic advisor, whatever their academic or professional background will be able to liberate the economy from such internal inconsistencies given the whim like policy making apparatus that exists inside a chaotic White House.''

Brian Gardner and Michael Michaud, analysts at Keefe, Bruyette & Woods, wrote:

''Regardless of whether Mr. Cohn's replacement comes from the mainstream or is an economic nationalist, investors need to realize that President Trump's populist rhetoric on ***trade*** is real and that protectionist ***trade*** policies are more likely than not. To date, investors have been assuaged that Mr. Cohn was the ''adult in the room'' in an unorthodox and chaotic White House and for most economic and regulatory policy that was the case. However, we think ***trade*** policy is different and investors need to understand that the assumptions about a liberal and open global ***trade*** framework are being shredded and that the sanctions on steel and aluminum may represent a new paradigm regarding global ***trade***.''

What does that mean? The analysts said they think the United States is more likely than not to withdraw from Nafta.

Charlie McElligott at Nomura Securities wrote:

''It still feels that collective investor mentality views this as little-more than a political ploy to galvanize Trump's core constituency into mid-term elections, a game-theory standoff to draw-out ***trade*** concessions from China.''

But he adds:

''It does ''pull forward'' risk of the ''Bad Trump'' scenario which that market had largely ''priced-out'' into the ''now.''

Carl Icahn responds to critics of his Manitowoc stock sale.

Between Feb. 12 and Feb. 22, the billionaire investor sold about $31 million of the crane maker's stock.

To some, that seemed like good timing.

Since the day before he started selling, the stock is down 20 percent. The catalyst? The Trump administration's plans to slap tariffs on imported steel and aluminum. Manitowoc stock fell 4.8 percent on Feb. 16 when Commerce Secretary Wilbur Ross unveiled a report calling for tariffs on imported steel. The company's shares then dropped 6 percent Thursday when President Trump announced his plan.

On Wednesday, Mr. Icahn said he had no knowledge of the Trump administration's plans when he moved to reduce his holding. In a statement on his website, Mr. Icahn said:

''We don't generally comment on rumors, but the recent media speculation regarding our sale of Manitowoc stock calls for a response. We state for the record: Any suggestion that we had prior knowledge of the Trump administration's announcement of new tariffs on steel imports is categorically untrue. We reduced our position in Manitowoc for legitimate investment reasons having nothing to do with that announcement.''

Europe unveils its Trump tariffs response

The political bloc formally announced its plan to counterattack, including taxing American goods like Harley-Davidsons and bourbon and filing a challenge with the ***World Trade Organization***.

Meanwhile, allies continued to fret. South Korea worries that tariffs will complicate its efforts to denuclearize the North. Christine Lagarde of the I.M.F. warned of the perils of a ***trade*** war. And fellow Republicans in Washington continued to lobby the White House.

The aluminum industry doesn't want tariffs either

In a letter to the White House yesterday, the Aluminum Association (which represents both U.S. and foreign suppliers) said that the move would be a bad idea.

Complaints can be heard around the sector. The C.E.O. of Novelis, a big aluminum producer, criticized Commerce Secretary Wilbur Ross for saying predictions of price increases were ''hysteria.'' And DowDuPont said it might now build plants in Canada or Argentina rather than the U.S.

Bayer may sell its seeds unit for the sake of the Monsanto deal

Bayer said it is in exclusive talks with BASF about the sale of its entire vegetable seeds business as the German chemicals multinational, seeks to win approval for its $56 billion deal for Monsanto from European regulators.

European antitrust regulators opened an in-depth investigation into Bayer's planned acquisition of Monsanto, its American agribusiness rival, in August. European competition authorities are expected to wrap up their inquiry by early next month.

The proposed combination is the latest in a series of mergers in the rapidly consolidating seed and agrochemical sector.

Bayer previously agreed to sell selected businesses with its Crop Sciences unit to BASF for 5.9 billion euros, or about $7.3 billion at current exchange rates, in October. Both deals, if one were to be reached on the vegetable seeds business, would be subject to the Monsanto transaction closing.

-- Chad Bray

Chuck Rosenberg is going to Crowell & Moring

Mr. Rosenberg had a long career in government: twice U.S. attorney, he's been a longtime senior official at the Justice Department (including as chief of staff to James Comey) and acting head of the Drug Enforcement Administration. Now he is heading to Crowell and Moring as senior counsel in the firm's white-collar and regulatory-enforcement practice.

Philip Inglima, the chairman of Crowell, said of Mr. Rosenberg in a statement:

'' Through his experience operating at the highest levels of the Justice Department, he gained unsurpassed insight into the government's enforcement priorities and processes.''

The policy flyaround

Some Senate Democrats joined with Republicans to send an overhaul of Dodd-Frank to the floor, setting up a battle over loosening banking regulations. (NYT)

The former C.E.O. of a payday lender investigated by the Consumer Financial Protection Bureau asked Mick Mulvaney, the regulator's acting director, for a senior position there. (AP)

An adviser to the U.A.E. with ties to associates of President Trump is cooperating with Robert Mueller, suggesting that the special counsel is looking into whether Emirati money was funneled into his campaign, unnamed sources say. (NYT)

The adult-film star Stormy Daniels asserted in a lawsuit that the president never signed a nondisclosure agreement about the affair she says they had. (NYT)

The Justice Department has sued California over its sanctuary city policies. (NYT)

Smith & Wesson's parent company said it was wary of smart-gun proposals. (WSJ)

The tech behind Cfius's Qualcomm intervention

It's 5G, the superfast wireless standard that Washington, Beijing and business think will be transformative. So important is 5G that Cfius disclosed serious national security concerns about Broadcom buying Qualcomm.

More from Cecilia Kang and Alan Rappeport of the NYT:

''It is the new paradigm,'' said Paul Triolo, head of global technology policy at Eurasia Group, a geopolitical risk consulting company. ''That implies technologies with 5G, artificial intelligence, biotech and automation are now considered more sensitive and part of a national innovation base that needs to be protected.''

As Michael points out, however, much of Cfius's letter to the two companies focused on how Broadcom could manage Qualcomm if it took over. Its ''private equity'' cost-cutting could lead to Qualcomm reducing investment in R. & D. and ceding its 5G lead to Huawei of China, according to the letter.

Broadcom said this morning that it was committed to advancing 5G and that it is an American company in everything but legal headquarters.

More on Huawei: It's the Chinese tech company that Washington fears the most, even if other companies don't.

Another take, from DealBook's friend Steven Davidoff Solomon:

BlackBerry is alive, and suing Facebook

The onetime king of messaging devices has accused Facebook of violating its patents in Facebook Messenger, Instagram and WhatsApp.

More from Ahmed Farhatha of Reuters:

***Litigation*** over patent infringement is part of BlackBerry chief executive John Chen's strategy for making money for the company, which has lost market share in the smartphone market it once dominated.

Facebook says that it will fight the lawsuit and added, ''BlackBerry's suit sadly reflects the current state of its messaging business.''

Today in virtual currencies: Coinbase is creating an index fund including Bitcoin, Bitcoin Cash, Ether and Litecoin. A federal judge ruled that the Commodity Futures ***Trading*** Commission can regulate digital money. And rich people are investing in Bitcoin without understanding it.

The tech flyaround

Conservatives are increasingly targeting tech giants: The man behind ''Clinton Cash'' is producing a documentary on Facebook and Google. (NYT)

Uber's self-driving trucks have been making deliveries around Arizona, but they're not ready to replace human drivers. And European automakers are preparing for an electric future, but skepticism remains.

Scientists are trying to figure out how machines learn on their own. The vast majority of Americans expect artificial intelligence to lead to job losses in the coming decade, but, like bricklayers, few see it coming for their own position.

The idea of Facebook paying us for our puppy pictures may sound crazy, but it's gaining momentum. (NYT)

Data centers have helped revitalize cities like Prineville, Oreg. (NYT)

UiPath, an automation software company, has raised $153 million in a Series B round of funding led by Accel, CapitalG and Kleiner Perkins. (UiPath)

HQ Trivia raised new funding at a $100 million valuation, and its co-founder, Colin Kroll, apologized for his behavior when he worked at Vine. (Recode)

Why the Weinstein Company deal is off again

The investor group that had walked away, only to come back, took a look at the company's finances and got a nasty surprise about its debt -- up to an additional $65 million in liabilities, according to the NYT.

Maria Contreras-Sweet, who was leading the investor group, said that it would ''consider acquiring assets that may become available in the event of bankruptcy proceedings.''

The Weinstein Company's response: ''The company has been transparent about its dire financial condition.''

The deals flyaround

CVS Health sold $40 billion of bonds, the biggest such deal in two years, to help pay for its takeover of Aetna. (WSJ)

J.M. Smucker called off its deal to buy the Wesson cooking oil brand after federal regulators sued to block it. (WSJ)

International Paper's bid for the European cardboard-box maker Smurfit Kappa is worth about 8.64 billion euros, or $10.7 billion. (FT)

Spotting an M&A dud: the bigger the deals, the harder they fall. (Bloomberg)

A proposed change in Japan's tax law could encourage more all-stock deals. (FT)

UnitedHealth is among the bidders for a unit of Envision Healthcare, a health services provider under pressure from activist investors, unnamed sources said. (Bloomberg)

S.&P. Global is buying Kensho Technologies, which provides A.I.-based data analysis to financial institutions, for $550 million. (WSJ)

Penske Media, which owns Variety and Deadline, has acquired SheKnows Media to expand its female audience. (WSJ)

The story behind the fall of the British electronics retailer Maplin. (Coppola Comment)

WeWork is buying the digital marketing and advertising company Conductor. (Recode)

Singapore's Temasek and GIC are close to a deal for the parent company of the Salt Bae's steakhouse chain, which values the business at $1.5 billion. (FT)

Revolving door

Airbnb has named Greg Greeley, an Amazon executive who helped create Prime, as the head of its homes business. (Airbnb)

The Speed Read

Royal Bank of Scotland agreed a $500 million settlement with New York State over the mis-selling of residential mortgage-backed securities before the financial crisis. (FT)

Red Granite Pictures, which produced ''Wolf of Wall Street,'' agreed to pay $60 million to settle claims it financed the film with money siphoned from a Malaysian state investment fund. (Bloomberg)

UnitedHealthcare, one of the largest U.S. health insurers, said it would stop keeping millions of discounts it gets from drug companies and share them with its customers. (NYT)

The N.Y.S.E. agreed to pay $14 million in penalties to settle regulatory charges for multiple violations related to high-profile events that disrupted ***trading***. (FT)

A new book chronicles how American businesses won their civil rights. (NYT)

Synthetic identity fraud, using fictional names and unassigned social security numbers, is one of the fastest growing forms of identity theft. (WSJ)

Billy McFarland, the entrepreneur who created Fyre Festival, admitted that he had defrauded investors. (WSJ)

Multinationals have made such extensive use of Ireland for funneling royalty payments that they made up about 23 percent of the country's annual gross domestic product, according to the European Commission. (FT)

''The Big Picture'' tells the story of movie and television executives whose careers were destroyed or made as entertainment went digital. (NYT)

We'd love your feedback. Please email thoughts and suggestions to [*bizday@nytimes.com*](mailto:bizday@nytimes.com)

[*https://www.nytimes.com/2018/03/07/business/dealbook/gary-cohn-leaving.html*](https://www.nytimes.com/2018/03/07/business/dealbook/gary-cohn-leaving.html)

**Load-Date:** March 8, 2018

**End of Document**

[***A Dogfight Between Jetliners***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4FXW-5980-TW8F-G2VD-00000-00&context=)

The New York Times

April 13, 2005 Wednesday, Late Edition - Final

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**Section:** Section C; Column 2; Business/Financial Desk; Pg. 1

**Length:** 1404 words

**Byline:** By MARK LANDLER; Paul Meller contributed reporting from Brussels for this article.

**Dateline:** FRANKFURT, April 12

**Body**

A funny thing happened while the United States was crying foul over Europe's subsidies to its aircraft maker Airbus: Boeing, the embattled American manufacturer in need of Washington's helping hand, suddenly started booking orders for planes.

A spate of orders for Boeing's new 787 has allowed the company to catch a second wind in this fiercely competitive marketplace. What seemed last year like a lopsided competition -- with Airbus rolling up more orders and rolling out more new planes than Boeing -- now seems like a genuine duel.

On Monday, Korean Air Lines announced an order for 10 787's, a midsize, fuel-efficient jet dubbed the Dreamliner. Northwest Airlines is near a deal to buy as many as 18, according to people close to the talks. After a slow start, Boeing says it has 203 orders and commitments for the plane.

Boeing has been buoyed by a mix of aggressive salesmanship and rising concerns about oil prices, as well as doubts about Airbus's plans for a rival plane, given the possible loss of its subsidies.

It is not clear that Boeing's success will change the course of the trans-Atlantic tussle, which is in a lull after a deadline to take the matter to the ***World Trade Organization*** expired on Monday.

Some analysts believe the 787's recent strides will make subsidies all the more imperative for Airbus as it develops the A350, a midsize rival to Boeing's plane. The loans for this project, which could total $1.3 billion, are the critical sticking point between the United States and Europe.

***Trade*** officials on both sides say they are open to restarting settlement negotiations. But as the standoff drags on, the shift in the fortunes of Boeing and Airbus, even if transitory, adds an unpredictable new element to both the political and commercial showdown.

The longer that financing for the A350's remains unresolved, analysts say, the more pressure Airbus will face. The company, which is based in Toulouse, France, and is owned by Europe's military-contracting industry, insists it can develop the plane without so-called launch aid. But with Boeing busily signing customers for the 787, even a modest delay could hobble the project.

''At some point, Airbus may have to say, 'This isn't the right plane anymore. Maybe the solution is to design an entirely new one,''' said Howard A. Rubel, an analyst at Jeffries & Company.

The A350, with 245 to 285 seats, roughly comparable to the 787, would be derived from the existing A330, though equipped with new engines that would give it longer range. That would allow Airbus to put it into service by 2010, only two years after the 787. If this gap were to be longer, analysts said, the A350 might be deemed obsolete at birth.

Airbus disputes that, saying the plane has won broad acceptance from airlines and will outperform the 787 in several areas, including fuel efficiency on a per-seat basis. It has set a goal of booking 100 orders this year, and would like to formally introduce it by the Paris Air Show in June.

