From the perspective of those who view exchange rate adjustment as the key, it was stressed that China holds that key—and China is doing quite well, thank you, and likes the current situation. And the rest of Asia likes China doing well. Moreover, whereas in the Uruguay Round, the active developing countries held out until the last minute but ultimately signed on to what many now regard as on balance a bad deal for them (including TRIPs, etc.), now China and others in the G-20 are prospering and do not have to sign on to any given deal. Even the Europeans, it was suggested, are mostly happy with things as they are. This implies continuation of the *status quo* (i.e., no rush to a deal and/or a small outcome at Hong Kong, China).

To be sure, this would generate ugly rhetoric in the United States—substitute China for Japan, suggested some, and the 1980s serves as a guide to the likely flavour of discussion in the United States over the coming months and likely the decade as a whole, although the actual pressure on China, the Schumer bill notwithstanding[8], cannot as yet be compared to the pressure on Japan in the 1980s.

But several argued that things have changed since the 1980s, especially in the economic and trade domains. To be sure, US power has not disappeared and, despite a long list of potential contenders, international relations are *not* operating on the basis of a balance of power. However, the WTO Agree-

[8] "S. 295: A bill to authorize appropriate action in the negotiations with the People's Republic of China regarding China's undervalued currency are not successful." The Bill was introduced February 3, 2005 by Senator Charles Schumer [D-NY], read twice and referred to the Committee on Finance. The Bill proposes a 27.5 percent tariff on all goods of Chinese provenance, that being the average of estimates considered by the Bill's framers of the undervaluation of China's currency, the renmimbi (RMB), against the US dollar. The Bill argues that the tariff would be consistent with the US' WTO commitments, basing it on Article XXI of the GATT which provides for measures taken for national security interest: "Protecting the United States manufacturing sector is essential to the interests of the United States." The tariff would remain in place until such time as China effected a substantial revaluation to bring the RMB into line with its "fair market value" and ceased to acquire foreign exchange reserves to prevent the appreciation of the RMB against the dollar.