



Committee: US Council.

Topic: Consequences of the commercial war with China.

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The United States Congress is the legislative branch of the national government, in charge of representing the Nation's citizens. It is divided into two houses, the Senate, with 100 senators, two from each state, and the House of Representatives with 435 members from every state based on its population, (the state with the most population gets more representatives). The congress was established under the United States Constitution of 1789 which defines the powers of the Congress as the following: make all the laws necessary to execute its power, lay and collect taxes, regulate commerce, borrow money on the credit of US, raise and support armies and declare war.

The commercial war between the US and China has brought some benefits to our country, but it has also brought bad consequences and it's our job as a council to take the most advantage to this event as possible. If neither of both sides backs down on this trade war it will just become a bigger and bigger problem every time. With extra tariffs now above \$550 billion USD in imports, the war doesn't seem to end in at least a couple of years more. This means that products imported from China, in the USA will be increasingly more expensive, and products from the USA in China will too. We have to find a way to either take advantage of this or at least not affecting our trades, taking into account the US laws of the free market.

This all started in September 2011, when Donald Trump wasn't even running for president he tweeted "China is neither an ally or a friend — they want to beat us and own our country", at that time his tweets hadn't that much of an impact as now that he is the US president, so it wasn't taken as a threat or a danger at all. Later in 2016 on Donald Trump's presidential campaign, he said at a conference "We can't continue to allow China to rape our country and that's what they're doing. It's the greatest theft in the history of the world", that was one of

many statements Donald Trump made about China trade practices. China started to pay attention now that he could become the President of the United States, they were facing a real threat now.

After Donald Trump was elected as president, in April 2017 Xi Jinping, President of China, went to Florida to visit Donald Trump and talk about the unconformities regarding the trades between these countries where they agreed on a 100-day action plan to resolve trade differences. Some deals were made but nothing significant. Little by little the tariffs on the imports between both countries were increasing until reaching 550 billion USD more than before on US imports to China leaving the sensation that no deal was made that day.

It is clear that the main reason for this trade war is the huge advantage China has over the US on its trades considering them unfair. The US President Donald Trump as the businessman he is, as soon as he became president he started moving deals to make trades with China fairer. China won't let that happen, letting this happen would mean losing billions of dollars while trading because of the high tariffs the USA will put up, but at the same time, the USA being an ambitious country wants to earn more from their imports and exports. China has a big advantage in trading their products, they pay a lot less when they import products than when they export.

The biggest decision made in this trade war was to ban Huawei, a Chinese company operational systems and its use from companies in 2012 with the argument of it being a tool to spy on big corporations, this was later followed with an executive order from President Donald Trump effectively banning Huawei from US communications networks. The government gave companies with this operating system till November to remove it. Some say this was a good move because of the companies appropriation in the communication market around the world, this could be extremely dangerous, just imagine all communication media owned by one single company, we are talking about monopoly but not just any monopoly, the most dangerous of all. This was obviously a big hit to the Chinese market in the US.

Now, it's not affecting only the economic part, there is a record of products and big changes that could have been made but couldn't because of this trade war. But there is one that could absolutely change the world completely, and that is TerraPower and its project of nuclear energy generators. The goal of this enterprise is to substitute energy generators that left behind Co2 waste in the air, this way avoiding air pollution which is a really big problem if not the biggest we have as a planet. They were making huge progress trading with the Chinese

government to make this project possible; if they'll still be working together, for the year 2030, this energy source would be completely safe to use and would be replacing carbon dioxide powered machines in factories, but this happened, the USA started the trade war with China and made almost impossible for them to work together. One of the most appealing things it had to work with china is its incredible low costs in the workforce, but because of the tariffs imposed on importation and exportation, this project just wouldn't be of convenience for any of the entities. Though it is considered to be something necessary for our planet, it doesn't mean TerraPower can just absolutely spend money to see this done. With no government support in any of both sides, this turned way much harder. TerraPower is still investing in research and creating machinery but the results will be affected in time manners. The trade war already cost us at least some more years of air pollution because of the factories.

It is important for us to take advantage of this in every way possible, taking into account that China is way ahead of the US commercially speaking. We have to discuss possible solutions to overpass this situation remembering that China is still importing and exporting products from the US, it is still beneficial for both sides. Lately, the US government is being criticized for its way of negotiating, it is said that what President Donald Trump is doing is not negotiating, it is demanding. What the country needs is to balance the import and export prices with China's and have a fair trading deal.

This can be done by renegotiating a trading deal to benefit both sides, it is indispensable to negotiate not to demand, China is a very developed country and right now the USA is not positioned to demand anything, right now China is not willing to lower their tariffs but if well negotiated they can consider it. The other way is to put pressure over them, that way they will eventually yield or give up on the war, but this would be a very risky move, years could pass by and China will not give up on the war, this will affect them as much as the US but sometimes is not just about the money but of the pride, this can turn eventually into a pride war other than a trade war and if we get to that point, both will eventually go down.

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