Still, John Leahy, the chief commercial officer of Airbus, acknowledged that the ***trade*** dispute was complicating his sales job. ''There is a little bit of a cloud hanging over it in the market,'' he said.

Adding to the image problems, Airbus has pushed back the maiden flight of its flagship plane, the 555-seat A380. The company insists there are no major glitches, and that the plane will take to the skies sometime this month, but the delays are sowing uneasiness in the market.

Mr. Leahy said Boeing was offering carriers heavy inducements to buy the 787, in an attempt to discourage Airbus from pressing ahead with the A350. Korean Air Lines, he said, might have been swayed by the fact that parts of the 787, worth $1 million a plane, will be produced in Korea.

''The fact that they're winning a few deals doesn't surprise me,'' Mr. Leahy said. ''They're in a state of hyperdrive.''

As evidence of Airbus's confidence in the viability of the A350, he said the company's executive committee would meet on Wednesday to approve its final design specifications.

Mr. Leahy declined to comment on how the subsidies might affect the decision on whether to build it. He referred to an earlier statement by the chief executive of Airbus, Noel Forgeard, who said late last year that the company had enough money to develop the A350 without state loans.

For Boeing, which has watched Airbus seize its mantle as the ***world***'s No.1 seller of passenger planes, the success of the 787 is critical. It is central to Boeing's strategic bet that the air travel market is fragmenting from hub-and-spoke airports into a profusion of direct flights between cities.

As a result, Boeing did not build a competitor to the A380. Instead, it developed the 787, a 200- to 300-seat jet with extra-large windows and higher humidity in the cabin to make long flights more comfortable. By using more composite materials in the fuselage, Boeing says the 787 will burn 20 percent less fuel than comparable planes.

Despite a flurry of publicity, the Dreamliner got off to a bumpy start. Some of the first customers were charter airlines with obscure names and uncertain prospects. Boeing fell well short of its stated goal of 200 orders in 2004 -- a fact it now chalks up to clumsy public relations.

''We typically don't make order forecasts,'' said Randy Baseler, the vice president for marketing at Boeing's commercial aircraft unit. ''We just had someone who got excited and said something. Then when we didn't make it at the end of the year, everyone said it was a failure.''

In fact, he said, the 787's prospects brightened last December, when Airbus began discussing specifics of the plane with potential customers.

At that point, he said, the carriers began showing their preference for the 787.

''Since Dec. 10, we've chalked up 12 airlines and 121 orders.'' Mr. Baseler said. ''The market is running away from Airbus very quickly.''

Sales are running so strongly, Boeing says, that it believes it can regain the lead in total orders from Airbus this year. In the first quarter, Boeing still trailed Airbus by 123 confirmed orders to 44. Analysts are skeptical, though Mr. Rubel of Jeffries said that by his calculation, the 787 was off to the fastest start of any major new plane.

In addition to the ***trade*** dispute, Boeing is benefiting from higher oil prices.

''Boeing is coming in with an airplane that is designed specifically for low fuel consumption,'' said Jim Eckes, a consultant at Indoswiss Aviation in Hong Kong. ''That is generating a lot of interest.''

Then, too, Airbus may need to dispel some doubts about the A350. A senior executive at a major Asian airline, speaking on condition of anonymity, said he had concerns about its speed and range.

While the ***trade*** dispute may not help Airbus, Boeing's success may not help its case in Brussels.

''The more the 787 wins orders,'' said a person involved in the negotiations with the United States, who is familiar with the European Commission's arguments, ''the harder it will be for the Americans to show that there's been an injury caused by launch aid to the A350.''

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Support for Airbus Aid

(By The New York Times)

BRUSSELS, April 12 -- Europe's top ***trade*** negotiator, Peter Mandelson, said in a telephone interview late Tuesday that the ***trade*** dispute with the United States over subsidies to Airbus and Boeing was more about competition in the marketplace than about trans-Atlantic ***trade*** rules. He added that Boeing's anger had risen along with Airbus's market share.

France and Britain have not tried to hide the fact that they are considering a request from Airbus for aid for the A350 airplane, which will compete with Boeing's 787.

Mr. Mandelson said European governments had every right to consider such a request from Airbus, and said he had not asked them to hold off with aid, even though that would automatically trigger ***litigation*** from the United States at the ***World Trade Organization***.

In the United States, the Senate voted unanimously on Tuesday in support of taking a hard line with Europe over aid to Airbus. ''They are supporting us to go into ***litigation***,'' said Richard Mills, spokesman for the United States ***trade*** representative.

Mr. Mandelson sounded pessimistic about a resumption of talks any time soon. ''Perhaps we need to wait to allow the atmosphere to clear before we resume,'' he said.

But both sides have expressed hope for the resumption of talks.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photo: Airbus is developing the A350, which it expects to challenge Boeing's Dreamliner. (Photo by Airbus)

Korean Air Lines announced on Monday an order for 10 Dreamliners. (Photo by Boeing)

**Load-Date:** April 13, 2005

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[***U.S. in Difficult Position Over Japan's Rice Plan***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4SK5-G440-TW8F-G0HM-00000-00&context=)

The New York Times

May 23, 2008 Friday, Late Edition - Final

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**Section:** Section C; Column 0; Business/Financial Desk; Pg. 3

**Length:** 1048 words

**Byline:** By KEITH BRADSHER and ANDREW MARTIN; Keith Bradsher reported from Hong Kong and Andrew Martin from New York. Yasuko Kamiizumi in Tokyo contributed reporting.

**Dateline:** HONG KONG

**Body**

Japan is preparing to send at least 220,000 tons of rice to the Philippines, and possibly Africa. The Japanese government says the plan is meant to ease the suffering of poor nations punished by rising rice prices.

But critics, including some in Washington, worry that it could set a precedent for Japan to dump foreign rice it was obligated to import but had never wanted. They say that the Japanese plan risks setting off a ***trade*** dispute with the United States -- and may barely dent the price of rice.

Yet opposing the Japanese plan could put the United States in a delicate diplomatic position. The price of rice, the most important staple food of the ***world***'s poor, has risen faster than any other cereal, nearly tripling this year alone, according to rice traders. The high prices have caused protests in many countries and, according to ***World*** Bank officials, pushed 100 million people back into poverty.

''It is a fact that people around the ***world*** regard the situation as one in which the United States is systematically obstructing Japanese efforts to use its minimum access rice reserve usefully -- we have to exchange opinions with each other,'' said Tatsuya Kajishima, the director of the food ***trading*** division of Japan's ministry of agriculture, fisheries and forestry.

American and Japanese officials are scheduled to resume talks on the issue on Friday.

The Japanese shipments could damp slightly the rise in global rice prices. The effect would be more pronounced if Japan followed it with further sales or donations from the 1.7 million tons of imported rice now sitting in Japanese warehouses. Roughly 30 million tons of rice are ***traded*** globally each year.

Mr. Kajishima said no decision had been reached yet on how much of the 220,000 tons for the Philippines would be sold and how much might be donated. Japan's cabinet is also preparing to approve $50 million worth of food aid for Africa, part of which may be rice, he said.

The plan is controversial among ***trade*** experts because the rice earmarked for shipment is rice that Japan reluctantly imported from other countries under an agreement to provide at least a minimum level of access to its largely protected rice market each year.

Separately, experts in international development warn that shipments of free or subsidized food hurt farmers in developing countries, robbing them of their customer base and making the country dependent on foreign food.

The United States led an international effort by rice-exporting nations in the 1980s and early 1990s to insist that Japan begin allowing rice imports. Japan finally agreed to buy nearly 700,000 tons a year, as part of the 1993 global pact that created the ***World Trade Organization***.

But Japan has put much of the imported rice in warehouses at an annual cost to the government of $144 million, according to the United States Department of Agriculture.

Each year, Japan also donates limited quantities of rice to countries, including Tanzania, sends some to rice cracker makers and other food processors and even uses some rice as animal feed.

Only a small amount of the imported rice has been sold to Japanese consumers, allowing rice prices in Japan to remain four times higher than the ***world*** average. ''We look forward to having discussions with the Japanese on Friday to discuss this issue further and learn exactly what they plan on doing with the rice,'' said Gretchen Hamel, a spokeswoman for the United States ***Trade*** Representative's office, adding that the Americans would be supportive of any ''food price crisis efforts.''

Blocking the shipment through diplomatic appeals to the Japanese government or through ***litigation*** at the W.T.O. could make the United States appear indifferent to hunger and poverty.

Protesting that the shipments will hurt local farmers could be difficult because the United States is already one of the ***world***'s largest donors of free food to poor countries. President Bush is trying to shift part of these donations to cash instead for the purchase of food from local farmers, but American farm and shipping lobbyists have urged Congress to prevent such a shift.

Under ***world*** ***trading*** rules, the United States could have tried to block the re-export of rice that had already been imported from the United States. Almost two-thirds of the imported rice in Japanese government warehouses came from the United States.

''We recognize these are extraordinary times,'' said an American official. ''We don't have a problem with using it for humanitarian purposes.'' The official agreed to speak only if his name was not used, because of the delicate nature of the issue.

Bob Cummings, the senior vice president of the USA Rice Federation, a ***trade*** association, said American producers wanted to see if Japan would donate any rice from its reserves of rice grown in Japan. ''We would be very concerned if Japan donated only imported rice,'' Mr. Cummings said.

Mr. Kajishima said that no rice grown in Japan would be sold or donated because this rice was needed for Japan's own domestic reserves.

Consumers in many African countries have developed a taste for imported bread and other food that has left these countries dependent on costly imports when food aid is halted, said Supachai Panitchpakdi, a former director general of the ***World Trade Organization*** who is now the secretary general of the United Nations Conference on ***Trade*** and Development.

He declined to comment on the details of the Japanese initiative.

A draft text for the slow-moving Doha Round of global ***trade*** talks would ban countries from exporting free food if it displaced commercial purchases.

Selling the imported rice instead of donating it would address the food aid issue, and might comply with the letter of Japan's pledges to the W.T.O.

South Korea and Taiwan have both accepted deals under W.T.O. auspices that require them to allow some rice imports and explicitly bar them from re-exporting the rice. But the text of Japan's agreement to allow minimum access to imported rice does not mention the prohibition on re-exports.

Lawyers at the W.T.O.'s headquarters have been arguing strenuously this week over whether Japan can re-export rice, and have not come to a consensus. The W.T.O. declined to comment on the Japanese plan.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

PHOTO: Residents in Manila with rice sold to them by the Philippine government. Japan would like to provide 220,000 tons of rice to the nation. Rice prices have more than tripled in the last year.(PHOTOGRAPH BY ROLEX DELA PENA/EUROPEAN PRESSPHOTO AGENCY)

**Load-Date:** May 23, 2008

**End of Document**

[***Trade Group to Review U.S. Fees on Lumber***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:44KV-BNW0-0109-T27N-00000-00&context=)

The New York Times

December 6, 2001 Thursday, Late Edition - Final

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**Section:** Section C; Column 3; Business/Financial Desk; Pg. 4

**Length:** 184 words

**Byline:**  Bloomberg News

**Dateline:** GENEVA, Dec. 5

**Body**

The ***World Trade Organization*** has agreed to hear a complaint that a United States duty on Canadian lumber is protectionist, though the Canadian ***trade*** minister, Pierre Pettigrew, said today that the countries would probably settle the dispute months before any ruling.

Mr.

Pettigrew said a W.T.O. judicial panel would take about nine months to consider Canada's charge that a 19.3 percent punitive duty on lumber was not a valid response to unfair subsidies, as the United States claims. All 142 members of the ***trade*** body, which includes the United States and Canada, are bound by panel decisions.

After an agreement expired earlier this year, the United States imposed two levies on Canadian lumber, and Canada vowed to fight them. In recent weeks, the rhetoric has cooled, with both countries saying they hoped to reach an agreement by early January.

"It could take some weeks into the new year to finalize an agreement," Mr. Pettigrew said. "I don't want to be back at it in three, four or five years. I want to solve it for good."

He said Canada would continue ***litigation*** until a deal was completed.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Load-Date:** December 6, 2001

**End of Document**

[***A Free Pass for China***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5BWN-F2S1-JBG3-64JW-00000-00&context=)

The New York Times

April 3, 2014 Thursday, The International New York Times

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**Length:** 965 words

**Byline:** By MARK WU

**Body**

Cambridge, Mass. -- A ***World Trade Organization*** panel ruled last week that China's export restraints on rare earth elements and other metals violate W.T.O. rules because they are discriminatory. Rare earth minerals are critical in a wide range of industries, from electronics and hybrid automobiles to petroleum and chemicals. Should the ruling stand, China will have to dismantle the discriminatory policies or face ***trade*** sanctions.

This ruling may appear, at first glance, to be a vindication of the strategy of turning to the W.T.O. to fight Chinese protectionism. But ***litigation*** victories do not always translate into economic victories, especially when the W.T.O. is concerned.

In 2010, China imposed quotas and other restraints to sharply limit exports of rare earths. Because more than nine-tenths of the ***world***'s production of rare earths occurs in China, price shocks hit foreign producers who rely on the Chinese minerals. Complaining that the export restraints were discriminatory and illegal, the United States, the European Union and Japan all filed complaints before the W.T.O.

China defended its actions by arguing that the export limits were necessary because of the environmental hazards associated with rare earths production. That environmental harm can occur is undoubtedly true, but the W.T.O. panel found this was just an excuse. The export restraints, it ruled, were designed to achieve industrial policy goals rather than promote conservation. In other words, China sought to limit its export of rare earths to give a leg up to Chinese manufacturers. It also sought to use cheaper domestic prices to entice foreign companies dependent on rare earths to relocate production to China.

The strategy worked. Chinese manufacturers in several industries relying on rare earths, such as wind turbines and chemicals, made formidable inroads against their foreign competitors. Foreign companies making products relying on rare earths, such as camera lenses and touchscreen glass, shifted some production to China.

Although the W.T.O. panel ruled against China, it did not require China to pay compensation. By design, the W.T.O.'s remedies are not retrospective. Workers who lost their jobs because firms outsourced production to China would receive no damages. In fact, so long as China eliminates the discriminatory elements of its policies going forward, there are no remedies available for the United States or the other countries. The main goal of W.T.O. dispute settlement is to force compliance with the law rather than provide economic justice for past harm.

The W.T.O., in effect, provides countries with a free pass to breach its rules temporarily. So long as a violating country ends its illegal policy in a reasonable period of time following a final judgment, it need not worry about being punished.

