

# Trump will sign first-step of China trade deal on Jan. 15

By Darlene Superville and Christopher Rugaber  
The Associated Press

WEST PALM BEACH, Florida — The first phase of a U.S.-China trade agreement will be inked at the White House in mid-January, President Donald Trump announced Tuesday, adding that he will visit Beijing at a later date to open another round of talks aimed at resolving other sticking points in the relationship.

The so-called "Phase One" agreement is smaller than the comprehensive deal Trump had hoped for and leaves many of the thorniest issues between the two countries for future talks. Few economists expect any resolution of "Phase Two" before the presidential election in 2020.

And the two sides have yet to release detailed documentation of the pact, making it difficult to evaluate.

Trump said high-level Chinese government officials will attend the signing on Jan. 15 of "our very large and comprehensive Phase One Trade Deal with China."

"At a later date I will be going to Beijing where talks will begin on Phase Two!" Trump said in his tweet. He did not announce a date for the visit.

China has agreed to boost its U.S. goods imports by \$200 billion over two years, the U.S. Trade Representative said Dec. 13 when the deal was announced. That includes increased purchases of soybeans and other farm goods that would reach \$40 billion a year.

China also has agreed to stop forcing U.S. companies to hand over technology and trade secrets as a condition for gaining access to China's vast market, demands that had frustrated many U.S. businesses.

In return, the Trump administration dropped plans to impose tariffs on \$160 billion of Chinese goods, including many consumer items such as smartphones, toys and clothes. The U.S. also cut tariffs on another \$112 billion of Chinese goods from 15% to 7.5%.

Many analysts argue that the results are fairly limited given the costs of the administration's 17-month trade war against China. U.S. farm exports to China fell in 2018 to about one-third of the peak reached six years earlier, though they have since started to recover.

Import taxes remain on about half of what the U.S. buys from China, or about

\$250 billion of imports. Those tariffs have raised the cost of chemicals, electrical components and other inputs for U.S. companies. American firms have cut back on investment in machinery and other equipment, slowing the economy's growth this year.

A study last week by economists at the Federal Reserve found all of the Trump administration's tariffs, including those on steel and aluminum as well as on Chinese imports, have cost manufacturers jobs and raised their costs. That's mostly because of retaliatory tariffs imposed by China and other trading partners.

Many experts in the U.S. and China are skeptical that U.S. farm exports can reach \$40 billion. The most the U.S. has ever exported to China before has been \$26 billion. China has not confirmed the \$40 billion figure.

Still, the agreement has helped calm concerns in financial markets and among many U.S. businesses that the trade war with China would escalate and potentially lead to a recession. The approval by the Democratic-led House of the Trump administration's revamp of the NAFTA agreement has also reduced uncertainty around global trade.

Since the U.S.-China pact was first announced in October, the stock market has risen steadily and is on track to finish the year with its biggest gain since 2013. Most analysts now forecast that the economy will grow at a steady if modest pace in 2020, extending the current record-long expansion.

The Phase 1 deal has left some major issues unresolved, notably complaints that Beijing unfairly subsidizes its own companies to give them a competitive advantage in world markets.

The Trump administration argues — and independent analysts agree — that China uses the subsidies in an effort to gain an advantage in cutting-edge fields such as driver-less cars, robotics and artificial intelligence.

Another sticking point in future talks will likely involve rules around data flows, with China looking to require more foreign companies to keep data they use in China as opposed to stored overseas.

"It's a very toxic brew and I don't know that we're really going to see much progress on it," said Mary Lovely, a trade economist at the Peterson Institute for International Economics.

# Corporate activity tax begins Jan. 1, DOR offers resources

Oregon Department of Revenue

SALEM — With the Jan. 1 start date for Oregon's new Corporate Activity Tax, the Department of Revenue reminds business taxpayers of the resources available to help them learn about, and comply with, the new tax law.

Several resources are available for business taxpayers and tax preparers on the CAT page of the Department of Revenue website at [www.oregon.gov/dor](http://www.oregon.gov/dor), including:

- A link to register through Revenue Online
- A list of frequently asked questions, including high-level summaries of the rules and other topics that will help taxpayers comply with the new law
- Drafts of the first 12 administrative rules
- A sign-up form to receive the latest updates on the CAT

For other information, email questions to [cat.help.dor@oregon.gov](mailto:cat.help.dor@oregon.gov) or call 503-945-8005.

## What is the CAT?

The Oregon Legislature created the Corporate Activity Tax in House Bills 3427 and 2164 during the 2019 session

to provide new funding for early learning and K-12 education. The CAT is imposed on businesses for the privilege of doing business in Oregon, including those located inside and outside of Oregon. It's measured on a business' commercial activity — the total amount a business realizes from activity in Oregon.

Businesses with taxable commercial activity in excess of \$1 million must pay the Corporate Activity Tax. The tax is \$250 plus 0.57% of gross receipts greater than \$1 million after subtractions. The CAT applies to all business entity types, such as C and S corporations, partnerships and sole proprietorships. Businesses with more than \$750,000 in Oregon commercial activity are required to register for the CAT.

## Registration and administrative rules

The new law requires registration within 30 days of meeting the threshold of \$750,000 in Oregon commercial activity. A penalty of \$100 per month may be assessed for failing to register, up to \$1,000 per calendar year. Businesses that wish to do so can register early.

Registration for the CAT is now open on Revenue Online ([https://revenueonline.dor.oregon.gov/tap/\\_/](https://revenueonline.dor.oregon.gov/tap/_/)).

