

US-China Meeting Starts With Call for Fair Exchange Rate



Reuters

Blind activist Chen Guangcheng speaks with his wife Yuan Weijing and children as U.S. ambassador to China Gary Locke and U.S. Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell stand nearby in a Beijing hospital

This is the VOA Special English Economics Report.

American Treasury Secretary Tim Geithner has again urged China to let the exchange value of its money rise. Mr. Geithner was among top officials from both countries who gathered in Beijing for the U.S.-China Strategic Dialogue. Their goal was to increase cooperation on security and economic issues.

Secretary of State Hillary Clinton spoke at the opening of the meeting Thursday.

HILLARY CLINTON: "In today's world, no global player can afford to treat geopolitics as a zero-sum game, we are working to build a relationship that allows both of our countries to flourish without unhealthy competition or conflict."

Secretary Clinton noted that nations must deal with issues of economics and international politics in a way that is not 'win or lose', or what she called zero-sum. She also said that both the United States and China have to meet responsibilities to their own citizens and the international community.

The value of China's money, the yuan, was among the top economic issues discussed on the first day of the meeting. Currently, the exchange rate is over six yuan to the American dollar.

The United States says China intervenes in foreign currency markets to keep the exchange value of the yuan low. A lower value means Chinese exports are less costly than their competitors. Critics also say China unfairly supports its industries with many other forms of government support.

Last year, America's trade deficit with China reached a record two hundred ninety-five billion dollars.

On Thursday, Chinese Vice Premier Wang Qishan defended his country's money policy. He said China is moving at a measured rate to make its currency more flexible. And he urged the United States not to "politicize" economic issues.

Mr. Wang also called on the United States to ease controls on high-technology exports and increase Chinese access to financial markets.

Secretary Geithner said China had moved toward a better way of valuing the yuan, officially called the renminbi. But he said more reform was needed.

TIMOTHY GEITHNER: "A stronger, more market-determined renminbi will help reinforce China's reform objectives of moving towards higher value-added production, reforming your financial system and encouraging domestic demand."

Currency reform, said Mr. Geithner, was important to China's financial system and to increasing demand at home.

But, a lot of the attention at the two-day event went to the issue of Chen Guangcheng. The blind activist spent six days at the United States Embassy in Beijing before being returned to Chinese officials Wednesday.

And that's the VOA Special English Economics Report. I'm Mario Ritter.