

# Was Dalai Lama snub debt-related?

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When it comes to the White House's decision not to have President Barack Obama meet with the Dalai Lama during his visit to Washington this week, some are seeing an \$800 billion elephant in the room.

That, of course, is the amount of U.S. Treasury debt held by the Chinese government. That makes China the largest foreign holder of U.S. debt, and the country's willingness to buy more is essential to the ability of the United States to finance its deficit spending.

And naturally, the Chinese do not want the new American president to meet with — and lend credibility to — the Dalai Lama, who is a longtime adversary of the Chinese government.

This week will mark the first time since 1991 that the Dalai Lama has come to Washington and not met with the U.S. president.

That leads one former Federal Reserve official to suspect that Chinese fiscal leverage over the American government is at the root of the decision. "Bottom line," says the official, "don't piss off your banker."

Rep. Dana Rohrabacher (R-Calif.), a co-chairman of the Congressional Tibet Caucus, blasted "the administration's unwillingness to meet with an internationally respected human rights leader in order to placate Chinese tyrants."

"The U.S. has permitted China to have a one-way free-trade policy for decades, and now we are not only suffering the serious economic damage caused by that policy; we are finding ourselves politically vulnerable to a regime that is the world's worst human rights abuser," Rohrabacher said.

The former Federal Reserve official said the situation is delicate: The United States angered China with a tariff on Chinese-made tires, which prompted the Chinese to threaten retaliation at the World Trade Organization. The administration, he says, simply didn't want another flash point in the tricky bilateral relationship. "Given that atmosphere and the stakes, why on earth would Obama meet with the Dalai Lama, which would surely infuriate the Chinese?"