W.T.O. rulings do little to dissuade China from continuing to take advantage of the free pass to advance other unfair and illegal policies when the gains are large enough. China has done this in industry after industry, from semiconductors to electronic payment services. The approach typically involves contravening ***trade*** rules just long enough to allow domestic players to build up their market position without incurring W.T.O. sanctions. China then undoes the policy and claims that it is respectful of W.T.O. judgments. But undoing China's gains afterward often proves difficult.

It may seem as though the solution to China's flouting of ***trade*** rules would be to push for more robust remedies at the W.T.O. But retrospective remedies are not necessarily in the interest of other big countries like the United States. That is because they also lose cases at the W.T.O.

Beyond the simple calculation of whether China's competitors would gain or lose more with stricter punishments, there is also the political difficulty of implementing such a solution. Imagine that having lost a cotton subsidies case to Brazil, the United States was ordered to pay compensation. Would the government claw back these subsidies from cotton farmers? Or would it try to convince the American public to shoulder the burden on behalf of cotton farmers through higher taxes or greater deficit spending?

Relying on the W.T.O. alone to fight back against Chinese protectionism is a losing strategy. The United States should employ an array of tools to ensure that, even when our companies face discriminatory policies overseas, they are not tempted to relocate.

The United States should undertake a comprehensive evaluation of the minerals critical for strategic interests. The government then should play a major role in re-establishing a robust domestic supply chain for such minerals. Such a strategy will take time to execute. In the meantime, stockpiles should be built to guard against future attempts to use rare earths as economic leverage. The American Congress would do well to hasten its review of the bills introduced to reduce foreign mineral dependency.

Careful consideration should be given to whether government procurement policies can be altered to dissuade companies from succumbing to resource-based extortion by other countries. This may provide an opening to make it clear that companies that shift technology or jobs overseas in response to discriminatory export restrictions may hamper their chances of winning government contracts.

While court victories are satisfying, they are often not enough. This is doubly true when the legal system's remedies are inadequate. When faced with unfair competition, companies develop comprehensive plans beyond ***litigation*** to push back against such threats. So too should governments. Otherwise, W.T.O. victories will prove hollow.

Mark Wu is an assistant professor of law at Harvard Law School, where he specializes in international ***trade***.

[*http://www.nytimes.com/2014/04/03/opinion/a-free-pass-for-china.html*](http://www.nytimes.com/2014/04/03/opinion/a-free-pass-for-china.html)

**Load-Date:** April 3, 2014

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[***In Trump, Businessman Little Backed by Business***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5KTX-X131-DXY4-X530-00000-00&context=)

The New York Times

September 27, 2016 Tuesday, Late Edition - Final

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

**Length:** 1203 words

**Byline:** By ANDREW ROSS SORKIN

**Body**

Should it come as a surprise that not one chief executive among the Fortune 100 has donated money to Donald Trump's campaign?

That was the news reported by The Wall Street Journal over the weekend after tabulating the latest donation disclosures through August.

Mr. Trump's supporters trumpeted, excuse the pun, the lack of donations from the nation's largest companies as a badge of honor. Big business, they say, has failed the country, so why would their guy want its support?

But the logic of this argument is backward. Mr. Trump has campaigned as a successful businessman, a brilliant negotiator and someone, as he said in his own words, who can ''get along with people.'' He has contended that his economic policies will unleash unheard-of levels of growth -- as much as 6 percent. He plans to lower corporate taxes, remove regulations and allow companies to repatriate cash held overseas. Together, these policies sound like a C.E.O.'s dream.

And yet here we are: Many of the most successful business people in the country refuse to support him -- or do business with him, either.

This is not an opinion. In case there is any doubt, here is a list of companies that in the last two years have publicly severed or reduced business relationships with Mr. Trump, mostly over his inflammatory rhetoric: Macy's, Univision, Comcast's NBCUniversal, Serta, Disney's ESPN, the PGA Tour, Nascar and Perfumania.

Those companies, which have customer bases that include broad swaths of the nation that ostensibly look like the electorate, all said some variation of what Macy's said: ''In light of statements made by Donald Trump, which are inconsistent with Macy's values, we have decided to discontinue our business relationship with Mr. Trump.''

As this column has noted previously, virtually no big United States banking institution has done new business with Mr. Trump in years, in part because of his history of bankruptcies and his penchant for ***litigation***. During orientation for new employees, Goldman Sachs specifically used to use Mr. Trump as an example of the kind of prospective client to avoid.

Still, based on Mr. Trump's policies, you would think that companies like Apple or Nike, which have railed for lower taxes and are pining to bring tens of billions dollars stashed abroad back to the United States, would be kneeling at the altar of Mr. Trump. (Apple's and Nike's chief executives have contributed to Mrs. Clinton.)

Granted, there are his views on immigration and ***trade***, which aren't in sync with United States multinational companies that manufacture products abroad. But then again, Mrs. Clinton opposes the Trans-Pacific Partnership too, so that doesn't provide much of a choice.

Jeffrey Immelt, General Electric's chief executive, who employed Mr. Trump on ''The Apprentice'' when G.E. owned NBC, was asked by Vanity Fair about him over the summer. ''The Donald Trump that I had a chance to work with, I found to be fun to work with,'' he said. ''The words? I can't reconcile with anything I believe in, or that I think the country stands for or that the company stands for.''

By the way, this was Mr. Trump's reply last year to businesses that stopped doing business with him: ''Macy's, NBC, Serta and Nascar have all taken the weak and very sad position of being politically correct even though they are wrong in terms of what is good for our country.'' (I should note here that I co-anchor ''Squawk Box'' on CNBC, which is a unit of NBCUniversal.)

In fairness, it is worth pointing out that only 11 C.E.O.s of the Fortune 100 donated to Hillary Clinton, according to The Journal. Mr. Trump does have support from some businessmen like Jack Welch, Carl C. Icahn and Wilbur Ross, among others.

But for a group that has historically leaned Republican, the absence of contributions is eye-opening, particularly since at least 19 of them gave to the other Republican candidates in the primaries.

There is a good reason, wholly unrelated to political correctness, that the business community has not rallied around Mr. Trump's economic plans. On its merits, that plan is expected to hurt the economy, according to nonpartisan economists. It is hard to find many serious economists, except a handful mostly advising his campaign, who say otherwise.

According to the Committee for a Responsible Budget, a nonpartisan think tank that includes a list of luminaries from both sides of the aisle, Mr. Trump's economic plan would add $5.3 trillion to our national debt. That compares with $200 billion as a result of Mrs. Clinton's plan.

''Both Clinton and Trump would increase the debt relative to current law-- though Trump would increase it by an order of magnitude more, and Clinton's plan would slightly reduce deficits if we incorporated unspecified revenue from business tax reform,'' the committee wrote.

None of this column is meant to suggest that Mrs. Clinton's economic plan will usher in a new age of stupendous growth. It won't. It doesn't fully address the need for corporate tax reform, and it won't bring many companies out from under the regulatory morass that they suffer. It won't bring trillions of dollars back from abroad. Her plan is unlikely to pump up the economy much compared with the path that we are currently on. It is very possible some of her policy measures could even slow the economy.

And finally -- again -- there is the issue of ***trade***. A centerpiece of Mr. Trump's economic agenda is renegotiating many of the country's ***trade*** agreements. In a new report published by his campaign, Mr. Trump's advisers suggest he would threaten, for example, to leave the ***World Trade Organization*** to get a better deal. ''Without the U.S. as a member, there would not be much purpose to the W.T.O.,'' the advisers wrote.

There is no question that the country would be improved by better ***trade*** pacts, but Mr. Trump's risky approach could start a ***trade*** war that could be disastrous for the country's largest companies. And the uncertainty of the negotiations themselves could slow the economy and rattle our foreign neighbors; just look at the resignation of Mexico's minister of finance for helping bring Mr. Trump there to meet-and-greet with the Mexican president. Other countries will want to avoid similar situations in which they could look like they are caving in to Mr. Trump. (By the way, for those who say, ''Who cares about what happens to big businesses that outsource anyway?'' think about all the money in all those 401(k) plans that is invested in them.)

The Trump economic report cites the Business Roundtable, a lobbying group representing big business, and its complaints about regulatory burdens. The suggestion is that big business will back Mr. Trump, since he plans to reduce regulation. Yet it is hardly clear the Business Roundtable supports him. The ***organization*** has not endorsed either candidate, and its chief executive, John Engler, told The New York Times over the summer: ''We're just on the opposite side of Trump on ***trade*** and immigration.''

Mr. Trump, the self-described great negotiator, may brush aside the views of the country's leading business executives -- but perhaps that is because he hasn't been able to strike a deal with them.

[*http://www.nytimes.com/2016/09/27/business/dealbook/trumps-a-businessman-wheres-his-business-backing.html*](http://www.nytimes.com/2016/09/27/business/dealbook/trumps-a-businessman-wheres-his-business-backing.html)

**Load-Date:** September 30, 2016

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[***Fortunes Are Reversed for Players in a Trans-Atlantic Aircraft Dispute***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4GD9-9S30-TW8F-G23B-00000-00&context=)

The New York Times

June 15, 2005 Wednesday, Late Edition - Final

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**Section:** Section C; Column 2; Business/Financial Desk; Pg. 1; Civilian Dogfight at the Air Show

**Length:** 1507 words

**Byline:** By MARK LANDLER and ELIZABETH BECKER; Mark Landler reported from Le Bourget, France, for this article, and Elizabeth Becker from Washington.

**Dateline:** LE BOURGET, France, June 14

**Body**

When the Airbus A380 superjumbo jet took to the skies at the Paris Air Show, executives from Boeing crowded an observation deck here to gawk at the plane, the new flagship of a European company that is embroiled in a ***trade*** battle with Boeing.

As the A380 traced swooping circles above the airfield on Monday, the Boeing delegation was plainly impressed. But after the giant plane touched down, the spell was broken. ''Look for the dent in the runway,'' one of the executives said in a dig at the A380's chronic weight problems.

Boeing can afford a few wisecracks. After several years in which the company seemed in danger of being flattened by the Airbus juggernaut, it has stormed back into contention. Boeing's new midsize plane, the 787, is selling briskly, while Airbus has been dogged by production problems with the A380 and questions about how it will finance its next new planes, particularly the A350, which is intended to go head-to-head with the 787.

The reversal of fortune comes just as the European Union is fighting a mammoth ***trade*** suit brought by the United States on aircraft subsidies. There is mounting evidence that Washington's unbending stance has thrown Airbus off balance in one of the ***world***'s epic commercial rivalries.

For the European Union, still reeling from the rejection of its proposed constitution by the French and Dutch, the trans-Atlantic dispute threatens to expose fissures within its commercial establishment about the future of Airbus, one of Europe's most successful industrial collaborations.

''Boeing's original strategy was purely defensive: to protect the 787 program,'' said Richard L. Aboulafia, vice president for research at the Teal Group, an aerospace consulting firm in Fairfax, Va. ''Now it's switched from defense to offense. They want to disrupt the A350.''

The stakes are enormous. Medium-size planes -- those with 200 to 300 seats -- will generate more revenue than any other category in the next two decades, according to industry forecasts. The segment is also one in which Airbus has chipped away at Boeing's franchise, with its popular A330.

Airbus typically finances one-third of the development cost of its planes with refundable aid from France, Germany and Britain. The United States claims this has allowed Airbus to erode Boeing's dominance of civil aviation, forcing it to cut its commercial production by 60 percent over the last five years and pare its work force by 40,000 people.

The European Union insists it will fight the American lawsuit at the ***World Trade Organization***, and it filed a countersuit contending that Boeing also gets improper subsidies. Airbus executives here were defiant, saying the A350 had collected more than 100 orders from airlines.

If the ***trade*** fight escalates, it is expected to dwarf past battles between Europe and the United States over issues like steel subsidies, tax breaks for exporters, the use of genetically modified foods and, perhaps most heated of all, where to buy bananas.

But there are pressures to pull back from the brink. Some Airbus backers, particularly in Germany, view the W.T.O. case as an impediment to the far bigger goal of winning contracts from the Pentagon. To get a foot in the door, European firms are eager to compete for a $20 billion contract to supply aerial refueling tankers to the Air Force.

''We believe Boeing pushed this case not only because of the A350, but because they want to cut us out of the tanker deal,'' said Thomas Enders, a German appointed co-chief executive of Airbus's majority shareholder, the European Aeronautic Defense and Space Company, or EADS.

The board of EADS voted last week to put off formal approval of the A350 until the end of September, in part to give negotiators from Brussels and Washington another chance to settle the dispute.

On Monday, European transportation ministers met here to discuss potential state loans for the A350, but reached no conclusion. There are different views on the issue, said a person who attended. One possibility would be to rely even more on government support for research and development, to emulate what they see as the American model.

EADS, a military contractor backed by France and Germany, has said it would forgo $1.7 billion in state loans, known as launch aid, for the A350, provided that Boeing gives up what it says are indirect subsidies from the Pentagon; from Japan, which is building components of the 787; and from Washington State, where the plane is to be assembled.

''I see this as a dramatic step,'' said Manfred Bischoff, the co-chairman of EADS. ''We are proposing to give up the way Europe has historically supported this industry. But we're asking for fairness.''

Boeing dismissed the EADS overture -- outlined in a letter to the European Union ***trade*** commissioner, Peter Mandelson -- as old news. Boeing says the only issue is $15 billion in launch aid that Airbus has received over the last 30 years. It has no plans to budge from its position that the Europeans must abandon that aid for the A350 and future planes.

''It's very hard to imagine a quid pro quo,'' Lewis E. Platt, the chairman of Boeing, said in an interview. ''To me, their position seems to be, 'We'll give up launch aid if you give up something.' We think we've made our position clear that we have no launch aid to give up.''

Mr. Platt denied that Boeing's intention in pushing the ***trade*** ***litigation*** was to shelter the 787 or scuttle the A350. ''We just want a level playing field,'' he said.

Boeing says its success in orders can be attributed to having a better plane. Airbus executives admit they underestimated the 787, which uses composite materials to achieve very high fuel efficiency and caters to passengers with touches like bigger windows and higher cabin humidity.

Airbus has had to retool the A350 several times, after trying with little success to peddle a plane largely derived from the A330. Its biggest customer so far has been Qatar Airways, which placed a preliminary order for up to 60 planes.

