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Joint Session Speech Mystery: Has Goldman Sachs Wing of Administration Derailed Trump's China Trade and Jobs Plans?

Will Tuesday night's address to Congress reveal just *how* President Trump plans to change U.S. trade policy to "bring jobs back to America"? [Polling suggests](#) the jobs-trade nexus is one of the issues on which Trump has popular support amid [sagging approval ratings](#).

Given that recently released 2016 trade data shows that our \$347 billion goods trade deficit with China represents almost 50 percent of our global goods trade deficit, what happened to the "[get tough on China](#)" trade mantra from the campaign? There's been a lot of administration talk about renegotiating the North American Free Trade Agreement (NAFTA). However, Trump's promises to bring down the U.S. trade deficit and create more U.S. manufacturing jobs require attention to China trade.

Yet, one of the only first-day promises included in Trump's [Contract with the American Voter](#) that was not fulfilled was declaring China a currency manipulator. The executive order flurry has not included the widely expected termination of negotiations for a U.S.-China Bilateral Investment Treaty (BIT.) The treaty replicates key aspects of the Trans-Pacific Partnership (TPP) and the NAFTA pacts that Trump loves to bash.

The China BIT, started by the Bush administration and almost completed by the Obama administration, would make it easier to offshore more American jobs to China. It also would give Chinese firms broader rights to purchase U.S. firms, land and other assets and newly expose the U.S. government to demands for compensation from Chinese firms empowered to attack U.S. policies in extra-judicial tribunals. Everything Trump says he is against, so what gives?

Maybe Trump will explain his MIA China trade strategy in tomorrow's speech? We released a [short video](#) today that suggests an answer: Goldman Sachs. The Wall Street firm Trump loved to bash on the campaign trail now has a weighty presence in the senior ranks of the Trump administration. The firm also happens to be the [Wall Street leader lobbying for the China treaty](#). Not exactly what those voters in Michigan, Wisconsin, Ohio and Pennsylvania were expecting when Trump promised the end of business as usual in Washington.

A 2016 [Freedom of Information Act request](#) revealed Trump's [National Economic Council chair Gary Cohn](#) – previously the No. 2 official at Goldman Sachs – [discussing how to move the China BIT](#) and the TPP with Obama U.S. Trade Representative Mike Froman. When ethics experts raised concerns about Cohn's recent stunning [\\$285 million Goldman Sachs exit payment](#), Cohn said he would recuse himself from any matters related to Goldman Sachs. Does this include the

China BIT? Or has Cohn already managed to derail the expected executive order ending negotiations on the China treaty?

Meanwhile, it was Goldman Sachs alum and now Treasury Secretary Steve Mnuchin who last week explained why there's been no action on China currency: “[W]e [have a process within Treasury ... and we're not making any judgments until we continue that process.](#)” Treasury would undertake a broad review of currency issues using its regular procedures, Mnuchin said. The next Treasury currency report is due in April.

The next day, Trump declared that China was the “[grand champion at manipulating its currency](#)” and [declared](#) when visiting manufacturing CEOs that action would be taken to combat China's “\$500 billion” U.S. trade deficit. Hmm...

Will Trump's joint address to Congress clarify who is setting Trump administration China policy and/or what that will mean for Trump's promises to bring back American manufacturing jobs? If Trump is silent on the U.S.-China investment treaty and currency, does that mean the Goldman Sachs crew already has redirected his campaign pledges for change into more-of-the-same job-killing China trade policy? A lot of voters will be watching closely, having given Trump the chance to prove his presidency will not be business as usual.

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