Trade Relations With China Essay, Research Paper

“A Paper Tiger on Trade”

It seems that the major question surrounding the United States and its foreign relations these days is whether or not we grant China Permanent Normal Trade Relations(PNTR). Some feel that we should give it to them, while many oppose the move as well. However, the reasons to not grant China PNTR are not nearly as conclusive as those reasons to grant it to them. As the article states, this issue divides up both political parties. It is not just Republicans vs. Democrats. It is a combination of Republicans and Democrats for PNTR against a combination of the same against PNTR. In my opinion, we should grant China this permanent trade status, as we have traded with them every year for years now, so there should be no reason why we shouldn’t let them in.

One major reason why China should be granted PNTR is the impact it would have on our economy. In order to get into the WTO, China had to make many concessions regarding its trade operations. Over the next five years, they will cut industrial tariffs by over 60%. Current Chinese tariffs on automobiles range from 80% to 100%. There will be cut by more than 25% over the next few years. With all the trades we currently make with China, and with the many more that could possible come with giving them PNTR, this reduction in tariffs will no doubt be an advantage to the hundreds of cars we export to China. Also, China will reduce it’s agricultural exports by 50% and “will allow banks, insurance companies, securities firms, and the telecommunications sector more access to its domestic market.” With all these advantages in reduced tariffs, trade will not only be easier, but will also be more profitable.

The major reason many congressmen do not want to grant PNTR because of its unfair trade practices, it’s threats to Taiwan, and its dreadful human rights record. But, I do not see what this has to do with us granting them PNTR. As for its unfair trade practices, with China joining the WTO, it will have to abide by the current trading guidelines of the WTO and therefore, most of its unfair trade practices should be eliminated. Also, China’s human rights record may have not improved dramatically over the past few years, but that shouldn’t have a major bearing on our decision to trade as we are trading with them for economic reasons, and their personal relations shouldn’t affect us as much as Congressmen are making it seem.

The third major reason we should give China its PNTR is that most Americans are actually for it. As the article maintains, only a few industrial unions even care about this issue, those being the auto workers, Teamsters, and steel workers. Polls have shown that most Democratic voters support the move for China to enter the WTO and be granted PNTR. If the people approve, then why should we not vote them in. If we live in this democracy, where everyone has their equal say, than if the majority of people in the U.S. believe China should get its PNTR, then by all means, our senate and house should vote to give it to them. If it doesn’t happen, then maybe we don’t live in the democracy we think we do.

Overall, there are many points to each side of the discussion. Many feel China doesn’t deserve PNTR, but there are more who believe we should give it to them. The right reasons are there. It will improve our economy and give our agricultural workers more work. It will allow for easier exports/imports with China, with drastically reduced tariffs. Also, the American people are for such a move, and we shouldn’t hold China responsible for its faulty human rights actions, which occurred so long ago. We should grant China Permanent Normal Trade Relations at the first chance we get.