

# U.S., China Press for Economic Talks to Continue

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ANNAPOLIS, Md. -- High-level economic talks got under way between the U.S. and China on Tuesday, with both sides emphasizing the importance of keeping the Strategic Economic Dialogue going.

Stakes are high for the leaders of both delegations to the fourth round of the semiannual talks, which U.S. Treasury Secretary Henry Paulson helped launch shortly after taking office in 2006. Mr. Paulson's time in office is drawing to a close early next year and Vice Premier Wang Qishan is leading the Chinese side for the first time.

Some Congressional Democrats and other critics often dismiss the talks as resulting in few tangible results, and it is unclear whether they will survive into the next administration.

Mr. Paulson said Tuesday that the purpose of the talks is to keep the relationship "on an even keel, even in times of tension." Mr. Wang said the talks should be "institutionalized" as a regular fixture. "No matter what happens, it's necessary to continue using this important platform," he said.

The two days of meetings started Tuesday on a relatively congenial note, with Mr. Paulson leaving out his oft-repeated call for the Chinese government to let its currency appreciate more rapidly.

The U.S. Treasury secretary has recently turned down the heat on China's tightly managed currency policy, acknowledging the near 20% gain in the yuan against the dollar since it was depegged in July 2005 and urging for the trend to continue.

In his opening remarks, Mr. Wang cited progress in narrowing China's trade surplus with the U.S., currency reform, food and product safety, and intellectual-property protections. He urged patience, however, and stressed the need "to avoid complicating and politicizing the economic and trade problems."

Mr. Wang also pointed to problems in the U.S. economy, saying, "we need to deepen our discussions about the U.S. subprime crisis and its implications."

Mr. Paulson said that matters discussed during the talks will include financial and economic cycles and rising food and energy prices that are presenting a challenge to both China and the U.S.

The countries plan to finalize details on a 10-year plan to cooperate on energy and the environment, and Mr. Paulson noted a shared interest among the two largest net importers of oil.

"China and the United States face similar challenges as demand for energy increases, and the global production capacity has remained relatively flat for the past 10 years," he said.