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**BAUCUS: U.S.-CHINA TALKS SHOW SOME RESULTS,
BUT KEY ISSUES REMAIN OUTSTANDING**

Finance Chairman wants beef ban, currency addressed

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today welcomed progress on some environmental and financial services issues in this week’s Strategic Economic Dialogue (“SED”) with China, but said too many issues remain unresolved between our two countries. At the conclusion of talks today, both sides announced an agreement to ease trade in environmental goods and services, increase China’s enforcement of intellectual property laws and liberalize that country’s financial services market. The SED did not address China’s continued ban on U.S. beef, a matter of key concern to Baucus. No progress was made on addressing China’s undervalued currency, or to let American credit card companies operate freely in China.

“Dialogue between our two great nations is essential, but so are real results that improve the health of our economic relationship,” said Baucus. **“I am pleased that Secretary Paulson and Vice Premier Wu Yi were able to make progress on some issues, including environmental goods and services. But I am deeply concerned that the SED did not address China’s unscientific and WTO-inconsistent ban on U.S. beef or the undervaluation of China’s currency.”**

The SED brings together senior officials from both countries to address a range of issues, including trade, energy, and transportation. Treasury Secretary Henry Paulson leads the U.S. delegation, and China’s Vice Premier Wu Yi leads the Chinese delegation. The first SED met in Beijing in December. Baucus and Finance Committee members will meet this week with Vice Premier Wu Yi, to discuss concerns outlined last Friday in a letter signed by all 21 members of the panel. That letter can be found at <http://www.finance.senate.gov/press/Bpress/2007press/prb051807.pdf>

“I look forward to meeting with China’s Vice Premier Wu Yi this week,” said Baucus. **“It is critical for China’s leadership to meet with Congress. Administrations come and go. It is Congress that remains in the driver’s seat on the key trade and economic issues affecting our two countries.”**

Baucus says beef will certainly be on the agenda for the Committee’s meeting this week. China has failed to keep a 2006 promise to open its market to imports of boneless beef from cattle under 30 months. Just yesterday, the World Organization of Animal Health (the “OIE”) unanimously adopted a resolution certifying U.S. beef as safe, bone-in and boneless, regardless of age, as long as specified risk materials are removed. This is a practice already followed by U.S. beef processors.

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