

Secretary of Commerce Carlos M. Gutierrez
Remarks at the 18th U.S.-China Joint Commission on
Commerce and Trade Opening Session
Diaoyutai State Guest House
Beijing, China

Secretary of Commerce Gutierrez: Thank you. Thank you Madame Yi. As you were saying in recent discussions this is the 18th JCCT and I know a lot of people have worked really hard on the planning from the China side and the U.S. side ... for being committed to this process for working so hard after 18 JCCTs this has become an important institution in our relationship and one that we believe will continue to serve as a way to resolve issues and to air concerns and to strengthen our relationship and I want to thank Madame Yi for her great leadership of the JCCT and for building this tremendous institution. Being this is the 18th JCCT and a very important JCCT, a very inspiring JCCT, I hope we will look back on it and say it's one of the best JCCTs if not the best JCCT. We've had good, frank and direct discussions which I think is a reflection of the maturity of our relationship.

Madame Yi indicated (inaudible) very strongly agree directly that she felt very uncomfortable with the recent WTO IPR case that we took (inaudible). We had frank discussions about cultural differences. The fact that culturally we feel more comfortable in using legal arguments. Something (inaudible) in the spirit that harms the relationship or that becomes personal. And I want to clarify that because I know it's important to all of you. That when we take a case forward in a legal fashion, that we do so as a matter of business but never, never as a matter of disrespect or as a personal matter. And I thought it was very important that we have that discussion because we learn about each other.

The more we can learn about each other the stronger we will be as friends and the better off the whole world will be. We have a mature relationship. And every time we meet, we get even more mature, we get stronger. We understand each other. Even if it's a little bit better, we understand each other better, and understanding is good

for this relationship. It's good for the U.S. It's good for China. And it's good for the world. And the reason I say that is because 40 percent of the world's economic growth, 40 percent, is generated by China and the U.S. So, there is a lot riding on the success of this relationship. And, we can use this 18th JCCT and the upcoming SED to give the world confidence that we are both committed to openness, that we are not having second thoughts, and that we are not being hesitant. That we are not going back, but we are going forward into the future together. And, that we can give the world confidence that openness works. That openness creates jobs. That openness creates prosperity and openness leads to better lives in China and in the U.S. And, I believe the world would like to hear that message from us.

We have said that our number one desired approach is dialogue. And, that will continue to be our number one desired approach and I believe that we have made it work. Also when we have been challenged, and we've been challenged often, about our trade deficit, we continue to say that the best way to address our deficit is not by reducing imports. Because that would get us into a downward spiral that the world would regret. Because it would hurt the U.S., it would hurt China and because we are such an important part of the world economy, it would hurt the world. So, protectionism is something we must avoid together. So, the way we want to reduce our trade deficit is by exporting more – not by importing less. And, these meetings are an opportunity to address the barriers that may be holding back our exports, anything that may be holding back the opportunity to show, to demonstrate, that our approach from dialogue, from openness, is the best approach. And, Madame Yi please know you have our commitment that for the whole week, these meetings and during the SED, that that will be our approach and we will do so in very good faith.

Madame Yi, thank you very much. It's a pleasure to be here. I'll turn it over to Ambassador Schwab.