Boeing's confidence, analysts say, is driven by a remarkable degree of political support in the United States. In a year noteworthy for Democratic challenges to nearly every aspect of the Bush administration's ***trade*** agenda, the two political parties have been able to agree on one issue: the suit filed against the European Union over its subsidies to Airbus.

''Boeing is more than one company; it is a critical industry and it was being eroded because of the subsidies given to Airbus,'' said Senator Patty Murray, Democrat of Washington State, which is granting tax incentives to Boeing to assemble the 787 at its manufacturing base there.

The decision by Boeing to pursue the case grew out of a sense of both weakness and opportunity. In the last couple of years, Boeing fell behind Airbus in the number of planes delivered to airlines. But with the 787, Boeing felt it finally had a chance to win back the midsize market.

''The issue had been there for many years, but with Airbus getting the majority of contracts, Boeing took another look,'' said Peter Allgeier, the deputy United States ***trade*** representative.

In July 2004, as Boeing decided to pursue a case, Senator Murray began a public campaign to persuade the United States to withdraw from a 1992 agreement that allowed Airbus to receive subsidies.

The European Union said Airbus could forgo launch aid so long as Boeing gave up its indirect subsidies, including research and development funds from NASA and the Pentagon.

Mr. Allgeier, who has negotiated the issue over the last year, said Boeing's government money represents ''straight procurement contracts that are within the bounds of the ***World Trade Organization***.''

Last January, however, the United States agreed to an additional three months of talks, after Mr. Mandelson was named Europe's ***trade*** commissioner. Officials hoped to strike a deal with him that had proved elusive with his predecessor, Pascal Lamy. Those talks faltered as well.

Mr. Lamy will soon be director general of the W.T.O., putting him in the odd position of overseeing a ***trade*** dispute to which he was once a party. Lawyers for Boeing said that did not trouble them because W.T.O. would appoint a panel to hear the cases, and Mr. Lamy would play a small role.

The question is whether Boeing and Airbus will ever get to that point. Much may depend on a power struggle unfolding inside EADS between its French and German shareholders. If the French prevail, analysts said, EADS would be far more likely to fight to retain Airbus's subsidies.

The French chief executive of Airbus, Noel Forgeard, has antagonized the United States by insisting that his company could build the A350 even without any state aid. Asked on Tuesday why Airbus did not just press ahead with the A350, Mr. Forgeard said, ''There is no way we would give up a financial tool that allows us to optimize our financing structure.''

As for the United States, Mr. Allgeier said, ''We are totally comfortable taking our case to the W.T.O. The playing field is so unlevel now.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photos: The Airbus A380 superjumbo jet drew spectators at the Paris Air Show yesterday, a day after a demonstration flight was made. (Photo by Owen Franken for The New York Times)(pg. C1)

A model of the midsize Boeing 787 was displayed at the Paris Air Show. (Photo by Stuart Isett for The New York Times)(pg. C10)Graph tracks deliveries of commercial jetliners by Boeing and Airbus, since 1994. (Source by The companies)

**Load-Date:** June 18, 2005

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[***U.S. Says China Fund Breaks Rules***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:51SD-KVX1-JBG3-6174-00000-00&context=)

The New York Times

December 23, 2010 Thursday, Late Edition - Final

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**Byline:** By SEWELL CHAN; Keith Bradsher contributed reporting from Hong Kong.

**Body**

WASHINGTON -- The Obama administration filed a case against China with the ***World Trade Organization*** on Wednesday, siding with an American labor union, the United Steelworkers, in accusing Beijing of illegally subsidizing the production of wind power equipment.

The decision is the second time in less than four months that the United States has accused China of violating ***world*** ***trade*** rules.

It represents an escalation of ***trade*** tensions between the United States and China over clean energy, viewed by the Obama administration as a frontier in which American companies are struggling to remain competitive.

The United States is challenging a special Chinese government fund that awards grants to makers of wind power equipment. The Americans say the fund provides subsidies that are illegal under W.T.O. rules because the grants appear to be contingent on manufacturers using parts made in China.

''Import substitution subsidies are particularly harmful and inherently ***trade*** distorting, which is why they are expressly prohibited under W.T.O. rules,'' Ron Kirk, the United States ***trade*** representative, said in a statement. ''These subsidies effectively operate as a barrier to U.S. exports to China. Opening markets by removing barriers to our exports is a core element of the president's ***trade*** strategy.''

On Thursday, the Chinese Commerce Ministry said in a statement posted on its Web site that China would study the U.S. complaint and would handle the dispute under W.T.O. settlement rules.

The individual grants available under the Chinese program range from $6.7 million to $22.5 million. Chinese makers of wind turbines and associated parts can receive multiple grants as the size of the wind turbine models increases.

Total subsidies under the program since 2008 could amount to several hundred million dollars, according to Mr. Kirk's office.

The United Steelworkers, which had protested the Chinese wind power fund as part of a larger, 5,800-page ***trade*** complaint it filed with the American government on Sept. 9, said the administration's decision was only a first step in addressing a ''vast web of protectionist policies'' by Beijing.

''The goal is not ***litigation***,'' Leo W. Gerard, the union's president, said in a statement. ''It's to end their practices.''

The accusation on Wednesday is the first step in the W.T.O.'s process for settling disputes.. If China and the United States cannot reach a solution through consultations, the United States may request the establishment of a W.T.O. dispute settlement panel.

Members of Congress who have been pushing for a bolder stance against China on ***trade***, currency and other commercial matters, applauded the decision to file the case.

''The United States needs to take a more assertive approach to China's mercantilist policies, and the administration's action today is a welcome step in the right direction,'' said Representative Sander M. Levin, a Michigan Democrat and the chairman of the House Ways and Means Committee, which oversees ***trade***.

Senator Sherrod Brown, an Ohio Democrat, said in a statement that China was on track to make half of the ***world***'s wind turbines and solar panels and urged the administration to make ***trade*** enforcement a priority.

''The United States cannot replace its dependence on foreign oil with a dependence on clean energy technology made in China,'' he said. ''American manufacturing must lead the way -- and to do this, they need a level playing field.''

The action grows out of an investigation Mr. Kirk's office initiated on Oct. 15 in response to the Steelworkers' case, which covered a range of practices in the clean-energy sector, including prohibited subsidies, export restraints and discrimination against foreign companies and imported goods.The case, known as a Section 301 complaint under the ***Trade*** Act of 1974, has been the subject of several talks between Chinese and American ***trade*** officials.

After two days of meetings last week in Washington, part of an annual forum known as the United States-China Joint Commission on Commerce and ***Trade***, China agreed to lift one barrier to foreign developers seeking to build wind farms there. The Chinese government will allow overseas experience in wind farm development, and not just experience in China, to qualify the developers for Chinese projects.

But several other barriers remain: foreign developers are banned from offshore projects for what China describes asnational security reasons, are not allowed to borrow as much money as domestic developers and are prohibited from selling carbon credits from their wind farms.

Mr. Kirk said his office would continue to investigate other parts of the Steelworkers' complaint but was not planning additional filings under Section 301, which authorizes the president to take ''all appropriate action,'' including retaliation, against practices by foreign governments that violate international ***trade*** agreements or discriminate against American commerce.

''We will continue to work closely with the U.S.W. and other stakeholders in the months ahead on the remaining allegations,'' Mr. Kirk said. ''If we are able to develop sufficient evidence to support those allegations and they can be effectively addressed through W.T.O. ***litigation***, we will pursue the enforcement of our rights at the W.T.O. independently of Section 301.''

That statement prompted Mr. Levin and Mr. Gerard to call for ***trade*** enforcement to receive greater priority and more resources. ***Trade*** complaints are notoriously complex and involve extensive investigations before the government can file a case before the W.T.O. in Geneva.

General Electric, which is a major supplier of wind energy equipment but has been sensitive about antagonizing officials in China, where it has substantial business, declined to comment on the decision.

John Frisbie, the president of the United States-China Business Council, which represents American businesses working in China, reacted cautiously.

Mr. Frisbie said the decision ''appears to be an appropriate first step,'' but that disputes between W.T.O. members are ''nothing new or unique.''

Rob Gramlich, senior vice president for public policy at the American Wind Energy Association, said that the United States ''can be a ***world*** leader in turbine manufacturing and exports'' and that ''any practice that tilts the global playing field unfairly would be of serious concern to our members who want to play a role in China, which has become the ***world***'s largest wind market.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

PHOTO: Wind turbines are assembled at the Gamesa factory in Tianjin, China. The case filed by the United States says that China provides illegal grants to build wind power equipment. (PHOTOGRAPH BY DOUG KANTER FOR THE NEW YORK TIMES) (B10)

**Load-Date:** December 23, 2010

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[***President Trump, Unbound***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5JXS-B851-DXY4-X0W7-00000-00&context=)

The New York Times

June 4, 2016 Saturday, Late Edition - Final

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**Section:** Section A; Column 0; Editorial Desk; Pg. 19; OP-ED CONTRIBUTOR

**Length:** 1476 words

**Byline:** By ERIC POSNER

Eric Posner is a professor at the University of Chicago Law School and a co-author of ''The Executive Unbound: After the Madisonian Republic.''

**Body**

DONALD TRUMP clearly holds grudges. He has hurled insults at governors, senators, a judge who recently ruled against him and Miss Universe 2014. He has also attacked the press, arguing that as president he will ''open up'' libel laws so he can sue newspapers that publish ''purposely negative and horrible and false articles'' about him.

Mr. Trump's critics wonder whether a man with such a violent temper can be trusted with the presidency. But his defenders, like Senator John McCain and the Senate majority leader, Mitch McConnell, assure us that the Constitution will constrain him.

''I still believe we have the institutions of government that would restrain someone who seeks to exceed their constitutional obligations,'' Mr. McCain told The New York Times. ''We have a Congress. We have the Supreme Court. We're not Romania.''

Under the principle of separation of powers, the president shares power with Congress and the judiciary. The party system, the press and American political traditions may constrain him as well. But what would this mean in practice if Mr. Trump wins?

It depends on what Mr. Trump wants to do. His signature issues are immigration and ***trade***. He could not build the Mexican wall without congressional support. But he could order immigration authorities to deport unauthorized immigrants.

And he could bar Muslims from entering the country under existing law, which authorizes him to bar classes of aliens whose entry he determines ''would be detrimental to the interests of the United States.'' It wouldn't be the first time: President Ronald Reagan cited this law, as well as his inherent constitutional powers, to block a flood of Haitian migrants from pouring into United States territory in 1981.

Can he slap tariffs on China, as he has threatened? Yes, he can. Congress has delegated to the president the power to retaliate against foreign countries that engage in unfair ***trade*** practices like dumping, leaving it to the president and ***trade*** officials to determine what that means. In 2002, President George W. Bush imposed steel tariffs on China and other countries for what everyone understood were political reasons.

The ***World Trade Organization*** ruled the steel tariffs illegal in that case. But Mr. Trump could simply ignore its judgment, and indeed withdraw the United States from the W.T.O., just as President Bush withdrew the United States from the Antiballistic Missile Treaty in 2002. While he's at it, Mr. Trump could tear up the North Atlantic Treaty, which created NATO, an ***organization*** that he has called ''obsolete.''

In May, Mr. Trump vowed to rescind President Obama's environmental policies. He would be able to do that as well. He could disavow the Paris climate change agreement, just as President Bush ''unsigned'' a treaty creating an international criminal court in 2002. He could choke off climate regulations that are in development and probably withdraw existing climate regulations. Even if a court blocked him, he could refuse to enforce the regulations, just as Mr. Obama refused to enforce immigration laws.

In wielding executive power in these ways, Mr. Trump would be following in the footsteps of his predecessors. President Bush cited his commander in chief powers in order to justify interrogation, surveillance and detention polices in the wake of Sept. 11. While Mr. Obama has shied away from Mr. Bush's constitutional arguments, he has interpreted statutes aggressively, while also relying on constitutional authorities, to justify the military intervention in Libya in 2011 and his nonenforcement of immigration laws.

Mr. Trump has expressed impatience with his critics and hinted that he would use federal powers against them. He wouldn't be able to put someone in jail merely for criticizing him. But he could direct agencies to use their vast regulatory powers against the companies of executives who have displeased him, like Jeff Bezos, for example, the founder of Amazon. Mr. Trump has already hinted that he would go after Amazon for supposed antitrust violations.

He could direct the Department of Justice to investigate his critics by prioritizing categories of crimes they may have committed. Political opponents could be accused of campaign finance law violations. Former government officials, like Hillary Clinton, could be accused of violating secrecy laws. Even if the charges come to nothing, the legal fees for defendants will be hefty.

Mr. Trump could also crack down on journalists who report on national security issues by enforcing federal secrecy laws more aggressively than previous presidents. President Obama received a lot of criticism for prosecuting government employees who leaked secrets, but the Justice Department did not bring charges against the journalists who published the leaked information.

What couldn't Mr. Trump do? He couldn't lower (or raise) taxes on his own. He's supposed to spend funds that Congress appropriates and for the things that Congress appropriates them for -- that's what stands in the way of the wall (unless he persuades Mexico to pay for it and construct it on the other side of the border).

He could not follow through on his promise to impose the death penalty on killers of police officers by executive order. And even where he does act, he needs to make sure his legal theories are in order. If he wanted to withdraw climate regulations because climate change is a hoax perpetuated by China, no court would allow him to. But if he said that the climate regulations were based on a speculative assessment of harms that wouldn't occur for 100 years, he could succeed.

Much depends on how far Mr. Trump is willing to push existing legal understandings. There is a netherworld of laws that presidents are supposed to comply with but courts don't enforce. He could send military forces into a foreign country without authorization from Congress; courts would most likely stay out of the dispute. What of his suggestion earlier this year to kill the families of terrorists? Courts typically defer to the executive on matters concerning military activities abroad. He might even try to withhold appropriated funds or shift them around in defiance of Congress's wishes.

What, then, stands between us and a nearly unbounded Mr. Trump, aside from the next election? Senators McCain and McConnell say Congress, but only a veto-proof majority in both houses, passing new laws, could stop Mr. Trump from exercising the legal authority that Congress has already given the president. Congress can threaten to withhold funds, but the president's powers to veto legislation and appoint government officers give him a large bargaining chip. Removal of a president by impeachment is extremely difficult; it has never happened.

The courts are another barrier, but they would need to reverse their longstanding practice of deferring to the president in matters of foreign affairs and domestic regulation. The Supreme Court could, for example, declare an entry bar on Muslims unconstitutional. But it's hard to predict how Mr. Trump would respond. After a federal judge, Gonzalo Curiel, ruled against him on a motion in the long-running Trump University ***litigation***, Mr. Trump called him a ''hater'' and a ''Mexican'' (Judge Curiel is an American).

