



Trump picks China hard liner for trade advisory role

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The prospect of US president-elect Donald Trump making good on his campaign threat to hit China with 45 per cent tariffs, and plunging the US into a trade war with China, has inched closer with Mr Trump appointing a China hawk as a key trade advisor.

Peter Navarro is a Harvard-trained economist and author of such books as *Death by China*. He has warned the US to adopt a more aggressive stance to the world's second biggest economy.

He will run a newly created National Trade Council inside the White House.

Navarro was the architect of the populist message that Trump sold to US voters during his campaign.

The appointment of Navarro comes a week after Mr Trump questioned the 46 year One China policy on Taiwan and flagged using it as a bargaining chip to negotiate better trade deals.

Mr Navarro is also a critic of free trade, including agreements like the Trans Pacific Partnership.

The Trump transition team described Mr Navarro as a “visionary economist”.

It said Mr Navarro would “develop trade policies that shrink our trade deficit, expand our growth, and help stop the exodus of jobs from our shores”.

The National Trade Council will work with the National Security Council, the National Economic Council, and the Domestic Policy Council.

The appointment is controversial among economists who see the focus on a trade deficit as misguided in today's integrated global economy.

Dan Ikenson, head of trade policy at the libertarian Cato Institute in Washington warned that Navarro's views could backfire with Trump pledging to deliver faster growth and jobs,

“Trump wants the economy to grow. Trump wants to be beloved,” Mr Ikenson told the *Financial Times*.

“But if implemented, Navarro's crazy scheme to eliminate the trade deficit and achieve “balanced trade” would cause massive capital flight, closure of foreign markets to US goods, economic meltdown, and — I would hope — open revolt by congressional Republicans to neutralise the Trump presidency.”