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# Geithner: China bound later this month

## Treasury secretary set to travel to China later this month at time when U.S.-China relations sit near top of international economic agenda.

By [Jennifer Liberto](#), CNNMoney.com senior writer  
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WASHINGTON (CNNMoney.com) -- Treasury Secretary Tim Geithner will travel to China later this month, marking the Obama administration's first overture to the powerhouse nation whose economy is tightly intertwined with efforts to reverse the global downturn.

Geithner leaves May 30 for meetings in Beijing, where he'll discuss ways to strengthen relations between China and the United States, the Treasury Department said Tuesday.

China is one of the nation's most important trading partners. The relationship is also often a source of tension. Chinese exports to the United States have dominated trade between the two nations since the 1980s. The U.S. trade deficit with China rose again in March to \$15.6 billion, the Commerce Department said Tuesday.

Last Friday, Senate Finance Committee Chairman Max Baucus, D-Mont., said that U.S. economic relations with China should top Treasury's international agenda.

Baucus, speaking during Neil Wolin's confirmation hearing as deputy Treasury secretary, cited former Treasury Secretary Henry Paulson for making a "good start" in improving relations.

"But it was only a start," Baucus said. "I think it can be much more focused, more aggressive, more comprehensive than it has been."

Paulson made several trips to China during his tenure, before the United States' financial crisis deepened last summer.

During Geithner's confirmation hearings in January, he told lawmakers that President Obama believed that China was "manipulating" its currency. Treasury later backed off such comments, while maintaining in an

April report that Treasury believes that China's currency is "undervalued."


The trip "presents an opportunity for Secretary Geithner and for the new administration to reach out and start an engagement with the Chinese," said Eswar Prasad a global economics expert at the Brookings Institution. "This is quite important in putting that relationship back on an equal footing."

Earlier this year, Chinese officials had suggested they were uncomfortable with the Federal Reserve's rapid expansion of its balance sheet. Premier Wen Jiabao said he was worried about his country's holdings of vast amounts of U.S. debt and asked for a guarantee of safety for Chinese assets. ■

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