China is the United States of America’s largest goods trade partner with 598 billion dollars worth of goods trade done in 2015. The trade done between these two countries carries huge economic ramifications for the rest of the global economy. But the US-China trade obviously carries even larger ramifications for the people of these two nations as these major financial decisions are made by the very few who hold power. The US currently holds a trade deficit with china as China exports more goods to the US than the US exports to China, this deficit totals 347 billion dollars. China exports to the US are very popular among US consumers because of their low cost in relation to US goods, this does hurt US manufactures and does create unemployment in the US. But as far as the US consumer is concerned the current US-China trade relation is a beneficial relationship as the US consumer is getting products they want at a lower price and overall a strong Chinese economy is good for the US.

By 1880 the United States was emerging as a global superpower and going through a period of rapid industrialization. At this time period in the late 19th and early 20th century the United States had a very underdeveloped trade relationship with China and was not fully exploiting the lucrative Chinese markets, while other European competitors were. America had such little trade with China because of many political policies that made it economically unfavorable to do business with China at this point instead of doing business domestically. But as time rolled on the U.S begun to have an increasingly more comprehensive trade relationship with China and begun to defend China politically with the growing Japanese imperialism. In 1941 the U.S began to give military and financial aid to China to help them in their fight against Japan, the U.S continued to have a good relationship with China throughout WW2. Then in 1949 the communist party took control of the Chinese Government and set up the People’s Republic of China (PRC). For the next twenty years the U.S had zero trade with China and fought proxy wars with China in Korea and Vietnam. Then in the 1970s the US trade relationship is slowly rebuilt as Nixon famously went to visit China, in 1979 the US and China resume formal diplomatic relations and trade between the two countries thrives with heavy US investment in China. In 1989 the famous Tiananmen square protests occur and China massacres it’s own people, the US imposes heavy economic sanctions because of this event and US-China trade relations return to a familiar place of uncertainty. ([www.stratfor.com](http://www.stratfor.com))

Since 1990 the U.S has had a lot of conflict with China over trade issues, the major issues have been Chinese participation in the World Trade Organization (WTO) and the Chinese failure to enforce intellectual property rights (IPR). Countless numbers of American consumer products are stolen by the Chinese from CDs to airplane parts. This has been happening since the 1990s and numerous U.S complaints have been submitted to the WTO, though the US has received little backing from other countries. Chinese theft of American property has created widespread US distrust in China and continues to be a serious trade issues as the US would have an estimated 2.5 - 3.8 billion more dollars annually if not for Chinese failure to uphold intellectual property rights. Another major trade issue since 1990 has been the Chinese membership in the World Trade Organization. Ever since the US and China re-established formal diplomatic ties there had always been discussion of China entering the GATT now known as the world trade organization. The major reasons the US and other western countries would not allow China to participate in this is because of many human rights violations. But after decades of debate the U.S finally supported the Chinese bid to join the WTO in 1999 under the Clinton administration, and in 2001 China joined the WTO and the US established a permanent trade relationship with China. Since then the US has scrutinized China for not upholding some of its WTO obligations and the US has been filing trade complaints to the WTO with the most recent one being filed on January 12, 2017. In the modern era the US and China have seen times of distrust and uncertainty but overall the two countries are heavily dependent on each other in terms of trade and are continuing to see growing economies and trade relations with each other. (<https://www.wto.org/english/thewto_e/countries_e/china_e.htm>)

(<http://repository.law.umich.edu/cgi/viewcontent.cgi?article=1202&context=mjil>)

During the Obama presidency the US-China economic relations flourished, though the relationship between the two countries have never been more complex. During Obama’s two terms we saw unprecedented diplomacy with China as Obama visited China in his first year and repeatedly stressed the need for the US to have a positive diplomatic relationship with China. During the past eight years the US and China have had a relatively quite open economic relationship. Chinese exports to the US have taken off and created the trade deficit while American manufactures have been outsourcing jobs to China which has alarmed many politicians and groups across the US. During this relationship many people have benefitted including most of the Chinese population as the middle class is growing exponentially in China and China as elevated to the status of the worlds second largest economy.