Mr. Trump's biggest obstacle to vast power is not the separation of powers but the millions of federal employees who are supposed to work for him. Most of these employees have a strong sense of professionalism and are dedicated to the mission of their agency. They don't take kindly to arbitrary orders from above. As President Harry Truman said ahead of Dwight D. Eisenhower's presidency: ''He'll sit here, and he'll say, 'Do this! Do that!' And nothing will happen.''

To make things happen, Mr. Trump will need to get loyalists into leadership positions of the agencies, but to do so, he will need the cooperation of the Senate (or he will need to aggressively exploit his recess appointment powers). Moreover, the small number of politically appointed leaders enjoy only limited control of the mass of civil servants. These employees can drag their feet, leak to the press, threaten to resign and employ other tactics to undermine Mr. Trump's initiatives if they object to them. They're also hard to fire, thanks to Civil Service protections.

But Mr. Trump can fight back. He can appoint loyalists not only to political positions in the executive branch, but to the courts, and he may be able to attract them to the ranks of the Civil Service. And while executive branch officials who disregard the law might be prosecuted by the Justice Department, President Trump would have one more trick up his sleeve. Like President George H.W. Bush, who rescued Iran-contra defendants from punishment in 1992, he could hand out get-out-of-jail-free cards in the form of the pardon.

[*http://www.nytimes.com/2016/06/04/opinion/campaign-stops/and-if-elected-what-president-trump-could-or-couldnt-do.html*](http://www.nytimes.com/2016/06/04/opinion/campaign-stops/and-if-elected-what-president-trump-could-or-couldnt-do.html)

**Load-Date:** June 4, 2016

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[***Student's Death Returns Crowd Control to the Fore***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4DP4-48B0-TW8F-G341-00000-00&context=)

The New York Times

November 1, 2004 Monday, Late Edition - Final

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**Length:** 1051 words

**Byline:** By FOX BUTTERFIELD

**Dateline:** BOSTON, Oct. 31

**Body**

The death of a 21-year-old college student outside Fenway Park on Oct. 21, the night the Red Sox beat the Yankees for the American League pennant, is only the latest reminder that crowd control has re-emerged as one of the toughest challenges for the police nationwide.

''I've known some police chiefs who now hope their hometown team doesn't win because controlling a big crowd can be so difficult,'' said Chuck Wexler, the executive director of the Police Executive Research Forum, an ***organization*** of police chiefs meant to promote smarter law enforcement.

The problem of crowd control had largely disappeared decades ago, said Mr. Wexler and several big-city police chiefs. That changed with the ***World Trade Organization*** meeting in Seattle in 1999, when 35,000 protesters were drawn to the talks and the police sprayed tear gas and rubber pellets at many demonstrators.

''The W.T.O. demonstrations were a real groundbreaker; it really woke up the police,'' said Seattle's current police chief, Gil Kerlikowske.

Dealing with crowds has forced the police to search for new and effective ways to maintain order.

''Dealing with these kinds of crowds, particularly if people have been drinking, is such a no-win situation,'' Mr. Wexler said. ''It is very difficult for police chiefs to manage the competing priorities in these situations, allowing people to exercise their First Amendment rights while protecting public safety.''

He added: ''Police chiefs know they can control 99 percent of a demonstration, but if one officer does anything wrong, they will be held accountable. Crowd control is a real drain on resources, and there is always the threat of ***litigation***.''

Since the 1992 riots in Los Angeles after the acquittal of four officers in the videotaped beating of the motorist Rodney King, the police have come to realize that the constant presence of video cameras means whatever they do may be captured on tape and broadcast.

A result is that many police forces now devote much more time to planning and training for demonstrations, and have invested heavily in what are termed less-than-lethal weapons.

It was one of these new weapons, a FN Herstal pepper-spray pellet gun, that killed the Emerson College student in Boston after the pennant-clinching game, the police here have said. The student, Victoria Snelgrove of East Bridgewater, was hit in the eye by the pellet, which was supposed to break up on impact and release a small cloud of disabling gas.

It is not supposed to be aimed above chest level, according to warnings from the manufacturer.

Two young celebrators on Lansdowne Street at Fenway Park also suffered injuries that evening, with one cut above the lip by a pellet and another with pellet fragments that penetrated his skull.

Kathleen O'Toole, Boston's police commissioner, has appointed an independent commission, headed by a former United States attorney here, Donald Stern, to investigate.

Several other cities also have the FN Herstal pellet-spray guns but have not used them.

Seattle is among them, and Chief Kerlikowske dispatched a team of senior officers as observers over the past year to cities where demonstrations were expected, including Boston during the Democratic National Convention in July, New York during the Republican National Convention in August and September and Savannah, Ga., in June during a meeting of the Group of 8 leaders.

''By far the best tool is having a large number of officers you can deploy,'' Chief Kerlikowske said. He has used officers on bicycles to move ahead of demonstrators or to form blocking cordons.

''Especially with sports demonstrations, I just don't see effective weapons except for a large number of officers,'' he said.

The Seattle police are equipped with Taser stun guns that fire an electric shock. But Chief Kerlikowske said they would not be useful in dealing with large numbers of demonstrators packed tightly together or hiding behind one another.

Tasers are more effective in dealing with people suffering from mental illness who are threatening an officer, so the officer does not have to fire his gun, he said.

The trouble is that except for New York, no city has the deep reserves of police officers needed for crowd-control duty, said John F. Timoney, Miami's police chief, who was formerly the police commissioner in Philadelphia and before that first deputy commissioner in New York.

While New York has 36,000 police officers, Chief Timoney said, Boston has only about 2,200 and Miami only 1,100.

At the Democratic National Convention in Manhattan in 1992, Chief Timoney said, he was able to put 4,000 officers at the scene to prevent violence.

Mr. Timoney got his own taste of dealing with demonstrators in Miami last November during a meeting of the Free ***Trade*** Association of the Americas.

The demonstrators, some of whom had protested at the ***World Trade Organization*** in Seattle, started hurling bottles and setting fire to cars on the fourth day of the event, Mr. Timoney said.

''We then made a decisive move on them, clearing them back six or eight blocks,'' he said. But when his officers fired pepper balls, a less high-powered version of the weapon used in Boston, ''It was clear they were not working.''

''After it was over, I didn't understand why these things didn't work, so I went out in a parking lot and let myself be shot by a pepper ball,'' Mr. Timoney said.

''I felt a stinging in my chest,'' he said. ''It hurt. But as far as releasing pepper spray, I didn't smell anything. So I decided the weapon was a waste of time.''

The Miami police are now trying out another technology, a liquefied form of pepper spray that can be fired at demonstrators up to 20 feet away like a squirt gun, Mr. Timoney said.

In Boston on Saturday for the celebratory parade after the Red Sox won the ***World*** Series, the police were more successful in dealing with excited baseball fans than they were after the pennant victory. This time, they deployed a huge number of officers as the Red Sox paraded through the city.

The crowd, estimated by the city at 3.2 million people, was the largest ever in Boston, according to Mayor Thomas M. Menino. Only 20 people were arrested for disorderly conduct or public drunkenness, the police said.

Twenty people were also taken to hospitals with minor injuries.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photos: The police found themselves in a standoff with a celebrator last Wednesday in Boston after the Red Sox won the ***World*** Series. (Photo by Daniel Bersak/Associated Press)

Victoria Snelgrove died after a police pellet hit her in Boston. (Photo by Associated Press)

**Load-Date:** November 1, 2004

**End of Document**

[***Paid Notice: Deaths LUNDQUIST, JAMES HAROLD***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5BJG-NDY1-JBG3-646W-00000-00&context=)

The New York Times

February 19, 2014 Wednesday, Late Edition - Final

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**Section:** Section B; Column 0; Classified; Pg. 20

**Length:** 554 words

**Body**

LUNDQUIST--James Harold. 82, of Naples, FL and East Hampton, NY died on February 15, 2014. He is survived by his wife Beverly (nee Williams) of 58 years; his son John and daughter Ann; and four grandchildren: Tecla, Lilja, Jesper and Maximillian. He was born in Chicago, IL on March 24, 1931. After attending Chicago public schools, Lundquist earned his AB from Millikin University and his JD from The John Marshall Law School, after which he was admitted to the Illinois Bar in 1954, in Washington, D.C. in 1960 and in the State of New York in 1961. He qualified to practice before the United States Supreme Court in 1966. Following service in the US Army during the Korean War, he practiced law in Chicago until 1960, when the Family moved to New York.

He embarked on a career in international ***trade*** and customs law as a Partner in Barnes, Richardson & Colburn, including ***litigation*** in the Courts of International ***Trade***; regular appearances before the US Congress; Federal agencies in Washington, D.C.; delegations at the General Agreement on Tariffs and ***Trade*** and its successor, the ***World Trade Organization***, in Geneva, Switzerland; and the Common Market Headquarters in Brussels, Belgium. He represented multinational businesses ***trading*** from the USA, the European Community, Japan, Korea, and Australia. He retired in 1998 as Senior Partner of Barnes, Richardson & Colburn and then became Counsel to Messrs. Pavia & Harcourt of New York City and Milan, Italy, a position he held until 2006. Throughout these decades he was a legal counselor to YKK Corporation of America and, for twenty-five years, a member of its Board of Directors. He was designated Chevaliere de l'Ordre National du Merite Francais by the President of France, awarded the Order of Chevaliere Ordine al Merito della Repubblic Italia, received the Distinguished Alumnus Award from The John Marshall Law School and earned the Millikin University Merit Award. His community and pro bono professional services were extensive. He was a member of the Nassau County Mental Health Board and Chairman of its Task Force on aging from 1965 to 1970, and a decade-long member of the National Conference of Christians and Jews of New York. He served as Chairman of the American Bar Association Standing Committee on Customs Law and President of the National Customs and International ***Trade*** Bar Association. He served two terms as President of the Italy-America Chamber of Commerce and, during the 1980's, he was a Trustee and President of the Historical Society of East Hampton, NY. He also was a member of the Italian American Foundation. For the past thirty-five years he and his wife have been active supporters of Public Broadcasting and the Friends of Channel 13 in New York, and the Leadership Council of WGCU Public Media in Ft. Myers, FL. He served as a member of the Board of the United Methodist Church of Port Washington and, since 2007, was a member of the Naples United Church of Christ. He was a member of Sigma Alpha Epsilon Fraternity Alumni Association of Naples, the Union League Club of New York, the University Club of Washington, D.C., the Manhasset Bay Yacht Club of Long Island, and the Country Club of Naples. Life-long Democrats, he and his wife were members of Collier County Democratic Committee. A family memorial service will be private.

**Load-Date:** February 19, 2014

**End of Document**

[***At PartyGaming, Everything's Wild***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4GGN-WKN0-TW8F-G2WV-00000-00&context=)

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**Length:** 2834 words

**Byline:** By KURT EICHENWALD

**Body**

AS a rule, companies don't often draw attention to business practices that could land their executives in jail. But for PartyGaming PLC, potential illegalities aren't just a secret hidden in its business plan -- they are the centerpiece of its business plan.

A giant in the online gambling business, PartyGaming is an often-overlooked megasurvivor from the dot-com crash of the late 1990's. As hundreds of profitless commercial sites disappeared into the digital ether, PartyGaming's popular gambling sites -- like PartyPoker.com -- soared, with revenues and profits growing exponentially year after year.

This week, the company will go public in what is expected to be the largest offering in years on the London Stock Exchange, one that will make billionaires out of its ragtag assortment of founders and major stockholders -- including a California lawyer who earned her first fortune in online pornography and phone-sex lines. All told, as much as $9 billion is expected to be raised, with all of the cash going to private shareholders selling portions of their stakes.

But there will be no Wall Street investment houses lapping up fees in the giant deal, no victory dances in the offices of American corporate lawyers. That is because PartyGaming, based in Gibraltar, has no assets in the United States, and its officers or directors could risk being served with a civil suit -- or an arrest warrant -- if they came to the United States on business.

The reason? The Justice Department and numerous state attorneys general maintain that providing the opportunity for online gambling is against the law in the United States -- and PartyGaming does it anyway. Indeed, of its $600 million in revenue and $350 million in profit in 2004, almost 90 percent came from the wallets and bank accounts of American gamblers.

To justify this, PartyGaming walks a very thin line. Providing online gambling is not illegal per se in the United States, the company argues -- federal prosecutors just say it is. The company has already received an e-mail message from the Louisiana attorney general demanding that it cease providing online gambling in that state; PartyGaming simply ignored the communication and waited for additional action that never came.

The company's prospectus -- a British document that is not available in the United States -- at times reads something like a legal brief, citing American case law to support the company's position that no prosecution would ever take place.

Still, in its offering documents, PartyGaming makes no secret of the fact that even if the company's view of the law proves wrong, it is banking on its executives' belief that there is little that law enforcement can do -- or will do -- to prosecute. ''In many countries, including the United States, the group's activities are considered to be illegal by the relevant authorities,'' PartyGaming says in its offering document. ''PartyGaming and its directors rely on the apparent unwillingness or inability of regulators generally to bring actions against businesses with no physical presence in the country concerned.''

That type of unusual disclosure is typical of the entire PartyGaming story -- a stranger-than-fiction tale laced with an unlikely combination of sex, money, technology and the kind of luck that is fitting only for a gambling company. And there are already signs that before the tale is done, it could well inflame ***trade*** disputes between the United States and Britain over America's arguably inconsistent behavior toward the gambling industry.

Fergus Wheeler, a spokesman for PartyGaming in London, said that the company and its executives could not comment, in part because no offering of shares was being made in the United States.

THE story begins, improbably enough, at a collection of lucrative massage parlors operated in San Francisco. Their owner, Richard Parasol, saw fabulous wealth from the businesses. State property and business records show that Mr. Parasol -- at times in deals involving his Swedish wife, Gunna -- moved his family into an upscale home in Marin County and bought an array of investment properties while putting money into a leather goods concern and other businesses.

By the early 1990's, Mr. Parasol had a new business partner in his ventures -- one of his three daughters, Ruth, the woman who ultimately would prove to be a driving force behind PartyGaming. After spending years in private school, Ms. Parasol attended college at the University of San Francisco, state records show, before she moved on to Western State University in Fullerton, Calif., where she earned her law degree.

