Prelim Bits 29-06-2019

U.S-China Trade negotiations

- The US President Donald Trump and Chinese President Xi Jinping are set for a high-stakes meeting in Japan on the slidelines of G20 summit.
- Ever since the liberalization of Chinese economy in the late 1970s, the world has witnessed a surge in Chinese economic power.
- This rapid rise was aided by the normal trade relations China established with the United States in 1979.
- Later China's was accessed into the **World Trade Organization (WTO)** in 2001 which further boosted its trade.
- But **U.S.-Chinese trade relations** have always been somewhat uneasy.
- For many years there used to be an annual review of China's "**Most Favored Nation**" trading status to link trade liberalization with Beijing's human rights record.
- The **U.S. imported a record $539.5 billion** in goods from **China** in 2018.
- By contrast, the **U.S. exported** a much smaller **$120.3 billion** in goods **to China** last year.
- More recently, U.S. leaders have begun to worry about a massive trade imbalance that continues to grow.
- So, U.S. tariffs on $200 billion in Chinese imports were recently increased to 25% from 10%
- U.S. is preparing to launch 25% tariffs on virtually all remaining Chinese imports, a $300 billion list of mostly consumer goods.
- In retaliation, **China increases tariffs** on $60 billion worth of U.S. products.
- **Protectionists** measures, China's regulation of its **currency**, and concerns over **intellectual property violations** also continue to stress the relationship.
- The **traditional Free Trade Agreements** aims to lower trade barriers between the countries signing them, with the benefit being increased trade and export opportunities.
- **But with China**, the **U.S.** is pushing for China **to reform policies on trade**, subsidy and intellectual property practices.
- U.S. said it would remove the tariffs imposed on China, if China make those changes in trade policies thus forcing China to do it.
- So the incentive to China is to return to the market access it had with the

U.S. before the trade war.

- This is similar to the sanctions that the U.S. has imposed on Venezuela or Iran to increase pressure on their governments to change behaviour or policies.
- But **China** said any **deal** should be more **two-way** and it cannot be One-way.
- U.S. and China – can challenge each other over unwarranted trade restrictions and other unfair practices to seek resolution through dispute settlement panels in **WTO**.
- But this process is seen as slow, and its decisions too easy for countries to ignore.
- The U.S. has argued that the WTO has failed to rein in China's unfair practices, so it has acted on its own to force change in China.

L 98-59b - A new planet discovered

- NASA's **Transiting Exoplanet Survey Satellite (TESS)** has discovered a new planet, the **tiniest** of its finds so far.
- It is between the sizes of Mars and Earth and orbits a bright, cool, nearby star.
- The planet is called **L 98-59b** because it sits in a nearby star system called L 98-59.
- It is 35 light-years from our solar system in the southern constellation Volans.
- It is around **80% of Earth's size** and about 10% smaller than the previous smallest planet discovered by TESS.
- Apart from L 98-59b, two other worlds orbit the same star.
- The two other worlds in the system, **L 98-59c** and **L 98-59d**.
- These planets add to humanity's still-small catalog of exoplanets similar in size to Earth.

Transiting Exoplanet Survey Satellite Mission

- **It** is a **space telescope** for NASA's Explorers program.
- The mission is led by the **Massachusetts Institute of Technology**(with seed funding from Google).
- The mission is for an **all-sky survey** for **transiting exoplanets**.
- Transiting planets are those that go in front of the star as seen from the telescope and, to date, is the most successful discovery technique for finding small exoplanets.

100 years of Treaty of Versailles

- The treaty was drafted during the **Paris Peace Conference** in 1919.

- None of the defeated nations had any say in shaping the treaty and it was a dictated “peace treaty”
- The victorious powers of **WW-I** led by the United States, Britain, France and Italy — declared Germany and its allies to be solely responsible for the outbreak of World War I.
- They made Germany accountable for "all losses and damages" incurred.
- The Allies threatened to invade the country which made Germany to sign the notorious treaty.
- It was the most important of the peace treaties that ended the First World War.
- It placed a heavy burden on Germany's burgeoning democracy.
- It forced the country to pay billions in reparations; give up its colonies in Africa, Asia and the Pacific region; and to cede 13% of its territory to other nations.
- Among other things, Alsace-Lorraine became French and most of West Prussia became Polish.
- The most famous legacy of the Treaty of Versailles is that its draconian terms designed to prevent Germany from repeating its military aggression.
- But the treaty made the German economy collapsed, the government lost power, the military became weak, and made the people very angry.
- All of these factors together combined to make a perfect storm in Germany.
- The weak government and German fear made it possible for **Adolf Hitler** to be elected, and finally the German anger and Hitler's mindset led to World War II.
- A multiplicity of other elements were also involved during that 20-year period, such as the inability of the **League of Nations** to create sufficient collective cooperation and bring stability to international relations.
- But after the **WW-II** the victorious side aimed to establish **strong international structures** and **institutions** such as **U.N** to prevent the resurgence of aggressive nationalist and unilateralist forces.
- It led to the emergence of “**multilateral organizations** and a **rule-based international system**”
- The fall of the Berlin Wall in 1989 and the end of the Cold War seemed to underscore the global appeal and triumph of this order.
- But today, the world faces greater challenges than ever before.
- A new brand of nationalism and unilateralism, spurred on by populism and authoritarianism, is threatening the stability of the global order.
- The “**old demons**” of the inter-war period have been reawakened.

Source: The Indian Express



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