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PRESS STATEMENT

U.S. Need for Jobs Demands Congressional Action on China Currency

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WASHINGTON, DC – The Fair Currency Coalition (FCC) praised Congressmen Tim Ryan (D-OH) and Tim Murphy (R-PA) and joined them in calling for Congress and the Obama Administration to take action against China’s persistently undervalued renminbi (RMB).

“The top issue with Americans is jobs, and one of the best ways to spark job creation is for Congress to combat China’s predatory currency policy. It is a ‘must’ for sustained American economic recovery,” said Fair Currency Coalition Executive Director Charles Blum.

Blum went on to say, “The Fair Currency Coalition is deeply grateful for the bipartisan leadership of Congressmen Ryan and Murphy on the China currency issue in the U.S. House Representatives.”

“We are eager to work with our friends in the House, Senate, and the Obama Administration to level the playing field for American producers and workers. Enacting legislation that makes persistent currency undervaluation actionable under countervailing duty (CVD) and anti-dumping law would do just that,” Blum continued.

Stressing the need to act quickly, Blum added, “Every day of delay destroys more American jobs and discourages investment.”

Appealing to the deficit conscious, Blum said, “No multi-billion dollar expenditure is needed to countervail illegal export subsidies like the persistent undervaluation of a foreign currency. It is the cheapest jobs bill Congress could pass.”

A persistently undervalued RMB acts as both an export subsidy and trade barrier by making Chinese-produced goods less expensive than their American counterparts. Consequently, Blum dismissed China’s recent move to make the RMB’s exchange rate more ‘flexible’, saying, “Even if China allows the RMB to rise by 3 to 5 percent over the next few months, it would come nowhere close to eliminating the RMB’s estimated 35 to 40 percent undervaluation relative to the U.S. dollar.”

The FCC is an alliance of industry, agriculture, and worker organizations whose mission is to support production in and export from the United States by seeking an end to the practice of currency misalignment by any trading partner. The FCC has endorsed and is working hard for H.R. 2378, the Currency Reform for Fair Trade Act, and S. 3134, the Currency Exchange Rate Oversight Reform Act, legislation which addresses the subsidy effects of currency undervaluation in a manner consistent with U.S. international rights and obligations.

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