



For Immediate Release  
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**SENATORS URGE STEPS TO STRENGTHEN RELATIONSHIP  
WITH CHINA,  
BOOST AMERICA'S GLOBAL COMPETITIVENESS**

*Baucus, Grassley call for China to meet economic obligations, advance ties with U.S.*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Republican member Chuck Grassley (R-Iowa), today sent letters to Treasury Secretary Henry Paulson, United States Trade Representative Susan Schwab, and Commerce Secretary Carlos Gutierrez, calling on the administration to make gains in America's economic relationship with China that will ultimately sharpen U.S. global economic competitiveness. Baucus and Grassley urged the administration leaders to press Chinese officials to meet commitments made to the world economic community, including trade, currency, safety, and financial sector reform. Today's letter comes ahead of meetings of the Strategic Economic Dialogue (SED) and Joint Commission on Commerce and Trade (JCCT) during the week of December 10, at which both Senators said they hoped significant strides could be made.

The text of the letter to Secretary Paulson follows here. Identical letters were sent to Ambassador Schwab and Secretary Gutierrez.

December 7, 2007

The Honorable Henry M. Paulson, Jr.  
Secretary of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Paulson:

As Chairman and Ranking Member of the Senate Finance Committee, we urge you to achieve measurable progress in the U.S.-China economic relationship at next week's meetings of the Strategic Economic Dialogue (SED) and Joint Commission on Commerce and Trade (JCCT). Strong, sustainable economic ties with China remain essential to America's long-term competitiveness. Building such ties, however, requires meaningful action on past commitments, cooperative work on current problems, and ambitious goals for the future.

First, we must ensure that China lives up to commitments it made in the World Trade Organization (WTO), the JCCT, and the SED. In the past, China promised to open its market to U.S. beef consistent with international scientific standards. It also committed to liberalize the payments regime for credit card providers and lift the moratorium on new foreign securities firms. And China promised to protect and enforce intellectual property rights and make meaningful progress toward joining the WTO Government Procurement Agreement. We

recognize the progress that China has made in certain areas; however we remain deeply concerned that many of these promises remain unfulfilled.

Second, we must ensure that American and Chinese consumers have confidence in the U.S.-China economic relationship. That means fostering confidence in the safety of food and product imports by boosting meaningful regulatory standards and intergovernmental cooperation. It also means ensuring that no economy gains unfair advantage in trade through unacceptable policies and practices, including unfair exchange rate regimes or discriminatory domestic regulations.

Third, a sustainable U.S.-China economic relationship requires that we continue to build on past successes and aspire to ambitious and mutually beneficial policies for the future. For instance, continued liberalization of and increased foreign participation in China's financial services sector will benefit both economies. In this regard, we urge you to encourage your Chinese counterparts to raise foreign equity caps in the banking, insurance, and securities sectors, and broaden the Qualified Direct Institutional Investor and Qualified Foreign Institutional Investor programs.

The evolving U.S.-China economic relationship entails numerous complexities and challenges. It also holds great potential for enhancing trans-Pacific economic prosperity to the direct benefit of American companies, workers, farmers and ranchers. Measurable progress on the issues we have highlighted will help set the stage for realizing these opportunities.

We have sent an identical letter to Ambassador Schwab and Secretary Gutierrez.

Sincerely,

Max Baucus

Chuck Grassley

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