



For Immediate Release
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BAUCUS WELCOMES FIRST ROUND OF U.S. – CHINA DIALOGUE

Finance Committee Chairman Stresses Importance of Economic Discussions

Washington, D.C. – Senate Finance Chairman Max Baucus (D-Mont.) today sent a letter to U.S. and Chinese leaders, welcoming the first round of the new Strategic and Economic Dialogue next week and supporting the renewed commitment to the Joint Commission on Commerce and Trade. In the letter sent to Secretary Geithner, Secretary Clinton, Secretary Locke, Ambassador Kirk, Vice Premier Wang Qishan, and State Councilor Dai Bingguo, Senator Baucus highlighted the importance of using these dialogues to focus on critical economic matters facing the two countries.

“The U.S. – China relationship is becoming increasingly complex and it is essential our dialogue keep pace,” said Baucus. **“In these difficult economic times, the U.S. – China Strategic and Economic Dialogue and Joint Commission on Commerce and Trade provide our two countries with critical opportunities to deepen our engagement. I urge the United States and China to use these opportunities for robust discussions to develop concrete solutions to the serious economic issues facing our countries at this critical time.”**

The full text of the letter to Secretary Geithner follows here:

July 24, 2009

The Honorable Timothy Geithner
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Geithner:

The U.S. – China relationship is at a turning point. The global economic crisis has caused decreasing global demand, rising unemployment, and inflationary threats. These new circumstances have lent our relationship greater clarity, even as it continues to grow in both complexity and stature.

To navigate these complexities, it is imperative that we not just renew but deepen our engagement. I therefore welcome the commitment the United States and China have taken to strengthen our economic and diplomatic ties. The new Strategic and Economic Dialogue (S&ED) and renewed Joint Commission on Commerce and Trade (JCCT) offer both countries the ability to address the complexities of our relationship through formal dialogue.

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But the S&ED and JCCT need to be more than just formal dialogue. Our engagement in this new economic climate must be honest, deep, and meaningful. We must tackle a series of immediate short-term economic challenges. The global financial system remains in crisis. And protectionist tendencies have strengthened in both countries. We must work to resolve these problems together on an urgent and accelerated basis. But we also cannot lose sight of our longer-term economic objectives. I urge the parties to continue their work toward negotiating a bilateral investment treaty, strengthening intellectual property rights, concluding China's accession to the World Trade Organization's Government Procurement Agreement on robust terms, and grappling with the economic challenges that accompany efforts to address global climate change. All of these issues must be addressed head on, through forthright economic dialogue as well as concrete economic action.

I understand that the new S&ED will deepen and strengthen our strategic and diplomatic dialogue as well. I welcome this development, but urge both parties not to allow this new dialogue to divert the S&ED from its historic economic focus. The sustained and systemic economic crisis we currently face demands the sustained and systematic attention and focus of our leaders.

Finally, I urge our leaders not to lose sight of the effects of the economic crisis on the people of our great nations. We must do a better job of explaining our international economic policies to our respective populations during these troubled times. And we must take concrete action to help those who will be most affected in the short term. The U.S. Congress took steps to do that earlier this year when it passed a robust expansion of Trade Adjustment Assistance (TAA). But TAA expansion was only the first step. We must do more to acknowledge that our international economic policies result in some displacement, and we must shape our discussions and actions accordingly.

In light of the unique nature of this dialogue, I have sent an identical letter to Vice Premier Wang, State Councilor Dai, Secretary Clinton, Secretary Locke, and Ambassador Kirk. Relations between you and these leaders, as well as between our nations, will continue to increase in complexity and importance. We have committed to navigating these relationships through economic and diplomatic dialogue. But let us also commit to navigating these relationships openly, honestly, consistently, and concretely so that we may build a foundation to address the new complexities that the future undoubtedly will bring.

Respectfully yours,
Max Baucus

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