

# US lawmakers to quiz Geithner on China currency

AFP

September 10, 2010

WASHINGTON — US Treasury Secretary Tim Geithner will face a key US House committee's questions on possible new steps to press China over its currency policy, the panel's chairman said Thursday.

House Ways and Means Committee Chairman Sander Levin's announcement came amid deep anger in the US Congress at Beijing, which lawmakers charge is hurting US exports by keeping the yuan artificially cheap.

"China's currency remains substantially undervalued. It is vital that we hear Secretary Geithner's views about US policy and how best to proceed," Levin said in a statement on the hearing.

"The large and persistent US trade imbalance with China is a major contributor to global imbalances, costing the United States jobs and economic growth," Levin said.

"The issue of China's persistent exchange rate program must be resolved as we seek to address these imbalances," said the lawmaker, who was to lead a first hearing on the standoff on September 15.

Some economists think the yuan is undervalued by between 25 and 40 percent, giving Chinese exporters an unfair price advantage -- but Beijing has called such allegations "groundless."

US lawmakers have been pressing for legislation that would require the Commerce Department to apply punitive sanctions against China and other countries with allegedly undervalued currencies.