Ms. Parasol, now 38 and a resident of Gibraltar with her husband, J. Russell DeLeon, has universally declined to be interviewed and did not respond to an e-mail message.

But the lawyer's life of filing briefs and making court appearances was not to be for Ms. Parasol. Instead, her father brought her in as an adviser on a phone sex-chat business he had formed with Ian Eisenberg, a Seattle businessman whose father, Joel Eisenberg, was a pioneer of sex-oriented phone lines in the 1980's.

Quickly, Ms. Parasol emerged as one of the small clique of prominent executives in the growing ***world*** of interactive pornography. In 1994, she split off from her father's business, forming her own sex-chat phone business with Seth Warshavsky, another young Seattle businessman who had worked with Mr. Eisenberg.

But her business dealings with her father were not over. California state business records show that Ms. Parasol and her father established Starlink Communications, another phone-sex business. They also invested with Mr. Warshavsky's biggest venture ever, the Internet Entertainment Group.

Cash was coming in by the fistful for everyone. While online pet stores and cosmetics companies were struggling, Internet pornography was a gold mine. The phone lines almost printed money, and, through I.E.G., Mr. Warshavsky became the most prominent businessman in online pornography, with hundreds of thousands of paying members. Time magazine called him the Larry Flynt of the Internet.

But soon, everything began crashing down in a storm of unpaid debts and lawsuits. Mr. Warshavsky, for example, moved overseas, leaving behind a huge collection of unpaid bills. Mr. Eisenberg, meanwhile, had a falling out with Mr. Parasol and his daughter and the dispute ended up in court. Mr. Warshavsky and Ms. Parasol were co-defendants in lawsuits contending improper business practices. The Federal ***Trade*** Commission sued Mr. Eisenberg, accusing him of engaging in deceptive ***trade*** practices by tricking customers into authorizing billings to their telephone lines for Internet access.

The pornography business was beginning to look dicey. But Ruth Parasol had another idea.

While many of her former associates found themselves in legal trouble, she emerged relatively unscathed. According to people who have spoken with her, she and her father sold their interests in electronic pornography, just as the ***litigation*** was heating up.

Instead, Ms. Parasol pursued a new venture: online gambling. It was the new buzz of the Internet ***world***, and Ms. Parasol decided to apply the knowledge she acquired from her pornography ventures into the more reputable gambling business.

Using her profits from the pornography business as seed capital, she and a handful of partners opened a Web site called Starluck Casino in 1997. According to company records, Starluck maintained all of its operations -- including servers and offices -- in the Caribbean, beyond the reach of American authorities. But the business was nothing special; the software that drove the site was simply licensed from a third party.

Then, the next year, Ms. Parasol struck up the relationship that would transform her company into the giant it is today. She spoke with Anurag Dikshit (pronounced DIX-sit), then a 25-year-old computer-engineering specialist who had recently graduated from the Indian Institute of Technology in New Delhi, asking him to write a proprietary program for casino games. Within a year, as Mr. Dikshit's skills were recognized as crucial to her company's future, he became an investor.

By 2000, the new team of executives began exploring the idea that would bring them billions: developing a platform to let gamblers from around the ***world*** play against one another online, either at individual virtual tables, or in larger tournaments. PartyGaming is then paid a commission, known as a rake, for its role in hosting the games.

The timing could not have been more fortuitous.

At that point, a poker craze was about to sweep across the United States, pushed by the advent of televised poker events like the ***World*** Poker Tour and the ***World*** Series of Poker. These programs helped to transform poker, once a penny-ante game played out on kitchen tables by neighbors and friends, into a glamorous event with celebrity matches and color commentators.

HELPING to push the growth was the use of cameras under tables during the competitions. That allowed viewers to see the players' cards and gain an insider's view of the unfolding game.

Once Mr. Dikshit's software was improved to allow for hosting as many as 70,000 players at once, Ms. Parasol's company further fueled the game's popularity. Now, players could join a game anytime, from anywhere, without having to wait for their buddies or to restock on beer and potato chips.

Players responded in droves, making poker by far the fastest-growing segment of the online gambling market. Total revenue for online poker among all companies was already a healthy $92 million in 2002, but it then exploded, surpassing $1 billion just two years later, according to Christiansen Capital Advisors L.L.C., a consulting firm in New Gloucester, Me., that specializes in advising gambling companies.

Ms. Parasol's company, by then known as PartyGaming, did its part to fuel the mania. To help introduce its poker Web site, it hired a well-known poker player named Mike Sexton as a marketing consultant, and with his help it developed the ''PartyPoker.com Million'' tournament -- a live contest played on a luxury cruise ship with a guaranteed first prize of $1 million. With cable channels hungry for more poker programming, the PartyPoker.com contest was soon on television -- featuring none other than Mr. Sexton as a commentator.

The company's base of players -- and the cash they generated -- exploded. In 2002, the casino business at PartyCasino.com, which included slot machines, blackjack games and roulette wheels, was still the big piece of PartyGaming, with 535 registered players compared with 105 registered poker players. By the end of 2004, the number of registered casino players had jumped to 1,296 while the number of poker players had soared to 5,225.

But that is only part of the story. After a blitz of television advertising in the United States, the poker games attracted an escalating number of casual players. At the end of 2002, the average number of daily active players was 1,297. Two years later, that had risen to 77,094 -- and by the end of March had reached 121,570.

Profits rode right along with that growth. The company had revenue of just $9 million from its poker business in 2002; by the end of 2004, revenue had climbed to more than a half-billion dollars.

As the business grew, PartyGaming brought in more professional managers. It hired Richard Segal, the head of Odeon Limited, Britain's leading operator of movie theaters, as chief executive in 2004, and hired Michael Jackson, the chairman of the Sage Group, a big British software company, as non-executive chairman. Ms. Parasol and her husband, Mr. DeLeon, now serve as consultants to the company and, after the offering, will retain the right to name one director to the board.

At the same time, PartyGaming adopted a long-term strategy for managing its growth, which is likely to continue to be robust. According to the Christiansen Capital analysis, poker players should continue to migrate to online games over the next five years, even as new players are attracted to the game. In the process, the firm estimates, the total online poker market will mushroom to $6 billion in 2009 from $1 billion in 2004.

But there is a problem with these estimates. Players in the United States make up three-quarters of the market, and even with all that growth they are expected to continue to be at least half of the overall business. At PartyGaming, American players currently make up just under 90 percent of the company's business. And American law enforcement argues that providing online poker is simply illegal.

It is called the Interstate Wireline Act -- known colloquially as the wire act. Passed in 1961 and aimed primarily at mobsters, the law prohibits anyone involved in the gambling business from using wire communication to transmit bets on ''sporting events or contests.''

The question becomes this: Is poker a contest? The Justice Department has historically maintained that it is and, as a result, has argued that operators of online poker, including PartyGaming, are acting in violation of the law.

But it is hardly that simple. In an astonishing bit of luck, in 2001 -- just as PartyGaming was preparing to start its poker business -- Federal Judge Stanwood Duval in New Orleans ruled in a case pertaining to MasterCard International that the wire act ''does not prohibit Internet gambling on a game of chance.'' That position has since been upheld by the Fifth Circuit Court of Appeals.

Still, the Justice Department has maintained that such gambling is illegal, and numerous states have argued that it violates their laws as well. Some authorities have tried flanking maneuvers to frustrate online casinos. Eliot Spitzer, New York's attorney general, for example, opened an investigation into how PayPal, the online payment firm owned by eBay, helps online bettors pay gambling companies. PayPal agreed to suspend all such payments, as did the Citibank division of Citigroup, one of the country's largest issuers of credit cards.

And there have been rumblings in Congress about toughening up federal laws to curb the business. For several years, Senator Jon Kyl, an Arizona Republican, has pushed for a federal law to prohibit the use of credit cards or other payment systems for online gambling. But each of those attempts has collapsed, as various sectors of the American gambling industry -- including horse racing and Indian casinos -- have sought to insert exemptions into the law for their businesses.

In an odd way, the questionable legality of online gambling in the United States ultimately proved to be a huge boost for PartyGaming. Even as hundreds of millions of dollars started rolling in from American players, gambling giants -- notably the operators of Las Vegas casinos -- stood on the sidelines. With valuable assets and all of their executives in the United States, none of them were willing take a chance on where the law would finally settle. That paved the way for independent virtual casinos like PartyGaming to succeed.

The company got a gambling license from Gibraltar, where it established its headquarters. It carefully made sure that none of its assets were in the United States, making it impossible for law enforcement to seize anything. Even the computer servers used to handle the poker games were located in Canada, and will be moved to Gibraltar by the end of this year.

Now, as the largest company pushing into the United States market, PartyGaming is best positioned to benefit if the question of online gambling is decided in its favor. Already, the ***World Trade Organization*** and foreign governments are siding with companies like PartyGaming and against the United States.

LATE last year, for example, the W.T.O. agreed with the Caribbean island nation of Antigua that United States legislation criminalizing online betting based in other countries violated global laws. An appellate body at the ***trade*** ***organization*** upheld the principal conclusions in that ruling in April.

Indeed, among international bodies and foreign governments, the American position on Internet gambling is becoming an object of derision. A 2003 report by the Department for Culture, Media and Sport in Britain, for example, found that there was a ''growing global market for online gambling where national boundaries'' no longer had any meaning.

''Nowhere is this better illustrated than in the U.S.A., where despite the apparent illegality of cross-border gambling more of its citizens gamble online than anywhere else in the ***world***,'' the report says. ''To deny this appears in many ways to fly in the face of the reality of international banking and the inherently international nature of 21st-century telecommunications.''

With America's strongest allies throwing in the towel, PartyGaming may well have been successful with its risky roll of the dice on Internet gambling. And now this week, its owners can cash in their billions of dollars in winnings.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photos: A view of a virtual game table on the PartyPoker.com Web site.

Richard Segal, the former head of Odeon, Britain's leading movie theater chain, was recruited as chief executive of PartyGaming last year. (Photo by VisMedia)

Anurag Dikshit, left, PartyGaming group operations director, and Michael Jackson, non-executive chairman. The company is going public. (pg. 8)(Illustration by The New York Times)(pg. 1)Chart: ''Winning Hand''Graph tracks PartyGaming revenue and profit after taxes from 2002 to 2004.Graph tracks PartyGaming revenue for the 4th quarter of 2004 and first quarter of 2005.(Source by company report)(pg. 8)

**Load-Date:** June 26, 2005

**End of Document**

[***A Battle Fought In the Factories***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4RB4-RG80-TW8F-G1JH-00000-00&context=)

The New York Times

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**Length:** 1541 words

**Byline:** By STEVEN R. WEISMAN

**Dateline:** WEIFANG, China, Dec. 8

**Body**

When the aging state-owned Weifang East Steel Pipe factory here in China's northern coastal plains fell into insolvency a few years ago, unpaid workers at first responded by blocking the factory gates and marching angrily on a nearby municipal building.

Then, inspired by the spirit of capitalism consuming modern China, more than 50 employees borrowed from banks against their homes to buy the company, install new equipment and produce higher quality steel pipe, much of it for export. The newly privatized factory soon was proudly humming again.

But today it is in a new crisis, and this time the workers' anger is aimed at the United States, which is set to impose punishing new tariffs on Chinese steel pipe imports early next year, at the behest of struggling American steel makers.

Hundreds of plant workers have been idled, and more layoffs are in the offing. ''We have followed market principles and been faithful to our American customers,'' said Wu Jingsheng, the Weifang plant's gruff general manager. ''Our workers don't know why they are being treated this way.''

In an atmosphere troubled by disputes like this one, Treasury Secretary Henry M. Paulson Jr. and other cabinet members are preparing for the next round of a ''strategic economic dialogue'' beginning in Beijing on Wednesday, aimed at easing tensions. But in many cases the two nations seem to be talking past each other, aggravated by American actions like the threatened steel duties or China's reluctance to crack down on unsafe food and toys.

At a time of heightened American anxiety over the effects of globalization, the factory here illuminates how esoteric ***trade*** disputes, where the facts are often ambiguous, usually boil down to little more than American jobs versus Chinese jobs.

While the Bush administration charges that China unfairly and illegally subsidizes its exports to undercut American producers, the Chinese deny that subsidies are a factor. They see an unfair assault on China's use of Western business models to modernize, provide jobs and take its rightful place in the ***world***.

The duties on Chinese steel pipe are part of a flood of ***litigation*** that flowed from an earlier decision to sanction Chinese companies. That move was, in part, a response to pressure from Congress, newly controlled by Democrats who are irate over Chinese imports that have led to record ***trade*** deficits.

As the Weifang plant shows, steel is one of the greatest irritants. To meet its construction needs, China has become the ***world***'s largest producer and consumer of steel and steel products like pipe. Only since 2001 has it been a net exporter of steel.

Though exports of steel pipe, used to make everything from scaffolding to sprinkler systems, accounted for less than $1 billion of the $232 billion ***trade*** deficit with China in 2006, China has doubled its share of pipe sold in the United States in two years to more than a quarter of the market. In the same period, several American steel pipe factories have shut down, throwing hundreds of people out of work.

American producers charge that though the Weifang factory is now private, it benefits from past subsidies for land, utilities and other costs, and current subsidies for raw steel. The administration says that China is using subsidies to engulf the ***world*** with a ''harmful glut'' of steel.

''We're extremely concerned that the Chinese steel industry is not market driven but driven by subsidization,'' said David M. Spooner, assistant secretary of Commerce for import administration.

In response, China argues that it is not subsidizing steel and that the current surge in exports is only temporary as it shuts down polluting, inefficient factories.

''China's steel industry is not export-oriented,'' Chen Haoran, recently retired chairman of a government-backed ***trade*** association, said in a speech in Hong Kong last month. ''It is not imposing and will not impose any threat on the supply-demand balance in the ***world*** market.''

The Chinese are also angry at the administration's increasing reliance on ***litigation***, whether by supporting petitions from American manufacturers for duties on steel pipe and other Chinese goods, or by taking China to court at the ***World Trade Organization***.

Administration officials admit that Chinese leaders see the imposition or threat of duties, or ***litigation*** at the W.T.O., as an act of bad faith.

''They think if you sue them, you've insulted them,'' said an American negotiator, speaking anonymously to be more candid.

Indeed, most experts agree that a basic cultural clash over these suits has roiled the relationship.

