

New US Trade Sanctions Against China

Transcript of the Interview with PressTV

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Region: [Asia](#), [USA](#)

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New Trade Sanctions by the US in the form of tariffs on US\$ 200 billion Chinese exports to the US – China in a tit-for-tat move imposed new tariffs on 60 billion of US goods to China.

China's prime minister speaks out about the rise of unilateralism, saying the approach to trade will not solve any problems.

Li Keqiang made the comment at the World Economic Forum in the Chinese city of Tianjin. He said multilateralism should be upheld and the basic principle of free trade should be maintained. The Chinese premier said the trend of globalization is unstoppable, even though there are flaws in the process. Li's comments come amid heightened trade tensions between China and the United States. Beijing imposed tariffs on 60 more billion dollars-worth of American imports in a tit-for-tat response to Washington's levies on 200-billion dollars of Chinese goods.

PressTV: What is your take on this?

Peter Koenig: These are indeed "trade sanctions". US-imposed trade sanctions. Of course, the Chinese are right, in a world that strives for free trade – unilateralism as demonstrated by the Trump Administration's-imposed tariffs – is working in the opposite direction.

Two comments, if I may:

First, personally – I have been doubting from the beginning that globalization – and especially globalization in terms of "free trade" is a good thing. There is nothing FREE.

Free trade among equals is one thing, but "free trade" American style, where they call the shots – is of course not what is intended. The weaker always suffers- and I am not referring to China – China doesn't really suffer, they dominate the entire Asian market, having overtaken the US in Asia about three years ago – but I'm talking in general about developing countries that have to accept highly subsidized US and EU goods in order to stay within these "free trade deals".

And we see that the west cannot be trusted, i.e. President Trump. He is making his own rules. Therefore, free trade and the related globalization is in my opinion not a good thing. It has hurt too many people of mostly poor countries over the past 30-some years, when neoliberalism started driving the agenda of "globalized free trade".

Trading among friendly nations, nations that share the same objective, the same political

and economic ideology, would be a much preferable alternative. There, nobody can bully another nation into accept his conditions.

This is something we may want to move back to – trading among friendly and culturally aligned nations, where trading is a win-win for both parties.

The second point I wanted to make, is maybe more important: These tariff impositions have nothing really to do with trade. The Chinese know it and the US Administration knows it.

They, the tariffs, have everything to do with pulling down, weakening the Yuan, the very strong Chinese Yuan, and by doing so, the Chinese economy. The Yuan is an officially declared reserve currency – recognized by the IMF – and is fast replacing the dollar as the key reserve currency in the world.

That is what Washington is afraid of – and rightly so. Once the dollar ceases being the main reserve currency, the demand for the dollar will decline, and the hegemonic role for the dollar is gone – which may mean the collapse of the dollar-empire — and in the end the end of the empire altogether.

Already the biggest hydrocarbon producers and consumers in the world, China, Russia, Venezuela and Iran – are no longer using the dollar for their trade deals, but local currencies or the gold-convertible Chinese Yuan.

So, the end of the dollar hegemony is coming sooner or later, but Washington wants to delay it as long as possible, hoping for a miracle, or actually even preparing for a military intervention to save the dollar.

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