

## 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 sidelines 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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