

Are Sino/US Trade Talks Doomed to Fail?

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Both countries want major outstanding issues resolved, a bilateral deal finalized, ending the longstanding differences on trade and related issues.

Yet after 11 rounds of talks since China's Xi Jinping met with Trump at his Mar a Lago, Florida estate in April 2017, followed by US initiated trade war in March 2018, major structural issues remain unresolved.

The Trump regime upped the stakes by blacklisting Chinese tech giant Huawei and its 70 affiliates on the phony pretext of preventing the company from "potentially undermin(ing) US national security."

The move made bilateral accommodation all the harder, risking full-blown trade war between the world's two largest economies.

If things go this far, it will negatively affect both countries and the global economy. It also risks direct Sino/US confrontation.

Beijing won't be pressured, bullied, intimidated or threatened to bend to Washington's will. In response to blacklisting Huawei and its affiliates, China's Foreign Ministry spokesman Gao Feng said his government "emphasized many times that the concept of national security should not be abused, and that it should not be used as a tool for trade protectionism," adding:

China "will take all the necessary measures to resolutely safeguard (the) legitimate rights" of its enterprises. He slammed the US for "unilaterally and continuously escalat(ing) the trade conflict."

Are future talks between officials of both countries doomed by this action and other unacceptable US toughness? Will China walk away believing resolution of major bilateral differences are unattainable?

Blacklisting Huawei prohibits it from buying parts and components from US companies without Washington's approval.

The action shuts the company out of the US market, making it harder for it to sell some of its products that rely on what's bought from US suppliers.

A second action by Trump bans US companies from purchasing telecom equipment from foreign suppliers "deemed to pose a national security risk" — his order aimed at Huawei and other Chinese firms without naming them.

The action is all about wanting US companies to have a leg up on foreign competition. China

is sure to retaliate against shutting out Huawei and its affiliates from the US market.

The company is leading the race to roll out 5G technology in Western and world markets. At stake are trillions of dollars of economic value, why the company is targeted.

According to its chairman Liang Hua, it intends signing “no-spy” agreements with European and other countries.

Its UK-based representative Nigel Jeffries said targeting its supply chain, hampering its 5G rollout will “limit the US to inferior yet more expensive alternatives, leaving the US lagging behind in 5G deployment and eventually harming the interests of US companies and consumers.”

China’s official newspaper, the [People’s Daily](#), responded sharply to the Trump regime’s action against Huawei, calling it “unreasonable bully tactics...cast(ing) a (long) shadow” over bilateral relations, “underestimat(ing) the will and determination of the Chinese people to defend the country’s core interests.”

The broadsheet accused the US of “backtrack(ing) in trade talks,” falsely accusing Beijing of “reneging on promises,” adding:

“It is totally nonsense that disregards facts, and such false accusation on China is nothing but a lie.”

“China will never make concessions on major issues of principle, and its core concerns must be addressed.”

“Washington holds a hegemonic logic that anything goes against its own wills is considered backtracking.”

“The US exploits...treaties, clauses, and organizations that conform to its own interests, and slams those not able to help it maximize its profits.”

“The US went back on its words four times since it started trade talks with China a year ago...The arbitrary acts of the US increased uncertainty for the future development of global economy and disappointed the international community.”

Instead of seeking mutual cooperation with China and other countries, the US demands they subordinate their sovereign rights to its interests — a formula for heightened friction, perhaps making resolution of major differences with China unattainable.

What seemed unlikely earlier is how things may turn out ahead because of unacceptable Trump regime actions.

Economist Richard Wolff slammed its actions, saying it’s costing jobs and money. DJT “initiated a massive tax on Americans. Tariff is just a word for a particular kind of tax” paid by US consumers and businesses.

Wolff believes both countries will reach agreement, each claiming “they prevailed, and we will go on to some other crisis that can keep our president in the news.”

His remarks came before the US blacklisted Huawei. The action isn't a game-changer so far. The playing field could markedly shift if the Trump regime persuades its European and other allies to adopt a similar policy.

It won't be easy, given the company's advanced technology, superior to competition, making it hard to shut the firm out of world markets.

The US and China are competing for which country will be the leader in 5G technology, trillions of dollars of market value at stake.

Bilateral differences are all about the US wanting to undermine China's aim to become an economic, industrial, and technological powerhouse, matching or exceeding the US, the trade deficit a minor issue by comparison.

Will both countries be able to resolve major differences in the weeks and months ahead? The jury is very much out on this major issue.

According to Chinese state media, its authorities may suspend trade talks with the US if its unacceptable toughness continues, saying:

"If there is no real concrete action by the US, it will be meaningless for you to come and talk" — the remark directed at Treasury Secretary Mnuchin, adding:

"It is better to suspend the consultation completely and return to the normal working track."

"The US does not show any sincerity in continuing talks. Instead, it is extending its pressure tactics."

"The US on one hand says it engages in talks, but on the other hand keeps using petty tricks to destroy the atmosphere for talks."

China's Foreign Ministry said

"(i)f anyone thinks that China is bluffing, it will only be another major miscalculation..."

Is Beijing bluffing or is it willing to suspend further talks, hoping the Trump regime softens its hardline position.

At a Conference on Dialogue of Asian Civilizations, Xi Jinping said the following:

"If someone thinks their own race and civilization is superior and insists on remoulding or replacing other civilizations, it would be a stupid idea and disastrous act," adding:

"We should hold up equality and respect, abandon pride and prejudice, deepen our knowledge about the differences between our own and other civilizations, and promote harmonious dialogue and coexistence between civilizations."

His remarks were directed at the US without naming it. Authorities of both countries are aware of the dangers of deteriorating relations.

That's where things are heading on issues besides trade. The US wants control over other nations, their resources and populations.

It's playing with fire by trying to push China and Russia too far, heightening the risk of possible global war.

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