



Written by [Raven Clabough](#) on May 9, 2011

Agenda Set for Talks Between U.S. and China

This week in Washington, high-level White House officials will sit down with their counterparts from China to discuss a variety of items, including the trade deficit and human rights concerns. The meeting will involve representatives from dozens of government agencies related to trade, finance, and foreign policy. The U.S. team will be led by Treasury Secretary Timothy Geithner, Secretary of State Hillary Clinton, and Federal Reserve Chairman Ben Bernanke.



Such high-level meetings, which began in 2006 under President George W. Bush, were originally focused on economic issues. In 2009, the agenda items were expanded to include foreign policy.

Leaders hope to make strides similar to those made during Chinese President Hu Jintao's state visit to Washington in January. According to Fox News, that visit "smoothed relations" that were strained in 2010 over issues such as U.S. military sales to Taiwan.

Fox News reports, "Both countries will, for the first time, bring top military leaders to the discussions in an effort to defuse military tensions that were heightened last year by the U.S. arms sales."

The schedule for the meetings entails a general opening session which then transitions into separate discussions on both the economy and foreign policy. On Monday, U.S. and Chinese leaders will meet with President Obama. Sessions, will conclude on Tuesday.

The talks are important, as the United States has threatened China with economic sanctions on its goods shipped to the United States unless China ends its unfair trade practices — including currency manipulation — which are costing American jobs. Geithner announced last week that the United States would have to push China to accelerate efforts to revalue its currency, the yuan, but quickly added that the yuan has risen in value by 5 percent since last summer.

However, as noted by Fox News:

A softer approach on China's currency will not please American manufacturers. They contend that China's currency is undervalued by as much as 40 percent and they want Congress to approve economic penalties if Beijing doesn't move faster.

In response to America's demands, China has asked for greater assurances from the United States that its \$1.2 trillion in U.S. Treasury holdings are safe regardless of the congressional debate over raising the debt ceiling on the \$14.3 trillion borrowing limit. For countries such as China that are invested in the United States, an increase to the debt ceiling is mandatory in order to ensure that America continues to pay the interest on its debt to the investors.



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Eswar Prasad, senior Professor of Trade Policy at Cornell University, says of China's expectations, "The Chinese are astounded that the U.S. government would let the debate get to the stage where there is even a remote possibility of a default."

Last year, the trade deficit between the United States and China was \$273 billion, a new record.

The Obama administration is currently considering filing trade cases against Chinese practices that are said to be unfair to U.S. companies. Such practices have driven billionaire entrepreneur and potential GOP presidential hopeful Donald Trump to declare China an "enemy" to the United States. Chuck DeVore of Andrew Breitbart's website Big Peace [summarized](#) Trump's assertions regarding China as follows:

Trump's thoughts on China boil down to this: [T]heir mercantilist trade policies have resulted in their holding a trillion dollars in U.S. debt while withering the American manufacturing base; and, the U.S. should place a tariff on Chinese goods to pay back our debt, thus turning the tables on Beijing.

As long as China is permitted to continue engaging in such practices, however, the United States stands little chance in serving as an adequate competitor to the giant Asian nation.

U.S. officials assert that they wish to see the promises kept which were made during January's meeting with China, including that of more closely monitoring of Chinese government purchases.

Meanwhile, the Chinese government has already pledged to re-energize a policy that limits competition between U.S. companies and Chinese government projects unless the products are designed in China. U.S. business leaders claim this is a ploy to turn over technology to China.

Secretary Clinton will be leading the foreign policy talks with the Chinese officials, encouraging them to take a role in confronting nuclear threats from North Korea and Iran. She will also lead discussions on human rights.

Photo: U.S. Secretary of State Hillary Rodham Clinton (dark green); U.S. Treasury Secretary Timothy Geithner, left of Clinton; U.S. Federal Reserve Board Chairman Benjamin Bernanke, behind Clinton; and other delegates pose for a photo ahead of the opening ceremony of the China-U.S. Strategic and Economic Dialogue in Beijing on May 24, 2010: AP Images



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