''The U.S. litigates at lunch, dinner, breakfast and so on,'' said Pascal Lamy, director general of the W.T.O., in a recent interview. ''In China, when you litigate, it means that your relationship is so deteriorated that one side will have to lose face, which is the worst thing you can do to someone in the Chinese culture.''

American officials, though, say that efforts to challenge China legally have paid off. Last month, the Chinese agreed to terminate a dozen subsidies and tax rebates that the United States had charged were unfairly promoting exports in several sectors.

The Weifang steel plant illustrates how deeply the resentments of the United States pervade Chinese society. Situated in the flat, windy plains of Shandong province near the Yellow Sea coastline, Weifang once was an agrarian region that is now an industrial center producing chemicals, electronics, textiles and diesel engines.

At the steel pipe factory, workers being laid off say they will have to switch to lower-paid jobs selling vegetables, driving motorcycle taxis or in construction. At the plant, their average wage is $4,000 a year.

A tour of the factory was arranged by William H. Barringer, a Washington lawyer with Vinson & Elkins, which is challenging the steel duties on behalf of the Weifang company and the Chinese government.

Mr. Barringer said that of 400,000 tons of pipe that were produced each year at the plant before it cut back, 300,000 were exported, suggesting that, despite Chinese claims, some steel factories are indeed geared toward exports. The only steel pipe now being made here is for the domestic market.

Inside a huge empty shed where hundreds of workers until recently welded pipes for American consumers, Sun Wei, a leathery 47-year-old welder, had no work to do except sweep the floors and clean the equipment. He said he had heard only recently that he was to lose his job.

''The responsibility is borne by the U.S. government,'' Mr. Sun said. Steel company officials said that the company cannot make up the difference by selling to Europe, because the European Union is also threatening duties.

Close by, in another big shed, Guo Qinfen, a 34-year-old production line supervisor, said that even though his workers were making steel pipe for domestic use, they were nervous. ''Everyone is feeling the pressure,'' he said.

A third of the overall United States ***trade*** deficit is with China, mostly a reflection of a shift in the composition of industry around the ***world*** and the artificially low value China maintains for its currency. But ***trade*** disputes rarely focus on the underlying trends, so China is now the object of nearly a third of the 257 American actions imposing duties on imports from 41 countries.

China's steel production, projected at 470 million tons this year, is now about 40 percent of the ***world***'s output, and greater than the output of the United States, Europe and Japan put together. Most of it is consumed by China itself, but American producers worry that more and more Chinesesteel is going to the United States.

''Essentially, we believe we are competing against the Chinese government, not the private sector,'' said Armand Lauzon, chief executive officer of the John Maneely Company, a pipe manufacturer based in Collingswood, N.J., which says it closed 5 of its 16 plants in recent years because of foreign competition. The Chinese are resentful because this is the fourth time that the Bush administration has tried to go after their steel industry. A charge that China was dumping steel below cost in 2001 was rescinded, another action in 2002 was blocked by the W.T.O. and a third was withdrawn in 2004 after the American automobile industry said it wanted to use less expensive imported steel.

China says it is unfair to blame imports for the loss of steel jobs. Steel employed more than 500,000 American workers in 1970, according to the American Iron and Steel Institute. Today, roughly the same amount of steel is produced in the United States with only 155,000 workers, largely because of advanced technology.

The Chinese government says that, with the plan to institute tariffs under two different provisions of the ***trade*** laws, the Bush administration is double-counting the subsidies that it claims are being used by China, and could raise tariffs by more than 100 percent.

Mr. Wu, the general manager, said tariffs that high will doom his plant, and so he enlisted the Chinese government, and the government enlisted American lawyers, to help him fight back. ''We have no one else to rely on,'' Mr. Wu said. ''So we have to fight.''

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

PHOTOS: At the Weifang East Steel Pipe factory in China, threatened tariffs from the United States have cut production and idled hundreds of workers. (pg.C1)

''Our workers don't know why they are being treated this way,'' said Wu Jingsheng, general manager of the Weifang plant.

A worker at the Weifang East Steel Pipe factory attaching a bundle of pipe to a crane. The company is challenging steel tariffs. (pg.C4) (PHOTOGRAPHS BY DOUG KANTER FOR THE NEW YORK TIMES )

**Load-Date:** December 11, 2007

**End of Document**

[***Aiding David in a Fight With Goliath at The Hague***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5K7R-2NX1-JBG3-61BW-00000-00&context=)

The New York Times

July 16, 2016 Saturday, Late Edition - Final

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**Section:** Section A; Column 0; Foreign Desk; Pg. 4; THE SATURDAY PROFILE

**Length:** 1413 words

**Byline:** By JANE PERLEZ

Follow Jane Perlez on Twitter @JanePerlez.

**Body**

BEIJING -- Paul S. Reichler's first big break came in the late 1970s, when, not long out of Harvard Law School, he was a ***litigation*** associate at a blue-chip Washington law firm. The Sandinistas had just come to power in Nicaragua, and the partners did not mind putting an idealistic young lawyer to work full time to recover national assets spirited away by the Somoza dictatorship.

But then Ronald Reagan won the White House, turning Central America policy upside down. Some of the senior partners in the law firm were joining the new administration, which had already made ousting the Sandinistas a major foreign policy goal. Mr. Reichler soon faced a choice: dump the Sandinistas or leave the law firm.

He stuck with the Nicaraguans, and in 1986 won a landmark case for them in the International Court of Justice in The Hague. The defendant was his own country, the United States, which was ordered to stop mining the ports of Nicaragua. The Reagan White House, which had refused to sign the United Nations Convention on the Law of the Sea, ignored the ruling, confident it could withstand charges of violating international law.

Mr. Reichler, 68, is now a senior partner with Foley Hoag, with a corner office in the high-rent quarter of Washington he left 30 years ago. Of late, though, he had been back in The Hague, where, in the culmination of a three-year case, he won a sweeping victory this week for the Philippines, when an international tribunal swept away almost all of China's claims in the South China Sea.

There are a number of similarities to the Nicaraguan brief. Mr. Reichler is again assisting a small country, the Philippines, battling a big one. And again, the big country, in this case China, refused to participate and publicly denounced the tribunal, calling it biased and anti-Asian. (The United States did appear in the early stages of the Nicaragua case in the 1980s but then withdrew.) With even more ferocity than the Reagan administration, China has vowed to ignore the outcome.

For Mr. Reichler, now a member of a rarefied fraternity of lawyers who represent countries before international courts and tribunals, the current behavior of China is more extreme than the United States in the 1980s.

''The Nicaragua case is an exception, a big exception and a terrible exception,'' Mr. Reichler said. ''I consider the Reagan administration to be an anomaly in terms of respect for international law. The United States does have a history of complying with the judgments of the International Court of Justice.''

The case brought by the Philippines was the first against China in an international court or tribunal in The Hague, although Beijing has been involved in arbitration connected to the ***World Trade Organization*** and has complied with adverse rulings, Mr. Reichler said.

For outsiders, China's absence might seem to make the proceedings easier. In fact, he said, the empty chairs in the elegant chamber in The Hague made it more difficult. ''In a case like this, the tribunal wants to get it right. Here you have five of the more eminent jurists, and they know there is a lot of interest in the case,'' he said. ''They know it's going to be read very carefully.''

So rather than just rely on what Mr. Reichler and his team of lawyers and environmental experts presented, the arbitrators conducted their own investigations into the picayune details of the history of the South China Sea, including the depth of water around artificial islands built by China.

''After almost 40 years as a litigator, I know it's always better to have the other party there. The Philippines was asked at least 10 times more questions as in any other case I've been involved in,'' he said. ''Sometimes in developing their arguments, the tribunal gives better arguments than the other side would have made.''

The son of Joseph L. Reichler, a famous baseball writer for The Associated Press (he got the scoop on Joe DiMaggio's retirement), Mr. Reichler grew up on Long Island, infused with a sense of wanting to do good in the ***world***. He was too young to participate in the civil rights movement, but as he was graduating from Tufts University in 1969 he faced the Vietnam draft.

''I knew I wasn't going to fight against the Vietnamese, so it was Canada, jail or the National Guard.'' He served in the National Guard while attending Harvard Law School, with the idea of eventually helping the poor. ''I was pretty idealistic in those days.''

When he landed in Washington at the end of the Carter administration, Mr. Reichler stood out in the crowd of antiwar activists, journalists and celebrities who hovered around Daniel Ortega, the leader of the Sandinistas, said Joseph Eldridge, who recently retired as the chaplain at American University.

''From the beginning, it was apparent that Paul was cut from a different cloth,'' Mr. Eldridge said. ''He left Washington, D.C.'s equivalent of Wall Street -- the 'suits' on K Street -- to defend a government considered a mortal threat to the U.S. and was palling around with the feared and loathed Daniel Ortega.''

In assembling the case against the Reagan White House, the youthful Mr. Reichler knew he needed some gravitas on the team. So he recruited Abram Chayes, a former legal adviser to the State Department and a popular professor at Harvard Law School. Mr. Chayes went for the jugular, telling the 15 judges in The Hague with great fervor of the death and destruction inflicted on Nicaragua by the American mining of its harbors. By a vote of 15 to 0, the court ordered the United States to stop.

Because Mr. Reichler was the moving spirit behind the case, the credit for the victory fell largely to him. From there, he carved a career as a progressive lawyer on issues that appealed to him -- human rights, territorial sovereignty and cross-border environmental damage, among others -- and almost always on the side of the afflicted.

He made a specialty of representing the underdog in cases involving the United Nations Convention on the Law of the Sea, winning cases for Mauritius (against Britain) and Bangladesh (against India). A third case, Somalia against Kenya, is pending.

In a different arena, just four days before the China decision, he won an arbitration case for Uruguay, where strict tobacco control laws were challenged by Philip Morris International.

When an American human rights group asked him to represent Ibrahim al-Qosi, one of the early captives in Guantánamo Bay, Cuba, he had no hesitation, he said. Mr. Qosi had fled with Al Qaeda fighters from Tora Bora in Afghanistan and was accused of providing material support -- cooking and driving -- to terrorists.

During more than a dozen visits to Guantánamo, Mr. Reichler negotiated with the United States military commission for a plea bargain that allowed Mr. Qosi to serve a reduced sentence. He was returned to Sudan in 2012.

He has no qualms about defending the Al Qaeda sidekick, even as Mr. Qosi has recently surfaced on the group's propaganda videos. ''In the early years, the conditions and treatment at Guantánamo were appalling and really contrary to American values,'' he said. ''I believe in those values, and I believed in fighting for them in representing al-Qosi.''

When the Philippines decided its negotiations with China over its disputes in the South China Sea had reached a dead end, the foreign secretary, Albert del Rosario, also a lawyer, decided on international arbitration.

Mr. del Rosario said he scoured the ***world*** for lawyers who would be unfazed by taking on China, and finally recommended Mr. Reichler to the president, Benigno S. Aquino III.

China has staked out an uncompromising position on The Hague's ruling, vowing not to accept, recognize or execute the judgment, making it a renegade, in the eyes of many, when it comes to accepting legally binding international decisions.

Just as in the Nicaragua case, there is no mechanism to enforce the court's order. But there is hope that, as in the 1980s, the ruling may lead the way to a settlement.

In the face of the Reagan administration's defiance, the 1986 decision helped galvanize congressional opposition and stiffened the resolve of Central American governments to seek an end to the war in Nicaragua.

''This could lead them in six months or a year or more to look for a way to settle the dispute with the Philippines,'' Mr. Reichler said, ''which would mean accommodating themselves to the final judgment in a significant way.''

[*http://www.nytimes.com/2016/07/16/****world****/asia/south-china-sea-phillipines-hague.html*](http://www.nytimes.com/2016/07/16/world/asia/south-china-sea-phillipines-hague.html)

**Graphic**

PHOTO: Paul S. Reichler secured a big victory for the Philippines this week in a case against China. (PHOTOGRAPH BY MARY F. CALVERT FOR THE NEW YORK TIMES) (A5)

**Load-Date:** July 16, 2016

**End of Document**

[***Lawmakers Voice Doom and Gloom On W.T.O. Ruling***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:4C86-TTP0-TW8F-G2MH-00000-00&context=)

The New York Times

April 28, 2004 Wednesday, Late Edition - Final

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**Section:** Section C; Column 2; Business/Financial Desk; Pg. 1

**Length:** 816 words

**Byline:** By ELIZABETH BECKER

**Dateline:** WASHINGTON, April 27

**Body**

Lawmakers from major farm states, shaken by a preliminary ***World Trade Organization*** ruling against the government's multibillion-dollar subsidies to the cotton industry, warned on Tuesday that the action could deal a severe blow to agribusinesses and farmers nationwide.

''This has the potential to have extraordinary consequences up and down every main street in rural America,'' Senator Kent Conrad, Democrat of North Dakota, said of the W.T.O. decision, which ruled in a case brought by Brazil that the subsidies paid to the United States cotton industry violate global ***trade*** rules.

The ruling calls into question the 2002 farm bill, which increased subsidies to $19 billion a year for the country's biggest farmers who grow commodity crops like cotton, corn, rice, wheat and soybeans. The United States said such direct payments did not distort ***world*** ***trade***. Brazil successfully argued that because they were underwritten by taxpayer money, American farmers grew more crops that flooded ***world*** markets, brought down ***world*** commodity prices and undercut farmers in Brazil.

As lawmakers demanded serious action to respond to the ruling, the White House said that it would not make any unilateral concessions but instead would work with Congress and the agriculture sector to defend the United States' farm interests.

The case eventually could compel Washington to cut farm subsidies and force the United States, Europe and other wealthy economies to make greater concessions to poor countries at global ***trade*** talks.

Policy makers and officials were on the defensive, saying it was unfair for Brazil to single out the United States for its cotton subsidies when other countries have their own unfair ***trading*** practices like high tariffs and different scientific standards for agricultural imports. All those issues, they said, should be the subject of negotiations, not cases before the W.T.O.

In a show of bipartisanship, Representative Bob Goodlatte, Republican of Virginia, and Representative Charles W. Stenholm, Democrat of Texas, the ranking members of the House Agriculture Committee, said the decision had to be appealed.

''Changes to countries' agricultural policies should come through the give and take of negotiations, not through decisions that do not appear based on W.T.O. rules,'' they said.

But Brazil filed its case against the United States precisely because its officials said they were frustrated that global ***trade*** talks aimed at reducing or eliminating agricultural subsidies of wealthy nations had been blocked.

