

House focuses on China's currency policy

September 16, 2010

UPI

WASHINGTON -- U.S. House Ways and Means Committee Chairman Sander Levin, D-Mich., called on the government to lean harder on China in challenges to its currency policy.

The House panel began two days of hearings on China's policy Wednesday. At the hearing, Levin said, "A multilateral approach would be the most likely to yield the broadest results," calling for an international effort to convince China to allow the renminbi to appreciate.

Currently, 140 House members have signed a bill that would, essentially, declare China a currency manipulator, which would trigger a series of import duties imposed on Chinese goods.

Treasury Secretary Timothy Geithner, in remarks prepared for his appearance at the hearing Thursday said, "We are concerned, as are many of China's trading partners, that the pace of appreciation has been too slow and the extent of appreciation too limited."

The remarks fall short of a declaration that China, which pegged the renminbi to the U.S. dollar as the economic crisis escalated in 2008, is a currency manipulator.

In Beijing, Foreign Ministry spokeswoman Jiang Yu said, "I would point out that appreciation of the renminbi will not solve the U.S. deficit and unemployment problems."

Countering that, the director of the Peterson Institute for International Economics, C. Fred Bergsten, said allowing the renminbi to appreciate up to 25 percent would create 500,000 U.S. jobs.