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US-China Trade: Calls for Reform

This is the VOA Special English Economics Report.

Last week, we told about a recent talk in Washington on trade ties between the United States and China. Former Secretary of the Treasury Henry Paulson spoke with Former National Security Advisor Steve Hadley. The two men talked about the recent slowdown in the Chinese economy and the need for more personal spending in China.

They also discussed the need for China to reform its state-owned companies. These companies often operate with low interest loans and a lot of help from the government.

Earlier this month, President Obama said China was creating “an unfair playing field” in its car industry.

In July, the Obama administration requested talks, or consultations, at the World Trade Organization. The United States says China has unfairly placed more than three billion dollars in taxes on imports of American-made cars. Officials say increasing the price of imports helps Chinese carmakers.

Mister Paulson said Chinese government aid for state-owned companies, like oil companies and carmakers, will end up hurting China’s economy.

HENRY PAULSON: “The only way that the Chinese are going to be able to successfully make the transition that they’re going to need to make to an economy that’s much more efficient is by continuing to reform the state owned enterprises, have them compete on a level playing field without all the subsidies and the special benefits and if they don’t do that they’re not going to realize the full potential of the economy and they’re not going to make the transition that they need to make.” :35

Chinese exports to the United States remain strong. Demand for Chinese goods rose more than eleven percent in June, compared to the same period last year.

And China says total trade so far this year is nearly two trillion dollars. That is up eight percent. China’s strong imports have helped the country raise millions out of poverty.

These gains were noted at recent human rights talks between the United States and China. But, American officials say political reforms in China have been slow.

The head of the American delegation, Assistant Secretary of State Michael Posner, spoke to reporters this week. He noted China's economic gains.

But Mr. Posner said political reforms in the country have not kept up with its economic changes. He said the human rights situation in China continues to get worse.

MICHAEL POSNER: "Like people everywhere, Chinese people want to be treated with dignity. This means they seek economic opportunity and jobs. At the same time, they seek a lawful way to voice legitimate grievances and have a meaningful role in the political development of their own society."

And that's the VOA Special English Economics Report. For transcripts, MP3s and now PDFs of our programs for e-readers, go to voaspecialenglish.com. I'm Mario Ritter.