

Reps. Hunter And Ryan Hope Press Corps Can Help Convince Congressional Leadership To Take On China

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Legislation aimed at addressing currency manipulation as an unfair trade subsidy is trying to be resurrected by its two main proponents: Reps. Duncan Hunter (R-Calif.) and Tim Ryan (D-Ohio). The two members of Congress were joined by four others and a dozen members of the China Currency Coalition in a small room in the basement of the U.S. Capitol to tell reporters that the time is nigh for Congress to address the Current Reform for Fair Trade Act of 2007 (HR-2942). Their tactic to get congressional leaders to act: get the press to write another story about the continued devastation being wrought upon the American economy by China's flagrant breaking of the rules.

"What we want to do here today is show the coalition and let the [House Ways and Means] Committee and the leadership in Congress know that this is a bipartisan deal," said Ryan. "Republicans and Democrats, free-traders and fair traders want to get this message out that this is a coalition that can pass [the legislation] and get it to the president."

Asked a reporter: "Why aren't you talking to the leadership? Why are you talking to us?"

Ryan: "This is a major issue in a lot of districts across the country. The more we explain and make our case, the more members will get involved and that will crank up the pressure on addressing this issue."

It was the third annual press conference extolling Congress to act, and the press wanted to know why, given that the bill had about 180 co-sponsors last year, the legislation was going nowhere. "There are obviously some powerful multinational corporations that don't want this," many of whom are members of the National Association of Manufacturers, Ryan replied. "This is why we have to continue to build this political process. These things take momentum. It's an election year, with bipartisan support, we hope we can continue to make these arguments. We think they're a winner and the American people are behind us, so the more we make the arguments, the better off we're going to be."

Others not in the room say that the Committee on Ways and Means is dragging its feet because its chairman Charles Rangel of New York City and others on the committee either represent or have been bought off by well-heeled Wall Street and corporate interests. Treasury Secretary Henry Paulson, former CEO of Goldman Sachs, is a good friend of Rangel's. Paulson has repeatedly said Congress should not get involved.

The press event took place on the day the government announced trade figures for 2007. The trade deficit with China's in 2007 of \$256 billion now accounts for 31 percent of the

total deficit in goods, up from 27 percent in 2006, when the U.S. deficit with China stood at \$233 billion.

"Things are getting worse," said Ryan. "The economy has not gotten better -- it continues to falter -- so we are going to continue to press. We have a growing number of members of Congress to support this issue all over the United States. China is manipulating its currency. It is a subsidy. Just as direct a subsidy as if they gave money to a company to make their product cheaper."

Hunter said the currency manipulation bill "should be a priority issue for the leadership of the House Representatives and the U.S. Senate, and I'm a little perplexed on why the leadership hasn't brought up this important legislation to the floor. There is no American company that can compete with the treasury of a foreign nation and that is what American companies and American workers are being forced to do. We are in this for the long haul and we will do everything possible to make sure we get this legislation up this year."

It's doubtful President Bush would sign such a bill even if it does make it through the congressional process. Skip Hartquist, executive director of the China Currency Coalition, noted that Treasury Secretary Ron Paulson was testifying on the Hill the previous day and said the Bush administration is touting China's June 2005 decision to allow its currency to "float." Since then, the yuan has appreciated by 12 percent to 15 percent against the dollar. But "that is not true," said Hartquist. In real terms, the yuan has appreciated by only 3.6 percent, which amounts "to nothing," said Hartquist. "That is -- nothing has been achieved."

Hartquist related that Paulson told Congress that " 'legislative attempts to control Chinese currency through macroeconomic policy border on silly.' " That statement, said Hartquist, "should make the blood pressure rise in about 200 members of Congress. That is the kind of attitude we're facing from the administration."

Members of the China Currency Coalition

The IUC AFL-CIO
American Iron and Steel Institute
Chicagoland Circuit Association
Coalition for a Prosperous America
The Committee on Pipe and Tube Imports
The Copper & Brass Fabricators Council, Inc.
EXEL Industrial
Forging Industry Association
Graphics Communications International Union
The Industrial Union Council (composed of Bakery, Confectionary, Tobacco Workers and Grain Millers International Union)
International Union of Electrical Workers/Communication Workers of America

International Association of Machinists
International Brotherhood of Boilermakers
International Brotherhood of Electrical Workers
International Brotherhood of Teamsters
Paper Allied-Industrial Chemical & Energy Workers International Union
Manufacturers for Fair Trade
Metal Treating Institute
Metals Service Center Institute
National Council of Textile Organizations
National Tooling and Machining Association
Nucor Corporation
Precision Machined Products Association
Precision Metalforming Association
Rescue American Jobs
Sheet Metal Workers International Association
Society of the Plastics Industry
Specialty Steel Industry of North America
Spring Manufacturers Institute
Steel Dynamics
Steel Manufacturers Association
Tooling & Manufacturing Association
U.S. Business and Industry Council
United Automobile Workers
United Food and Commercial Workers
United Mine Workers of America
United States Business & Industry Council
United States Printed Circuit Alliance
United Steelworkers
Union of Needletrades Industrial and Textile Employees
Vanadium Producers & Reclaimers Association
Wood Machinery Manufacturers of America