



## China won't swallow 'bitter fruit' in U.S. trade war

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The United States and China appeared at a deadlock over trade negotiations on Sunday as Washington demanded promises of concrete changes to Chinese law and Beijing said it would not swallow any “bitter fruit” that harmed its interests.

1. The U.S. and China appeared deadlocked over trade negotiations Sunday, with the White House bracing itself for potential retaliatory tariffs from Beijing.
2. Just days after the latest round of deal talks collapsed, White House economic adviser Larry Kudlow told Fox News Sunday that a key sticking point was China's refusal to make changes to its laws.
3. Those changes centered around the protection of American intellectual property and the prevention of currency manipulation, among other issues.
4. But Beijing is holding firm.
5. A commentary in the ruling Communist party paper People's Daily, due for publication Monday said, 'At no time will China forfeit the country's respect, and no one should expect China to swallow bitter fruit that harms its core interests.'
6. Tensions between the two sides escalated Friday, with the U.S. hiking tariffs on \$200 billion worth of Chinese goods after President Donald Trump said Beijing 'broke the deal' by renegeing on earlier commitments.
7. Kudlow on Sunday said there was 'strong possibility' Trump would follow through with plans to meet with Chinese President Xi Jinping in June during the G20 summit in Japan.
8. Meanwhile, former Defense Secretary Robert Gates, appearing on Face the Nation, said the U.S. has a major problem when it comes to negotiations with China.

FORMER U.S. DEFENSE SECRETARY ROBERT GATES SAYING: 'The Chinese have an advantage because they have a strategy and we don't. They have set goals, they have a strategy for achieving those goals. And we really don't have a strategy. We haven't had a strategy in quite a while.'

9. Kudlow on Sunday also contradicted Trump - who has said he loves collecting big tariffs from China - by acknowledging that it's not China who pays the tariffs, but American companies who import Chinese goods, a cost that is often passed on to the U.S. consumer.