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Yes: Trade with China Benefits the United States

China Has Not Been a Major Cause of U.S. Job Losses 24
Daniel T. Griswold
The growing imports from China have not been a major cause of job losses in the U.S. economy. Chinese manufacturers tend to specialize in lower-tech, labor-intensive goods, while U.S. manufacturers have the advantage of producing the higher-tech, capital-intensive products.

The U.S.-China Trade Relationship Is Mutually Beneficial 29
Oxford Economics
For the United States, trade and investment in services with China increase both the number of high-wage American jobs and the profits of American companies. In fact, the United States has a growing services trade surplus with China that partially offsets the trade deficit in manufactured goods created by Chinese imports.

Advantages of Trade with China Outweigh the Disadvantages 36
Craig K. Elwell and Marc Labonte
China’s economic growth has been positive for both China and the United States, so labeling China an economic threat to the United States fails to reflect the complex nature of the two countries’ economic relationship. It is more accurate to say trade with China poses both opportunities and challenges for the United States.
No: Trade with China Does Not Benefit the United States

Trade with China Costs American Jobs

Robert E. Scott

The increased trade with China between 1997 and 2006 has displaced production that could have supported 2,166,000 U.S. jobs. And China’s entry into the World Trade Organization (WTO) in 2001 has failed to reduce its trade surplus with the United States or increase U.S. employment.

U.S. Trade Imbalance with China

Is Unsustainable

James Fallows

Since China opened its markets to world trade, Chinese leaders have engineered a trade surplus by deliberately holding down living standards for their own people while subsidizing America’s higher standard of living. However, this trade imbalance has put the United States in a weak position with a growing world power that could threaten American financial security and future way of life.

Chapter 2: Who Oversees the Quality and Safety of Chinese Imports?

Chapter Overview

Murray M. Lumpkin

While improvements have been made in the quality and safety of some Chinese products imported into the United States, there is unfortunately still a pattern of substandard goods coming from China.

American and Chinese Supervision Is Crucial to Ensure Quality of Chinese Products

David J. Lynch

Considering China’s rapid transformation from an isolated, rural nation into an economic dynamo, it is not surprising that Chinese factories are having problems with the quality of their products. But the Chinese government has taken steps to improve its laws and regulations, and it has an enormous stake in ensuring that its goods are safe and of high quality.
China Has Taken Action Against Substandard Products

Consulate General of The People’s Republic of China in Chicago

Chinese authorities responsible for quality control recently blacklisted fourteen companies planning to export unsafe food products, such as preserved fruits and seafood, and banned them from further exporting. In addition, 181 food manufacturing companies in China have been shut down due to safety concerns.

The U.S. Government Is Taking More Responsibility for Consumer Safety

Peter Grier

Recent scandals about contaminated imports from China are causing U.S. lawmakers to push for more protection for American consumers and for increases in the budget of the U.S. Food and Drug Administration, which is charged with ensuring that products brought into the United States are safe.

Policymakers Are to Blame for Tainted Imports

Rick Weiss

For years, China has flooded the United States with food products unfit for human consumption, including fruits preserved with cancer-causing chemicals, seafood coated with bacteria, and vegetables laced with illegal pesticides. Yet U.S. policymakers are reluctant to crack down on Chinese imports because American companies are so dependent on Chinese trade.

Chinese Producers Maintain Low Standards

WorldNetDaily

Two out of every three products—everything from baby cribs and car seats to food and electrical items—recalled by the U.S. Consumer Protection Agency in 2007 were imported from China. This statistic illustrates not only China’s low safety standards, but also the massive shift in manufacturing from the United States to China.
Chinese Producers Are Exporting Increasingly Dangerous Products

Jim Ostroff

Food and consumer products are not the only imports from China that are proving to be unsafe; the most recent development is the discovery that high-strength steel products shipped from China are defective, potentially threatening catastrophic failures if used in U.S. skyscrapers, bridges, pipelines, and commercial and school buildings.

Chapter 3: Is the Trade Deficit with China a Threat to the U.S. Economy?

Chapter Preface

Yes: The Trade Deficit with China Is a Threat to the U.S. Economy

U.S.-China Trade Has Distorted the American Economy

Thomas I. Palley

The trade deficit with China has destroyed U.S. manufacturing jobs, weakened the U.S. industrial base, and encouraged U.S. consumers to purchase inexpensive imports rather than American-made products. The deficit also has loaded U.S. consumers with debt that may be hard to repay, and distorted America’s financial markets.