During this trade relationship in the Obama presidency many people in the US have benefitted, though some have not. The American consumer has undoubtedly benefitted during this relationship as exports from China have brought down the price of many consumer goods, this relationship is said to have saved the average American family $850 a year. As far as American workers and manufactures are concerned some have benefitted and some have not. On a broad scope manufactures of high value American products have really benefitted from the relationship with China, these products include automobiles, construction equipment and semiconductors which Americans are exporting en masse to the booming Chinese economy. But some industries have not benefitted from the US relationship with China, the Chinese have a surplus of cheap labor which is to competitive for some US manufacturers to turn down. There is now a trend of US manufacturers of low value products outsourcing jobs to China which is causing a number of Americans to lose their jobs. Though this trend is starting to taper off as the Chinese minimum wage is rising and keeping American jobs at home is becoming increasingly more competitive. The Obama administration saw historically unprecedented growth in the economic relations with China and a strong benefit to the US conusmer, though this growth has come with many issues that cannot be ignored.

President Donald Trump has taken a stance of protectionism against China. Currently he is trying to get China to be labeled as a currency manipulator, as he argues China is undervaluing their imports in order to flood the US market with very cheap goods. If trump succeeds in labeling China as a currency manipulator through the WTO then this would pave the way for Trump to impose high tariffs on imports from China, something he had promised in his campaign. High US tariffs on Chinese imports would rock the global economy and specifically devastate the Chinese economy as they would lose millions of jobs and raise the Chinese debt. The effects of Trumps high tariffs would also have a negative impact on the US economy and this isn’t the best path for the continued prosperity of the American economy.

If Trump succeeds in his plan to impose high tariffs on Chinese imports in order to bring jobs back to the states, it would hurt American exporters to china as well as place a financial burden on the American consumer. Trump said that he plans to put high tariffs on Chinese exports, even as high as 45%, this is an extreme stance of American protectionism and it is almost certain that China would place high retaliatory tariffs as well. If trump placed high tariffs on China this would really hurt American consumers. For example, China exports 90% of the laptops and electronics that Americans consume, a potential 45% tariff in this sector would devastate the American pocketbook, raising the price of already expensive goods that are needed in the modern age. Trump would also hurt some US manufacturers with this plan as the Chinese retaliatory tariffs would exclude America from capitalizing on China’s bustling economy. Some jobs would return as US companies would find manufacturing in China almost impossible because of such high tariffs, though China isn’t the only source of cheap labor in the world. Trumps plan would benefit a few American industries that are failing but America doesn’t really have the comparative advantage in these industries. Instead of trying to save these low paying manufacturing jobs the US government should focus on reinvesting in the work force, retraining people to work in sectors that America dominates in such as information technology, and creating new jobs by investing in US infrastructure. The American and Chinese economy have become so interwoven and dependent on each other that to hurt China would certainly hurt America as well.

Ever since the Empress of China set sail from New York to Canton, sparking economic relations between these two countries, relations that as of right now are at an extreme point of uncertainty. The current relatively open door trade relationship is proving to be a huge benefit to the American consumer as it is delivering consumer products at low prices making life more affordable. Under the Obama presidency the Sino-American trade relationship flourished, a relationship which Obama has described as “The most important bilateral relationship of the 21st century”, as the US and China are the worlds #1 and #2 economies. President Donald Trump severely threatens this relationship as he has outlined his want to label China as a currency manipulator, this label would allow trump to raise tariffs on china to a figure as high as 45%, one of his campaign promise. High US tariffs on Chinese exports would absolutely devastate the Chinese economy as well as cause a good deal of problems for both American consumers and exporters. Protectionism is not the answer for America, free trade is the best policy not only for the US-China trade relationship but for all economies. Free trade is the best path for the economic prosperity of both the United States and China and is something that we as Americans should strive for.