DOR is currently in the process of writing temporary administrative rules to provide guidance and clarity regarding the new tax. The rules have been divided into three groups according to priority. The highest priority group will be filed with the Secretary of State in January, with the other two groups following in February and March. As drafts of the rules are completed, DOR will post them on the CAT webpage. Draft versions of the first 12 temporary rules are now available.

Visit [www.oregon.gov/dor](http://www.oregon.gov/dor) to get tax forms, check the status of your refund, or make tax payments; call 800-356-4222 toll-free from an Oregon prefix (English or Spanish) or 503-378-4988 in Salem and outside Oregon; or email [questions.dor@oregon.gov](mailto:questions.dor@oregon.gov). For TTY (hearing or speech impaired), call 800-886-7204.

# New apple varieties are red inside and out

By Dan Wheat  
Capital Press

PROSSER, Washington. — They're little known so far with commercial sales just beginning, but the breeder of the red-flesh Lucy Rose and Lucy Glo branded apples hopes consumers will love them.

"I'm a proud grandpa of these things. All I've heard is good things. We have a picture on our refrigerator of a preschool group in Kirkland and the card says, 'We love your apples!'" says Bill Howell, the breeder and grower in Prosser.

They have "outstanding flavor" from Honeycrisp as one parent and a "hint of berry" from the other, a crab apple, he says.

The Lucy Rose has red skin while Lucy Glo is a little tangy and has yellow skin.

Howell, 74, was a research technologist in plant virology at the Washington State University Irrigated Agriculture Research and Extension Center, in Prosser, from 1973 to 2012. He studied viruses in sugar beets, carrots and fruit trees.

He's now the part-time manager of the Northwest Nursery Improvement Institute, an association of commercial tree fruit nurseries.

He has cattle and tree fruit on his 9-acre Topcliffe farm near Prosser and planted the first Honeycrisp apples in the state there in 1994.

About 20 years ago as Crunch Pak, in Cashmere, was starting to produce snack packs of sliced apples, Howell thought, "It would be neat to have some color in there."

He obtained and planted three varieties of red-flesh apple trees from a nursery in Michigan.

"They turned out to be not very good quality fruit," he said.

So he collected seed from the trees after they had been pollinated by Honeycrisp. The trees from that seed were more promising, and by 2009 he had what he later trademarked as Lucy Rose and Lucy Glo.

Proprietary Variety Management, in Yakima, working with focus groups selected the names and oversees commercialization. Chelan Fresh Marketing in Chelan and Stemilt Growers in Wenatchee have licenses to grow, pack and sell the apples.

"They've created a lot of excitement as something new and different," said Tim Evans, general sales manager of Chelan Fresh Marketing.

They are selling at high-end prices with just a "couple thousand boxes" sold the first year from the 2018 crop and about 8,000 40-pound boxes sold in two-layer Euro cartons from the 2019 crop, Evans said.

Chelan Fresh sold out in early December to retailers across the country, he said.

"There are some handling issues with the Glo. It's prone to bruising and the red flesh can come through. We've tried to create best practices," he said.

Chelan Fruit Cooperative members and Gebbers Farms grow the apples, he said.

Howell is experimenting with Cripps Pink and Honeycrisp crosses but says his emphasis is on red-flesh varieties.

The limiting factor, he said, is finding enough cooler, high-elevation sites where they grow best for maximum finish, color and quality.

"Ultimately, we are all trying to grow the apple market," Howell said. "I hope that with the uniqueness of red flesh and flavor that we can get per capita consumption of apples up a bit."

# EPA orders Bonanza.com to stop selling illegal pesticides

Environmental Protection Agency

SEATTLE — The U.S. Environmental Protection Agency issued a Stop Sale order to online marketplace Bonanza.com requiring the company to immediately halt sales of a dozen imported pesticide products not legal — or safe — for sale in the United States.

Among the unregistered, illegal pesticides targeted by the order is "Miraculous Insecticide Chalk," a common and particularly dangerous product because of its documented history of causing illness in children who mistake the chalk for regular sidewalk or black board chalk.

None of the pesticides in the EPA order are registered with the EPA, and most contain false or misleading claims on their labeling. All pesticides for sale in the United States must be registered with the EPA and have an EPA registration number on their labels.

Ed Kowalski, director of the Enforcement and Compliance Division of EPA's Region 10 office in Seattle, said, "The proliferation of unregistered pesticides in the marketplace, particularly in the e-commerce environment, poses a significant and immediate health risk to consumers, children, pets, and others exposed to the products in use or in transit."

The Bonanza.com products targeted by the EPA's Stop Sale order are:

- Cockroach Killing Bait
- Box Anti Pest Control Roach Magic
- Miraculous Insecticide Chalk Cockroach Roaches
- Bug Pest Killer Magic Pen
- Cockroach Killing Bait
- Cockroach Killer Roach Pest Control Insecticide
- Cockroach Killing Bait
- Pest Control Powder Powerful Kill Particle
- Green Leaf Powder
- Killer Bait Cockroach Repeller Pest Control
- Green Leaf Cockroach Killing Bait Powder
- Powerful Cockroach Killing Bait Roach Catcher Kitchen Household Pest Controller
- Cockroaches Killer
- Cockroach Repellent Smoke

Mosquitoes Fly Ants Home Pests

- Maxforce FC Select Roach Killer Gel Bait + Feeding
- Mole Poison Veleno Talpa. Killer Taupe - Pest Control
- NoNest Cockroach Eliminator Gel

Cockroach Pest Control Gel 35G Cockroach and Domestic Insects Killer Agromaxi

Illegal distribution of "Miraculous Insecticide Chalk" and "Green Leaf Cockroach Killing Bait Powder" were the subject of EPA Stop Sale orders issued to Amazon in 2015 and 2016 and a subsequent \$1.2 million penalty order against the company.



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