

A. Tom, I know you like to follow events in the USA, where there's always plenty of conflict surrounding President Trump and his policies. What do you think about the trade wars he's provoking at the moment?

B. Interesting point, Ellen. I'm really pleased that at last someone in power is doing something about the way the USA has been ripped off by other countries for so long. The US has been unfairly treated in trade agreements, and many countries have taken advantage of us. Things need to change!

A. I think your ideas are based on misconceptions. Let's take an example. President Trump has imposed 25 per cent tariffs on imports of steel into the US, and 10 per cent tariffs on aluminum. Right?

B. Yes. The tariffs are aimed at forcing multinational companies to make their products in the US rather than purchasing steel and aluminum from Mexico or China, for example. The whole idea is to bring manufacturing jobs back to America – we want jobs created here for our own people!

A. But the problem is that the policy is having the opposite effect. Many small and medium-size businesses are suffering, because the tariffs have jacked up the price of Mexican and Chinese-made products used to conduct their daily operations. They have bought these products for years, and are now struggling. It's American businesses that have to pay the tariffs! So American jobs are at risk.

B. Many of those businesses have owners that voted for President Trump. They shouldn't complain when he implements the promises he made during his campaign. Everyone knows it is "America first". They need to give it a little more time for the policies to work through.

A. Many businesses can't wait. In fact, quite a number are planning to move their production to Mexico as a result of higher costs. Here is an example: Pat Leblanc, chairman of EBW Electronics, is a member of the Republican Party and voted for Trump in 2016. He says he feels betrayed, because his company has been harmed by the government. Many manufacturing companies in Michigan have relocated to Mexico in recent years, and others will soon be following. Another Trump supporter said that US steel and aluminum companies are profiteering from the tariffs, by raising their prices.

B. I agree there are difficulties. But the biggest problem for the US is China, which has been exploiting our industries for years. The Chinese are experts in the theft of intellectual property – they take advantage of our technology and our innovation skills, copy them, and sell things back to us at high prices. So let's put tariffs on them and force changes!

A. Things are not quite so simple though, Tom. The new tariffs are particularly hurting American industries that have become increasingly dependent on goods from countries such as China. In 2009, US factories imported around 20 per cent of the electronic products and computers used in their day to day operations. In 2016 that number increased to more than 25 per cent.

B. You've proved my point Ellen! We are much too dependent on the Chinese and other imports. We need to make those things ourselves.

A. But many manufacturers say that China makes components that are so complex, and which have such slim profit margins, that nobody in America wants to make them.

B. Let me give you another story. Another Michigan business owner, Tom Sligh of Bilco Products, says he is standing by the President. He grew up in a family-owned furniture business that closed in 2005 because of cheap imports from China. He founded a new business, and now says "Even though it's hurting me, I hope we have the guts to stick it out". His costs have increased by 10%, it's true – we just need patience!

A. It remains to be seen how things will turn out with the trade talks with China. They are covering things like intellectual property theft, technology transfers and cybersecurity. The activities of the Chinese technology company Huawei, which many people suspect of being an agent of the government, are also under discussion. But President Trump believes that China is interested in making a deal.

B. President Trump is good at making deals!

Outline: The discussion concerns the trade wars which have followed President Trump's imposition of tariffs on steel and aluminum imports. There are adverse effects on many businesses in the US, some of which are delocalizing to Mexico. Many Trump supporters are feeling the effects of tariffs, but some think the short-term pain will pay off in long term gain. The question of trade relations with China is also considered, with the slowing down of the Chinese economy seeming to push the Chinese government towards wanting to agree a settlement of the disputes.

1. Questions: What is your view of the current state of relations between the US and China? Is the imposition of tariffs on imported goods an effective way of achieving a country's aims? Why/why not? What elements complicate the relationship between the USA and Mexico? Many of President Trump's actions seem specifically designed to keep his base voters supporting him. Do you think he is successful?