

**The Nightly Business Report**  
**US-China Strategic Economic Dialogue: A Breakthrough**  
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Something unprecedented happened last week in Beijing. It was the first meeting of the US-China Strategic Economic Dialogue. Under the aegis of President Bush and President Hu, Treasury Secretary Paulson led the US side and Vice Premier Wu Yi led the Chinese side. The US side included six Cabinet secretaries and Fed Chairman Bernanke. Fourteen ministries comprised the Chinese side.

The dialogue focuses on the longer term, so no breakthroughs were expected. But groups were formed to work in five areas: services, health care, investment, transparency, and the link between energy and environment. One announcement worth noting: that NYSE and NASDAQ can now open offices in China.

This dialogue doesn't substitute for pressing China on IPR protection or floating its currency. Those issues will still be pursued with vigor. But now we have a larger framework in which all issues can be prioritized and addressed. And this is a big step forward.

The next meeting is scheduled for May in Washington. In my experience, once such a process begins, it takes on a life of its own and continues through crises and changes in administration. The major accomplishment is that a dialogue has begun between the world's largest economy and an emerging economic power. This will bring dividends over time, to both countries and also to global growth and harmony.

I'm Barbara Hackman Franklin