

Trump, Xi agree to trade deal, but the US-led confrontation with China continues

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US President Trump's much anticipated summit with his Chinese counterpart Xi Jinping last week in South Korea finished with nothing more than an uncertain one-year truce in an economic war that has been dramatically escalated by Trump since returning to office this year. While the meeting might temporarily halt the fighting over trade, the US-led economic war and military build-up against China is certain to continue.

In 2017, US tariffs on imports from China stood at just 3.1 percent. During Trump's first term, he increased tariffs on imports from China to 20 percent, a rate that US President Joe Biden left in place. During Trump's second term, he doubled these tariffs again, to what is now over 47 percent.

Alongside large tariffs, the White House has sought to cripple hi-tech Chinese industries by restricting the sale of advanced semiconductors and chip-making equipment to China because of "national security." China responded in kind by limiting the sale of rare earths required across a broad range of industries, including auto, electronics and defence.

Last month, in the lead-up to the summit, the Trump administration provocatively upped the ante once again—restricting semi-conductor sales not only to nominated Chinese corporations but any company in which they held a majority stake. According to one estimate, it expanded the scope of the bans from about 1,300 China-related entities to more than 20,000.

Clearly angered by what it regarded as a breach of previous agreements, China extended its restrictions on the export of rare earths. It also established its own licensing requirements for the export of equipment for mining and processing rare earths, specifically banning exports with applications in sensitive areas like military operations. China has a virtual global monopoly in both

the mining and processing of these essential materials.

Trump exploded, threatening to impose an additional 100 percent tariff on China and call off the summit before shelving the extra tariffs. But as he was about to sit down with Xi, Trump, in gangster fashion, tweeted that he had ordered the restarting of US nuclear testing, specifically naming China and Russia as responsible. The resumption of nuclear testing, halted by all three countries in the 1990s, was not only a crude attempt to bludgeon concessions from Xi, but also demonstrates that Trump's economic warfare is intimately connected to advanced US-led preparations for military conflict with nuclear-armed China.

The outcome of the short summit was nothing more than what had been agreed previously by US and Chinese negotiators days before in Malaysia. China and the US agreed to put the latest measures on rare earths and advanced technology on hold for a year. The US reduced existing tariffs on Chinese exports by 10 percent to 45 percent, and China agreed to restart its purchases of American soybeans and other agricultural products.

The global markets and corporate elites collectively breathed a sigh of relief that the summit had averted an immediate rupture between the world's two largest economies. But no one is under any illusion that the truce is anything but temporary and could blow up at any time. The details of what was agreed to are not even clear, as no joint press conference took place and a signed agreement is yet to be reached.

On his flight back to the US, Trump bragged about the results of the summit as an overwhelming success, giving it a "12 out of 10." Speaking on CNN's State of the Union yesterday, Treasury Secretary Scott Bessent claimed: "Everything that came out of the conference between President Trump and President Xi gave the US

more leverage. ... He threatened to add 100 percent tariffs to Chinese products, and we were able to negotiate a one-year pushback.”

However, in its editorial “Lessons from Trump’s China trade war,” the *Wall Street Journal* declared that “the best we can say is that the deal averted more economic damage” and warned that “The US-China Cold War will continue.”

In a similar vein, the *Washington Post* commented: “[W]hat came out of this meeting looks more like a temporary truce than a lasting peace pact.” It warned: “The relationship has changed. China has shown its willingness to exploit America’s dependencies. The US must continue to do everything it can to reduce that leverage, because the decoupling will continue.”

Throughout last week’s tour of Asia, Trump and his entourage were attempting to do precisely that—signing agreements with Malaysia, Japan and South Korea on the supply of rare earths. In a meeting with Australian Prime Minister Anthony Albanese last month, Trump reached a deal for the mining and processing of critical minerals, including rare earths, in Australia.

Despite claims by Bessent to the *Financial Times* that the US would end China’s monopoly in less than two years, China’s rare earths industry, developed over years, is not about to be rapidly replaced. Australia, for instance, sends much of its rare earths to China for processing.

The response of the Democratic Party has been to criticise Trump for not being aggressive enough and caving in to Xi. Senate Minority Leader Chuck Schumer wrote on Twitter, “Don’t believe his bullshit. Trump folded on China.” Journalist John Harwood, summing up the critique by the Democratic-aligned critics, declared that “Xi wiped the floor with Trump.”

The Democratic Party-aligned *New York Times* accused Trump of compromising American national security by backing off from extending the ban on US advanced technology exports to Chinese majority-owned entities. Journalist Ana Swanson declared that “the move appeared to be one of the first concessions the United States had made on national security-related technology controls as part of a trade negotiation.”

The response of the Democrats demonstrates that the entire US political establishment, whatever their tactical differences, regards China as the chief threat to the global economic and military supremacy of US

imperialism. For more than a decade, beginning with the “pivot to Asia” by the Obama administration, Washington has engaged in an escalating diplomatic and economic offensive and military build-up throughout the Indo-Pacific region in order to debilitate and ultimately subordinate China to US economic and strategic interests.

In his first term, Trump promoted the necessity of “decoupling” from China as a key part of the preparations for war. Far from easing tensions with China, the temporary deal struck in South Korea between Trump and Xi is leading to the conclusion in the White House and Washington more broadly that if economic warfare fails to cow Beijing, military means must be used—and given the rapidity of China’s rise, sooner rather than later.

It is not a new “Cold War” that is being prepared, but rather a dramatic extension of the wars already underway in Europe and the Middle East to a military conflict with China. Trump’s brandishing of the nuclear threat immediately prior to meeting Xi is the sharpest warning of what is being prepared, as US imperialism confronts not only geopolitical rivals but also a huge economic and social crisis at home.

The only social force capable of halting the plunge towards a global war and a nuclear catastrophe is the international working class. The International Committee of the Fourth International calls for the building of a unified, antiwar movement of workers in the US, China and around the world based on a revolutionary, socialist program to abolish capitalism and its reactionary division of the world into rival nation-states.



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