The U.S.-China Trade Deficit Could Cause Economic Disaster for the United States

Jack Davis

China is taking advantage of free trade policies and manipulating its currency, leading to a huge trade deficit with the United States that increases U.S. debt and weakens the value of the dollar—creating an emerging crisis for the U.S. economy.
The Economic Threat from China Is Real

Paul Craig Roberts

China now exercises great control over the U.S. economy, both because of its large holdings of U.S. investments and Americans’ dependence on inexpensive goods produced in China. If it so chose, China could dump its U.S. investments, which would cause financial turmoil for U.S. consumers and companies.

No: The Trade Deficit with China Is Not a Threat to the U.S. Economy

Trade with China Has Helped the U.S. Economy

Geoffrey Garrett

Rising Chinese imports have provided affordable goods, many of them products made by U.S. and other multinational companies in China, to Americans. And China-funded credit has kept U.S. interest rates low, fueling American consumer spending.

The U.S.-China Trade Deficit Will Be Short-Lived

Li Jin and Shan Li

The United States and China will likely grow out of the problem of trade deficits in the long run because the U.S. economy is healthy and flexible, and China’s economy will mature, leading to higher domestic consumption and more balanced economic growth.

The United States Should Appreciate the Cheap Goods from China

Michelle Bussenius

China’s explosive growth means that it will soon be an economic powerhouse similar to the United States and other developed nations, so the United States should stop worrying about the U.S.-China trade deficit and enjoy the flow of low-priced Chinese imports while it can, because this situation will not last forever.
Chapter 4: Should the United States Toughen Its Trade Policy Toward China?

Chapter Overview

Mark Trumbull

Many economists agree that Chinese imports and the resulting U.S. trade deficit with China are approaching levels that are unsustainable, but there is no agreement on what to do about it. Some people want to impose new import tariffs on Chinese goods, but others say patience and diplomacy should be pursued.

Yes: The United States Should Toughen Its Trade Policy Toward China

It Is Time to Reduce the Trade Deficit with China

Peter Morici

A combination of irresponsible spending and a trade imbalance with China has left the U.S. economy in a vulnerable state. In addition to practicing fiscal responsibility, the United States should reduce imports from China by taxing dollar-yuan conversions at a rate equal to China’s subsidies on yuan purchases until China stops manipulating currency markets.

The United States Should Take Action Against China’s Mercantilist Practices

Howard Richman, Raymond Richman, and Jesse Richman

To curb China’s unfair trade practices and mercantilism, create investment in American manufacturing production, and raise American wages, the United States should require China to reduce its U.S. imports until they are no more than 5 percent above China’s imports from the United States.
The United States Should Crack Down on China's Unfair Trade Practices

*Hillary for President*

It is time to take a tough line on China's currency manipulation, enforce safeguard provisions to help American industries hurt by Chinese imports, and place import duties on goods imported from China. These policies will help American workers, reduce the trade deficit, and keep more jobs here at home.

The United States Must Level the Playing Field with China

*Peter Navarro*

The United States must resuscitate its manufacturing sector, reclaim jobs lost to China, and crack down on China's unfair trading practices, which include currency manipulation, illegal export subsidies, rampant piracy of some of America's most sophisticated technologies, and lax environmental and health/safety regulations.

No: The United States Should Not Toughen Its Trade Policy Toward China

Reducing the U.S.-China Trade Deficit Should Not Be a Primary U.S. Objective

*Steve H. Hanke*

U.S. politicians should stop worrying about the U.S.-China trade deficit and about the yuan's exchange rate. Instead, the United States should allow the Chinese to focus on more important currency and trade issues, such as making the yuan fully convertible, respecting intellectual property rights, and meeting accepted health and safety standards for their exports.

Congress Should Look to American Practices to Solve the Deficit

*James A. Dorn*

Congress should not concern itself with the exchange rate of the yuan and use China as a scapegoat for U.S. economic problems. China's growth is an opportunity for American growth, and China, which is battling inflation, already has an incentive to allow faster appreciation of its currency without being pressured by the United States.
The United States Should Not Blame China for the Trade Deficit

Robert J. Shapiro

The United States is running a trade deficit with China only because we consume more than we produce, so we should focus on consuming less and producing more. The only exception is that the United States should curb China from violating the intellectual property rights of our pharmaceutical, software, and entertainment companies.

Protectionism Trade Policies Could Hurt the Global Economy

Daniel Ikenson

If the Democrats in Congress adopt protectionist trade policies that are hostile to China, this course of action will have a negative impact on the global economy, especially for countries that supply China with components, machinery, and raw materials, and such policies could weaken the global trading system.

Organizations to Contact

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