

Strained China-US Relations. Renewed Trade War Ahead? New Cold War?

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Sino/US relations are more dismal than at any time since Nixon's 1972 meeting with Mao during his weeklong visit to China.

Are bilateral differences irreconcilable? Is the breach between both countries too great to restore more cooperative relations?

Is a new trade war inevitable? Has it already begun unnoticed? Has a new Cold War begun that could turn hot?

Mistrust and friction between both countries continue worsening.

On the one hand, bilateral differences stem from Trump's reelection strategy.

His manipulating the public mind blame game aims to shift responsibility for failure to effectively address the US public health issue and economic collapse onto China.

A far greater issue is wanting the country's rise on the world stage as a political, economic, industrial, technological, and military powerhouse undermined — a prescription for longterm friction and possible confrontation.

Trump's Office of Trade and Manufacturing Policy director **Peter Navarro** said

"(w)e are at war. Make no mistake about that. The Chinese unleashed a virus on the world (sic)."

Big Lies repeated endlessly get most people to believe them. Recent Gallup poll data show two-thirds of Americans view China mostly or very unfavorably.

Russia and China are jointly viewed as America's greatest enemies — despite both countries at peace, pursuing cooperative relations with other countries, threatening none, in contrast to US war on humanity at home and abroad.

Like other hardline members of both right wings of the US war party, Navarro wants China to pay damages for COVID-19 outbreaks — what it had nothing to do with.

The Big Lie has taken on a life of its own. No letup is likely through November presidential and congressional elections.

As long as dire US main street economic conditions continue, what's likely longterm, China bashing will likely persist, falsely blaming its ruling authorities for made-in-the-USA misery.

Michel Chossudovsky explained that COVID-19 outbreaks gave US ruling authorities, Wall Street, and other dominant corporate interests “a pretext...to trigger the entire World into a spiral of mass unemployment, bankruptcy, extreme poverty and despair.”

Their diabolical scheme is all about consolidating corporate America to greater size and market dominance by “eliminat(ing) (maximum numbers of) (s)mall and medium sized” enterprises.”

Their plot is aided and abetted by the Wall Street owned and controlled Fed — handing trillions of dollars in free money to major banks and other corporate favorites while the White House and Congress give crumbs alone to millions of ordinary Americans in need, leaving them largely on their own during the hardest of hard times.

Given weakness in China’s economy and export markets, along with calls in the US to bring back offshored production in the country, it’s highly unlikely that Beijing will purchase \$200 billion worth of US goods and services above 2017 levels in 2020 and 2021.

According to China’s Global Times (GT) on Monday, unnamed sources in Beijing are urging a renegotiation of the so-called phase one trade deal with the US — because of China’s weakened economy and hostile Trump regime rhetoric and threats, adding:

“(A)dvisors close to the trade talks have suggested Chinese officials rekindling the possibility of invalidating the trade pact and negotiating a new one to tilt the scales more to the Chinese side...based on force majeure provisions in the pact,” — unforeseen circumstances that prevent fulfillment of the deal.

One unnamed source told GT that “(i)t’s...in China’s interests to terminate the current phase one deal. It is beneficial to us.”

Another source believes that the US can’t start another trade war because of its collapsed economy.

Chinese Academy of Social Sciences trade expert Gao Lingyun said “China knows how to respond (to a renewed US trade war war), and it is able to retaliate quickly and inflict serious harm on the US economy” ahead of its November elections.

According to the US-based Center for Strategic and International Studies (CSIS), China’s purchases of US goods will fall way short of what was agreed on in the phase one deal.

It estimates about \$60 billion worth of US imports in 2020, far short of \$186 billion to fulfill its annual commitment.

CSIS analyst **Scott Kennedy** believes that even if Chinese purchases of US goods and services increase later this year, the “overall picture” won’t change, “just the details,” adding:

“The targets were never realistic. They were just gaudy numbers meant to impress. The pandemic made the unrealistic the impossible.”

Q | US energy exports to China fell 33% year-over-year. Commercial aircraft sales were

virtually zero. US auto exports to the country were down by nearly 50%, soybean exports lower by 39%.

When Q II numbers are reported, they'll likely be worse across the board, what lies ahead highly uncertain for a protracted period during troubled economic times.

Dismal Sino/US relations are more likely to worsen than improve ahead — heightening the risk that escalating Cold War could turn hot.

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