

## **US/China Trade War Escalates**

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*US Trade Representative (USTR)* **Robert Lighthizer** accused China of US Trade Act of 1974 violations, stating:

"1. China uses foreign ownership restrictions, such as joint venture requirements and foreign equity limitations, and various administrative review and licensing processes, to require or pressure technology transfer from US companies."

"2. China's regime of technology regulations forces US companies seeking to license technologies to Chinese entities to do so on non-market-based terms that favor

Chinese recipients."

"3. China directs and unfairly facilitates the systematic investment in, and acquisition of,

US companies and assets by Chinese companies to obtain cutting-edge technologies and intellectual property and generate the transfer of technology to Chinese companies."

"4. China conducts and supports unauthorized intrusions into, and theft from, the computer networks of US companies to access their sensitive commercial information and trade secrets."

Lighthizer said he'd "publish a proposed list of products and any intended tariff increases within 15 days of the date of this memorandum."

He proposed 25% tariffs worth about \$50 billion in calendar year 2018 on designated Chinese products. A detailed technical list was itemized in the USTR document's annex.

Around 1,300 Chinese products are targeted, including raw materials and components to finished products like autos.

Virginia-based Retail Industry Leaders Association vice president Hun Quach said

"(s)tuff that you put on your body: spared. Stuff you put in your home: targeted."

US Chamber of Commerce executive vice president/head of international affairs Myron Brilliant said

"imposing taxes on products used daily by American consumers and job creators is not the way to achieve" fairness in trade.

Information Technology Council president **Dean Garfield** stressed

"(t)ariffs penalize US consumers by increasing prices on technology products and will not change China's behavior," adding:

"Instead, the administration should act consistent with international obligations and work with other countries to address systemic issues with China."

Tariffs on targeted Chinese products are subject to 60 days of public review and comment before taking effect.

Beijing's embassy in Washington

"strongly condemn(ed) the unfounded Section 301 investigation and the proposed list of products and tariff increases based on the investigation," adding:

The US government's "unilateralistic (sic) and protectionist action gravely violated fundamental (WTO) principles and values."

"As the Chinese saying goes, it is only polite to reciprocate." Beijing intends imposing tariffs "of equal scale and strength (on) US products in accordance with Chinese law."

Beijing said it'll levy 25% tariffs on 106 US products, including soybeans, automobiles, chemicals and aircraft – matching in value the \$50 billion total on Chinese products.

US tariffs target Beijing's "Made in China 2025" strategy, highlighting 10 economic sectors.

They include information technology, high-end machinery and robotics, aerospace, marine equipment and ships, advanced rail transport, new-energy vehicles, electric power, agricultural machinery, new materials and biomedical products.

In late March, Trump's trade advisor **Peter Navarro** said

"China, in my view, brazenly has released this China 2025 plan that basically told the rest of the world, 'We're going to dominate every single emerging industry of the future, and therefore your economies aren't going to have a future" – a disgraceful perversion of truth.

America wants its longstanding position as the world's dominant political, economic,

financial and military power maintained unchallenged.

As development of China, Russia and other nations advance considerably, America's dominant position slips.

Russian super-weapons are more advanced than Washington's. China is heading toward becoming the world's leading economy.

Reality doesn't go down well in America, slipping as other nations advance.

Trade wars assure losers, not winners. Trump's strategy is wrongheaded. Economic damage done to both countries will be clearer in the months ahead.

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*My newest book as editor and contributor is titled "Flashpoint in Ukraine: How the US Drive for Hegemony Risks WW III."* 

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