

News from U.S. Rep. John Spratt (D-SC)

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Spratt, Myrick Introduce Bill to Stop Chinese Currency Manipulation

WASHINGTON – U.S. Reps. John Spratt (D-SC) and Sue Myrick (R-NC) introduced legislation on Tuesday to cause China to float its currency on the open market.

For years, China has pegged its currency to the dollar at a level well below market value, making Chinese exports to the U.S. cheaper and U.S. exports to China more costly. The result is a trade deficit that exceeded \$100 billion last year.

“South Carolina has lost the highest percentage of manufacturing jobs in the nation, 6.6% in the last 12 months,” said Spratt, “followed by North Carolina, Mississippi, and Georgia at minus 5.7%, 5.2% and 5.1% respectively. Nationwide, 2.5 million manufacturing jobs have been lost since President Bush took office. If we do not level the playing field for our manufacturing firms when it comes to trade, we are going to lose the sector and some of the best jobs in our economy, plus the ability to make goods. I am pleased to join Sue Myrick in introducing this bill.”

“China is devaluing their currency and it’s costing American jobs. I will not sit by and watch the Chinese government break the agreements they signed. Either they play by the rules, or we will force them to play by the rules,” said Myrick.

It is estimated that China’s currency is undervalued between 15 and 40 percent, or an average of 27.5 percent. The result of China’s currency manipulation is an increased trade deficit and the loss of 2.6 million jobs. This bill directs the Secretary of the Treasury to raise tariffs on Chinese imports to 27.5 percent after a 180-day warning period if China does not float its currency and allow the market to set its value.

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