



Security First Forum: Time to Set Priorities

by Anatol Lieven

Should preventing the spread of nuclear weapons be the central organizing principle of U.S. foreign policy? [Anatol Lieven](#) and [David Bartoshuk, Elena Ilina and Shawn Vasquez](#) of the Saga Foundation are the latest to weigh in, adding their responses to the contributions of [Amitai Etzioni, Ted Galen Carpenter](#) and [Charles D. Ferguson](#).



Voices from Afar: Toward U.S.-China Trade Wars?

by Dan Steinbock

Enacting new legislation that levies punitive duties on imported Chinese goods will have a negative effect on the U.S. economy. Congress should consider the consequences before approving this measure.

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TO BUILD A NATION ONE MUST UNDERSTAND IT,
AND TOO OFTEN WE FAIL EVEN THAT TEST.

Morton Abramowitz & Heather Hurlburt
Appetite for Construction

”

Diplomacy and Balancing

Reporter-at-Large: Iraqi Kurdistan—A New Warzone?

by Ximena Ortiz

Tensions along the Turkish-Kurdish border are escalating as PKK militants and the Turkish military clash. There could be serious consequences for Baghdad, Ankara and Washington.

History / Culture

China Chatter: China's Ms. Manners

by Adam Minter

China's trying to spruce up its image at home and abroad. But can Beijing stop the China backlash?

Diplomacy and Balancing

Job Opening at The Nixon Center

by The Nixon Center

Look here to read about the available Assistant Director position at The Nixon Center.

Diplomacy and Balancing

Conservative Columnist: Symbolism and Realpolitik

by J. Peter Pham

Congress is now considering two largely symbolic measures that could harm U.S. interests in Africa and the Middle East. A report from *The New York Times* seems to confirm J. Peter Pham's prediction that Turkey **will not take easily** to one of them.

Diplomacy and Balancing

Inside Track: A Chinese Party

by Rebecca N. White

Expect a Sino status quo to emerge from the upcoming Communist Party Congress.

Voices from Afar: Toward U.S.-China Trade Wars?

by Dan Steinbock

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After several Chinese product recalls in the U.S., China retaliated by rejecting U.S. goods for quality deficiencies. Now, Washington and Beijing have filed complaints against each other to the WTO. Congress is about to enact legislation that would levy punitive duties on Chinese goods. This could lead to unintended consequences for both American consumers and the wider U.S. economy.

Some 119 leading multinational companies agree—including Boeing, Citigroup, General Motors, and Microsoft. They have called on Congress to reject protectionist legislation against China, arguing that “imposing unfair barriers to trade in the name of currency valuation or product safety is not a solution to the underlying concerns.” It was “a vote for free trade,” reported the *China Daily*, which, as so many other Chinese observers do, argues that rising protectionism among some U.S. lawmakers “seriously threatens the interests of China, the United States itself and the world at large.”

The Flat World in Guangzhou

As the high-speed ferry took off from Hong Kong, the young municipality worker continued to read his copy of Thomas Friedman's bestseller. He had about an hour and 120 miles to go before the ferry would dock in Guangzhou. “This book has a great following in China,” he said. “The world is flat.”

In Guangzhou, the capital of Guangdong province, such views are common. With 92 million people and a GDP of \$284 billion in 2005, Guangdong is the most prosperous province in China, accounting for more than 12 percent of the national total. It also has the highest volume of imports and exports.

But Friedman's world may be fading.

"Exaggerating individual cases and doubting the quality of all made-in-China products has hurt our reputation and caused economic losses to our exporters," said Qi Xiuqin, a high-level official at China's quality supervision administration (GAQSIQ) in mid-September.

According to a recent GAQSIQ report, some 30 percent of a sample of 2,500 Chinese exporters suffered economic losses from the imposition of technical trade barriers last year. The companies lost \$35.9 billion, up from \$28.8 billion in 2005.

Increasing Friction

Last April, the United States took China to the WTO over piracy and copyright protection. Beijing said that the decision would "seriously damage" bilateral co-operation and harm business ties. Washington has brought four complaints against China to the WTO since 2006.

International trade, however, is a two-way street.

In mid-September China filed a complaint against the US over its combined countervailing anti-dumping rulings on Chinese coated paper. The WTO case is the first initiated by Beijing against Washington in five years.

After high-profile Chinese product recalls in the US, Chinese inspectors have seized, returned or rejected a slate of US-made product shipments—from orange pulp and dried apricots with high levels of bacteria and preservatives, to powdered milk imports too toxic for children.

In the most recent case, a shipment of 47 tons of frozen sardines originating from the U.S. was rejected. Chinese regulators said it was infected with disease-inducing bacteria.

"Playing with Fire"

Last summer, senators Hillary Clinton and Barack Obama agreed to co-sponsor legislation that would levy punitive duties on Chinese goods. Introduced by Senators Max Baucus (D-MT), Chuck Grassley (R-IA), Charles Schumer (D-NY) and Lindsey Graham (R-SC), the bill would permit U.S. companies to seek anti-dumping duties on Chinese imports based on the undervaluation of the currency.

During the past few weeks, U.S. Treasury Secretary Henry M. Paulson has repeatedly warned the Congress against making legislation aimed at punishing China over its economic policies. "When we look at taking unilateral actions aimed at another nation, this can have enormous repercussions to our economic well-being," Paulson said. "You know, we're playing with fire."

Typhoon Arising

As we approached Guangdong, the municipality worker set aside his book. "For Chinese people, it is sometimes hard to understand America," he said.

"We have opened our doors to Coca-Cola, Ford, Motorola, and GE. We want to do business. We believe that it's a win-win to China and America. We thought that America believed in a flat world."

As the ferry docked in Guangzhou, the West fell under a thick haze. "There's a typhoon arising," somebody said.

Dr. Dan Steinbock serves in the India, China and America Institute. Focusing on issues of international business and international relations, he resides in the United States, China and Europe