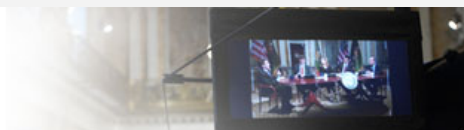


## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Op-Ed: A New Strategic and Economic Dialogue with China Few global problems can be solved by either country alone By Hillary Clinton and Timothy Geithner

7/27/2009 In an op-ed piece appearing in today's Wall Street Journal, Secretary of the Treasury Timothy Geithner and Secretary of State Hillary Clinton outlined the importance of the Strategic and Economic Dialogue with China, which takes place Monday, July 27th through Tuesday, July 28th in Washington, D.C. To read the piece online: <http://online.wsj.com/article/SB10001424052970204886304574308753825396372.html>. The text of the piece follows:

### A New Strategic and Economic Dialogue with China

#### Few global problems can be solved by either country alone

By Hillary Clinton and Timothy Geithner

When the United States and China established diplomatic relations 30 years ago, it was far from clear what the future would hold. In 1979, China was still emerging from the ruins of the Cultural Revolution and its gross domestic product stood at a mere \$176 billion, a fraction of the U.S. total of \$2.5 trillion. Even travel and communication between our two great nations presented a challenge: a few unreliable telephone lines and no direct flights connected us. Today China's GDP tops four trillion dollars, thousands of emails and cellphone calls cross the Pacific Ocean daily, and by next year there will be 249 direct flights per week between the U.S. and China.

To keep up with these changes that affect our citizens and our planet, we need to update our official ties with Beijing. During their first meeting in April, President Barack Obama and President Hu Jintao announced a new dialogue as part of the administration's efforts to build a positive, cooperative and comprehensive relationship with Beijing. So this week we will meet together in Washington with two of the highest-ranking officials in the Chinese government, Vice Premier Wang Qishan and State Councilor Dai Bingguo, to develop a new framework for U.S.-China relations. Many of our cabinet colleagues will join us in this "Strategic and Economic Dialogue," along with an equally large number of the most senior leaders of the Chinese government. Why are we doing this with China, and what does it mean for Americans?

Simply put, few global problems can be solved by the U.S. or China alone. And few can be solved without the U.S. and China together. The strength of the global economy, the health of the global environment, the stability of fragile states and the solution to nonproliferation challenges turn in large measure on cooperation between the U.S. and China. While our two-day dialogue will break new ground in combining discussions of both economic and foreign policies, we will be building on the efforts of the past seven U.S. administrations and on the existing tapestry of government-to-government exchanges and cooperation in several dozen different areas.

At the top of the list will be assuring recovery from the most serious global economic crisis in generations and assuring balanced and sustained global growth once recovery has taken hold. When the current crisis struck, the U.S. and China acted quickly and aggressively to support economic activity and to create and save jobs. The success of the world's major economies in blunting the force of the global recession and setting the stage for recovery is due in substantial measure to the bold steps our two nations have taken.

As we move toward recovery, we must take additional steps to lay the foundation for balanced and sustainable growth in the years to come. That will involve Americans rebuilding our savings, strengthening our financial system and investing in energy, education and health care to make our nation more productive and prosperous. For China it involves continuing financial sector reform and development. It also involves spurring domestic demand growth and making the Chinese economy less reliant on exports. Raising personal incomes and strengthening the social safety net to address the reasons why Chinese feel compelled to save so much would provide a powerful boost to Chinese domestic demand and global growth.

Both nations must avoid the temptation to close off our respective markets to trade and investment. Both must work hard to create new opportunities for our workers and our firms to compete equally, so that the people of each country see the benefit from the rapidly expanding U.S.-China economic relationship.

A second priority is to make progress on the interconnected issues of climate change, energy and the environment. Our two nations need to establish a true partnership to put both countries on a low-carbon pathway, simultaneously reducing greenhouse gas emissions while promoting economic recovery and sustainable development. The cross-cutting nature of our meetings offers a unique opportunity for key American officials to meet with their Chinese counterparts to work on the global issue of climate change. In the run-up to the international climate change conference in Copenhagen in December, it is clear that any agreement must include meaningful participation by large economies like China.

The third broad area for discussion is finding complementary approaches to security and development challenges in the region and across the globe. From the provocative actions of North Korea, to stability in Afghanistan and Pakistan, to the economic possibilities in Africa, the U.S. and China must work together to reach solutions to these urgent challenges confronting not only our two nations, but many others across the globe.

While this first round of the U.S.-China Strategic and Economic Dialogue offers a unique opportunity to work with Chinese officials, we will not always agree on solutions and we must be frank about our differences, including establishing the right venues to have those discussions. And while we are working to make China an important partner, we will continue to work closely with our long-standing allies and friends in Asia and around the world and rely on the appropriate international groups and organizations.

But having these strategic-level discussions with our Chinese counterparts will help build the trust and relationships to tackle the most vexing global challenges of today-and of the coming generation. The Chinese have a wise aphorism: "When you are in a common boat, you need to cross the river peacefully together." Today, we will join our Chinese counterparts in grabbing an oar and starting to row.