Spreading the pain, Brazil has also filed a case at the W.T.O. against the European Union for its sugar policies. Over the last two weeks, the Europeans have been debating how to reform their policies, and reduce their subsidies in advance of any negative ruling against them.

The ruling on cotton has revived the debate in Congress over whether to pay farmers for producing food or for conserving the environment. If the preliminary ruling holds, conservation payments could become the best way to support farmers without breaking ***trade*** rules.

Seeking to calm worried farmers and agribusinesses, Richard Mills, the spokesman for the United States ***trade*** representative's office, said on Tuesday that there would be no immediate effect on farm policies.

He also said the administration's response would be to press ahead with global ***trade*** talks, which broke down in Cancun, Mexico, last year, in part because of the United States stance on cotton subsidies.

''The best way to address any distortion in global cotton markets,'' he said ''is through the W.T.O. agricultural negotiations.''

But lawmakers were also asking whether the United States should remain in the W.T.O. if it continued to make rulings that call into question domestic programs.

Allen F. Johnson, the chief agriculture negotiator for the ***trade*** representative's office, said Tuesday that if the ruling did hold it ''would have a negative effect on how officials see the W.T.O. and free ***trade*** in general.''

Proponents of Brazil's actions said the ruling should enhance the standing of the W.T.O. by proving that developing nations could win a case against the United States.

''We think this is a real sign that global ***trade*** rules can work,'' said Gawain Kripke, senior ***trade*** adviser for Oxfam America, an advocacy group. ''We in the United States have to play by the same rules as everyone else does.''

While some lawmakers worried that other nations would follow Brazil's example, it is unlikely because the ***litigation*** has already cost $1 million, a sum that is prohibitive for the poor nations that suffer the most harm from cheap subsidized imports.

In their annual spring meetings last week, economists at the ***World*** Bank said that 144 million people could be lifted out of poverty if rich countries reduced or eliminated the $300 billion rich nations pay their farmers in subsidies and support.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Load-Date:** April 28, 2004

**End of Document**

[***Chinese Pharmaceutical Company Gets Approval to Make Generic Viagra***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5D3T-WGH1-DY2M-W4KK-00000-00&context=)

The New York Times Blogs

(Sinosphere)

September 10, 2014 Wednesday

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**Section:** ***WORLD***; asia

**Length:** 802 words

**Byline:** BECKY DAVIS

**Highlight:** A Chinese pharmaceutical company has received approval to become the country&#8217;s first official producer of a homegrown version of Viagra.

**Body**

A Chinese pharmaceutical company has received the green light from China's State Food and Drug Administration to become the country's first official producer of a homegrown version of Viagra, Pfizer's famous erectile dysfunction drug.

Pfizer's patent on Viagra expired in China in May, following patent expirations in several European countries and elsewhere that are expected to undercut profits for the American pharmaceutical giant as cheaper alternatives are rolled out.

Since May, Chinese companies have been vying with one another to emerge as the dominant player in the new market for generic versions of the pill. In the early stages of the competition, Guangzhou Baiyunshan Pharmaceutical appears to have emerged triumphant.

After years of behind-the-scenes preparation, the company last week received the state production license that will allow it to start churning out sildenafil citrate, the active ingredient in Viagra. Guangzhou Baiyunshan, a subsidiary of the larger Guangzhou Pharmaceutical Holdings Limited, began developing its product in the 1990s, but had to hold off in 2003 when it was unable to get a production license because of the Pfizer patent, Nanfang Daily [*reported*](http://tech.southcn.com/t/2014-09/03/content_107823876.htm).

Chinese companies have spent the better part of two decades lying in wait for Pfizer's patent to expire because profits in China's erectile dysfunction drug sector are enormous and only expected to grow.

The "[*Investigation Report on China Sildenafil Market, 2009-2018*](http://www.chinamarketresearchreports.com/114743.html)" put out by China Market Research Reports estimates that more than 50 million men in China suffer from sexual dysfunction. The demand for a remedy is expected to rise along with the aging of China's population. The United Nations Department of Economic and Social Affairs   [*projects*](http://www.un.org/esa/population/publications/worldageing19502050/pdf/80chapterii.pdf) that by 2050 China will be home to 437 million people over the age of 60.

According to a[*Citigroup study cited by CNBC*](http://www.cnbc.com/id/101893675#.), the current Chinese erectile dysfunction drug market is worth 1.7 billion renminbi a year. This could reach as much as 5 billion renminbi, or $810 million, by 2018, it said, and generic versions of Viagra could take more than half the market. Whereas Viagra is sold in China at more than 90 renminbi, or almost $15, a pill, Baiyunshan plans to market its own version for between 30 to 50 renminbi, giving it a serious competitive advantage.

Viagra was introduced to China in 1998, but Pfizer faced a range of challenges to its patent and other ***litigation*** until 2007. One of the greatest obstacles the company faced in marketing the drug to Chinese consumers was that it did not own the trademark on its most commonly used Chinese name, "Wei Ge (伟哥)," which sounds somewhat like the English while literally translating to "Great Older Brother," or "Big Guy." When Pfizer tried to trademark the colloquial Chinese term for its product, it discovered that that name was already owned by a local pharmaceutical company in Guangzhou and so was left with the lackluster transliteration "Wan Ai Ke (万艾可)," which has no particular Chinese meaning.

Baiyunshan clearly seeks to mimic the mainland success of "Wei Ge" by naming its product "Jin Ge (金戈)," which means "Golden Dagger-Axe." This serves up a witty reference to Pfizer's "Big Guy" in terms of pronunciation while conjuring the image of the phallic, L-shaped blade favored by warriors in the Shang through Han dynasties.

This clear mimicry in both product and marketing is an indication, however, of the Chinese pharmaceutical industry's weakness, according to an [*article*](http://zqb.cyol.com/html/2014-09/05/nw.D110000zgqnb_20140905_2-02.htm) in China Youth Daily. It quoted Long Yongtu, who was the lead negotiator on China's entry into the ***World Trade Organization***, as saying in 2006 that 90 percent of the 5,000 or so large and small pharmaceutical companies in China produced only generics, and their combined annual sales revenue totaled less than $40 billion, less than that of a single company of Pfizer's size. In 2013, Pfizer took in   [*$51.3 billion*](http://investing.businessweek.com/research/stocks/earnings/earnings.asp?ticker=PFE)globally.

Nearly a decade later, Chinese pharmaceutical companies are still more eager to imitate than innovate, shying away from the huge investments and risks of developing new drugs in favor of the certain returns from imitating tried-and-true blockbuster drugs or repackaging existing formulas. According to China Youth Daily, Chinese pharmaceuticals on average still invest less than 1 percent of their budget in research and development, despite recent government incentives.

Generics are nonetheless better alternatives for penny-pinching consumers than the knock-offs that abound in China, as they are subject to governmental regulation and contain the same active ingredients and dosage as the original drug. Time will tell if those who prefer traditional Chinese medicine virility treatments such as pangolin scales or tiger penis will be swayed by the new "Golden Dagger-Ax" on the market.

**Load-Date:** September 10, 2014

**End of Document**

[***Europe Rejects Compromising With U.S. Over Tax Benefits***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:41R1-DD10-00MH-F2D7-00000-00&context=)

The New York Times

November 22, 2000, Wednesday, Late Edition - Final

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**Distribution:** Business/Financial Desk

**Section:** Section W;; Section W; Page 1; Column 1; Business/Financial Desk; Column 1;

**Length:** 349 words

**Byline:** By ELIZABETH OLSON

By ELIZABETH OLSON

**Dateline:** GENEVA, Nov. 21

**Body**

The European Union has ruled out any deal to resolve its latest ***trade*** dispute with the United States over a system of tax benefits for American exporters, according to the union's ***trade*** minister, Pascal Lamy.

Mr. Lamy said today that the dispute was under ***litigation*** at the ***World Trade Organization*** and that the Europeans would not interfere.

"When things have been sent to the W.T.O. dispute settlement, they are not open to any more horse ***trading***," he said. "Once you have the E.U. and the U.S. short-circuiting the system, it will be very dangerous to the credibility of the system itself."

The United States Congress passed a revised version of its tax-benefit law for exporters, known as the Foreign Sales Corporation, last week, but the modified plan failed to assuage Europe.

Mr. Lamy insisted that the 15-member union would impose sanctions if the W.T.O. found that the United States had failed to revise suitably its tax-benefit plan for exporters.

The union requested that the global ***trade*** body review the modified law. At the same time, the European Union filed for authorizaton to impose sanctions of $4 billion to retaliate for harm done to European companies because of the tax advantages.

"The new F.S.C. is even worse than the previous one in terms of export subsidies," Mr. Lamy said. "It will be found noncompliant. I don't have the slightest doubt about that."

A ***trade*** ***organization*** panel ruled earlier that the original American tax benefit violated global ***trade*** rules against export subsidies.

United States officials have argued that the overhauled tax plan meets free-***trade*** requirements. The law, which was passed by Congress after the United States missed the first compliance deadline, extends tax benefits to overseas manufacturing and is said to cost as much annually as the old system did.

Europe moved to preserve its ability to levy penalties, which are likely to be 100 percent tariffs on a lengthy list of American goods. It is the largest amount ever sought from the W.T.O. "If they don't comply, there will be sanctions," Mr. Lamy said.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Graphic**

Photo: Pascal Lamy, the ***trade*** minister for the European Union. (Associated Press)

**Load-Date:** November 22, 2000

**End of Document**

[***Talks Collapse on U.S. Efforts To Open Europe to Biotech Food - Correction Appended***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:48WG-1DY0-01KN-225B-00000-00&context=)

The New York Times

June 20, 2003 Friday, Late Edition - Final

**Correction Appended**



Copyright 2003 The New York Times Company

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

**Length:** 936 words

**Byline:**  By DAVID LEONHARDT

**Dateline:** WASHINGTON, June 19

**Body**

Talks between the United States and the European Union over opening up Europe to genetically modified foods broke down in Geneva today, the Bush administration announced, heightening trans-Atlantic tensions.

American officials said they would soon request that the ***World Trade Organization*** convene a panel to hear their case, in an effort to end a ban that farm groups say is depriving agricultural businesses of hundreds of billions of dollars a year.

The Bush administration called Europe's policy illegal, saying that scientific research had shown genetically altered crops to be safe. The European Union "denies choices to European consumers," Richard Mills, a spokesman for the United States ***trade*** representative, Robert Zoellick, said in a statement today.

European officials said the long-term effects of altered food remained uncertain. They said they were disappointed by the administration's publicizing of the dispute.

The food dispute is one of a handful of ***trade*** fights between the United States and Europe and comes as tensions linger over the war in Iraq, which many European countries opposed. ***Trade*** officials also continue to haggle over steel tariffs imposed by the Bush administration last year, farm subsidies on both sides of the Atlantic, and an American law that reduces taxes for companies with overseas operations, among other issues.

"There have never been more of these ***litigations*** than there are right now," Robert E. Lighthizer, a ***trade*** lawyer at Skadden, Arps, Slate, Meagher & Flom in Washington, said of the disputes. He said the relationship was "extremely contentious."

American and European officials met in Geneva today for a round of negotiations, known as a consultation, after the United States filed suit at the W.T.O. over the issue last month. Today's announcement means that the ***trade*** ***organization*** will soon begin selecting a panel of judges to hear the case, although a decision is likely to take months.

Genetically modified food -- which can grow more quickly than traditional crops and can be resistant to insects -- has caused scant controversy in the United States, where people eat it every day. Almost 40 percent of all corn planted in this country in genetically modified.

In Europe, however, the environmental movement is more powerful, and a series of food problems, including mad cow disease, have made people far more skeptical of assurances of safety from governments and businesses. Some food packages there bear the label "GM free," and the initials are well enough known to be used regularly in headlines in British newspapers.

The European Commission has permitted the use of some genetically modified foods, like soybeans, in the last decade, but has effectively placed a moratorium on most new products.

The Bush administration and agricultural businesses view the policy as simple protectionism because American companies, which dominate the biotechnology industry,would benefit most from lifting the ban. Without it, American companies would export about $300 billion more in corn each year than they do now, according to the American Farm Bureau Federation.

Scientific research has generally shown that genetically modified foods do not cause health problems.

"Countries shouldn't be able to erect barriers for nonscientific reasons," Don Lipton, a spokesman for the farm federation, said. "That's a very important principle in international ***trade***."

In a speech last month, President Bush escalated the dispute by saying that Europe's policy was undermining efforts to fight hunger in Africa. African nations, fearing their products would be shunned by Europe, are avoiding developing genetically modified food that might help feed the continent, he said. "European governments should join, not hinder, the great cause of ending hunger in Africa," he said in the speech.

European diplomats reacted angrily to Mr. Bush's comments, saying that their health concerns were serious and noting that European nations spend a greater part of their budget on foreign aid than the United States.

European officials have also said that they are surprised that the United States has highlighted the dispute recently. This summer, the European Parliament is scheduled to consider a measure that would establish strict labeling rules for genetically modified products, which could allow more of them to be sold.

Europe's resistance to modified crops received a political lift last week when a global treaty restricting them was approved. Although it is not clear what effect the treaty, known as the Cartagena Protocol on Biosafety, will have on the ***trade*** dispute, it is likely to make it easier for countries to restrict importing the crops, ***trade*** experts say.

The United States, worried about the treaty's impact on American exporters, agreed only reluctantly to support it when it was negotiated in 2000.

Announcing that the talks between Europe and the United States had broken down today, Mr. Mills, the ***trade*** representative's spokesman, said in his statement that he was "disappointed but not surprised."

He added, "We'll be moving forward with requesting a panel" to decide the case.

Willy Helin, a European Commission spokesman, said that European officials had explained their policy fully to the United States delegation today, but that they had expected the dispute to reach the next level.

"This is a first formal step," he said.

Argentine officials, who have joined the United States in filing the W.T.O. case, also attended today's talks, Mr. Helin said.

But other nations that have previously criticized Europe's position, including Egypt, did not, he said.

[*http://www.nytimes.com*](http://www.nytimes.com)

**Correction**

A front-page article yesterday about the collapse of talks between the United States and Europe over genetically modified foods misstated the amount that American agricultural businesses estimate they are losing each year because of a European ban on the foods. It is hundreds of millions of dollars, not billions. The article also misstated the estimated annual loss for the corn market. It is $300 million, not billion.

**Correction-Date:** June 21, 2003

**Load-Date:** June 20, 2003

**End of Document**