

US administration seeks positive US-China ties

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WASHINGTON: Declaring that US-China relations are at a "critical juncture," the Obama administration on Friday challenged Beijing to adopt political reforms to guarantee human rights while holding out hope that the Asian power will grow to be a top trade and security partner. In speeches and in briefings, administration officials set the stage Friday for Chinese President Hu Jintao's state visit next week with a mix of blunt talk, optimism and even a hint of gratitude as they described the complex relationship between the two giant economic rivals.

Hu's visit comes as the United States looks to China to become a stabilizing economic and strategic force that benefits both Washington and Beijing. It also comes in the face of domestic mistrust in the United States and China over each country's intentions.

The three-day visit starts Tuesday and will include a full state dinner at the White House. The visit is seen as important in setting the tone for a relationship that has been strained over US claims that China's currency has been undervalued and criticism of the secrecy in China's military buildup. China has been angered by US arms sales to Taiwan, which it considers a part of China, and its support of the Tibetan spiritual leader, the Dalai Lama.

History teaches us that the rise of new powers often ushers in periods of conflict and uncertainty," Secretary of State Hillary Rodham Clinton said Friday. "Indeed, on both sides of the Pacific, we do see trepidation about the rise of China and the future of the US-China relationship. We both have much more to gain from cooperation than from conflict.

Clinton also sharply pointed to China's human rights record and called for the release of jailed Chinese dissidents, including Nobel Peace Prize laureate Liu Xiaobo, who was prevented from attending the Dec 10 prize ceremony in the Norwegian capital, Oslo. She said that as long as China represses freedom, "Liu Xiaobo's empty chair in Oslo will remain a symbol of a great nation's unrealized potential and unfulfilled promise." Still, the top issues for Hu and Obama center on the economy and security.

The administration has walked a fine line on economic issues, eager to tamp down domestic worries that a huge trade deficit with China represents a threat to US workers while assuring China the United States is not interested in constraining its growth. Treasury Secretary Timothy Geithner, in a speech this week, said both countries can benefit from economic growth. On Friday at the White House, Geithner stressed that economic ties between Beijing and Washington mean China probably will become the largest trading partner of the United States in the next decade. Canada currently is the top trading partner.

It's very important to understand that this is a relationship with very substantial economic benefits to the United States," Geithner told reporters at the White House. The United States has been pressing the Chinese to raise the value of the yuan, a step they have been taking incrementally since June. Geithner said Chinese inflation also has helped improve the competitiveness of American businesses

in China. What's more, the United States wants China to take specific steps to end theft of technology and so-called "intellectual property" that is costing American businesses billions of dollars. It also wants an end to preferential treatment for Chinese businesses that are shutting out some US corporations from the Chinese market. Geithner's message to China is that those changes are in their best interests.

Underscoring the political pressure facing the administration, two lawmakers began circulating a letter Friday that urged Obama to demand that the Chinese abide by World Trade Organization agreements and stop manipulating its currency and subsidizing industries. "The PRC must stop cheating to compete and start playing by the rules of international commerce," said Republican Rep. Thaddeus McCotter, who initiated the effort with Rep. Mike Michaud, a Democrat. US officials also hope China begins to shift to more domestic consumption, thus to reduce the pressure to export its products and create trade imbalances.

But consumption in China is low, in part because it does not have a broad-based health care or pension safety net. "The reason it relies on exports is because they don't have demand," said Robert Shapiro, a Commerce Department undersecretary during the Clinton administration. On security matters, the United States is looking for a sweet spot between its unease over a rapid buildup of the Chinese military and its desire to have China as an intermediary in controlling North Korea's and Iran's nuclear programs and reining in North Korea's belligerent behavior toward South Korea.

In what was broadly seen as a bit of muscle flexing, China this week conducted a flight test of its new J-20 stealth fighter in time for a meeting between Defense Secretary Robert Gates and Hu. Nevertheless, Gates said that efforts to begin mending relations between the two militaries had been fruitful and that Chinese military leaders were open to broader engagement between the two nations.

Obama will emphasize China's role as a brake to North Korea's aggressions and nuclear ambitions. But the administration wants to signal to China that its interest in containing North Korea is not simply out of strategic concern for the region, but also out of worry that North Korean intercontinental ballistic missiles could ultimately pose a direct threat to the United States. Gates raised that concept while in China, and Victor Cha, director of Asian affairs under President George W Bush's National Security Council, said that represented a change in the way the United States was discussing North Korea.

It's also a change that conveys to China how serious this issue is for the United States now," Cha said. Indeed, Obama national security adviser Tom Donilon said recognition by China was responsible in part for China's "efforts to lean on North Korea with respect to taking down their provocative acts, and to advocate quite directly for talks between the North and the South." Still, administration officials lowered expectations for major breakthroughs during the Obama-Hu meetings, noting that Obama has not based the relationship with China on big, high-profile summits.

This will be Obama's eighth face-to-face meeting with Hu over the past two years. Donilon said the president has preferred a diplomatic approach based on intensive and frequent engagement designed to yield results over time. "That really doesn't lend itself to every time you meet having some sort of announcement of so-called deliverables," Donilon said. "What it does lend itself to, though, is

identifying a set of issues that are important to both countries and continuing to work on them and to play the long haul on each of these things, and to try to get real results over time." - AP