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**CURRENCY REFORM FOR FAIR TRADE ACT -- (House of
Representatives - September 29, 2010)**

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Mr. LEVIN. Mr. Speaker, pursuant to House Resolution 1674, I call up the bill (H.R. 2378) to amend title VII of the Tariff Act of 1930 to clarify that fundamental exchange-rate misalignment by any foreign nation is actionable under United States countervailing and antidumping duty laws, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 1674, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 2378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ``Currency Reform for Fair Trade Act''.

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**SEC. 2. CLARIFICATION REGARDING DEFINITION OF
COUNTERAVAILABLE SUBSIDY.**

(a) *Benefit Conferred.*--Section 771(5)(E) of the Tariff Act of 1930 (19 U.S.C. 1677(5)(E)) is amended--

(1) in clause (iii), by striking ``and" at the end;

(2) in clause (iv), by striking the period at the end and inserting `` , and"; and

(3) by inserting after clause (iv) the following new clause:

`` (v) in the case in which the currency of a country in which the subject merchandise is produced is exchanged for foreign currency obtained from export transactions, and the currency of such country is a fundamentally undervalued currency, as defined in paragraph (37), the difference between the amount of the currency of such country provided and the amount of the currency of such country that would have been provided if the real effective exchange rate of the currency of such country were not undervalued, as determined pursuant to paragraph (38)."

(b) *Export Subsidy.*--Section 771(5A)(B) of the Tariff Act of 1930 (19 U.S.C. 1677(5A)(B)) is amended by adding at the end the following new sentence: `` In the case of a subsidy relating to a fundamentally undervalued currency, the fact that the subsidy may also be provided in circumstances not involving export shall not, for that reason alone, mean that the subsidy cannot be considered contingent upon export performance."

(c) *Definition of Fundamentally Undervalued Currency.*--Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end the following new paragraph:

`` (37) **FUNDAMENTALLY UNDERVALUED CURRENCY.**--The administering authority shall determine that the currency of a country in which the subject merchandise is produced is a 'fundamentally undervalued currency' if--

`` (A) the government of the country (including any public entity within the territory of the country) engages in protracted, large-scale intervention in one or more foreign exchange markets during part or all of the 18-month period that represents the most recent 18 months for which the information required under paragraph (38) is reasonably available, but that does not include any period of time later than the final month in the period of investigation or the period of review, as applicable;

`` (B) the real effective exchange rate of the currency is undervalued by at least 5 percent, on average and as calculated under

paragraph (38), relative to the equilibrium real effective exchange rate for the country's currency during the 18-month period;

`` (C) during the 18-month period, the country has experienced significant and persistent global current account surpluses; and

`` (D) during the 18-month period, the foreign asset reserves held by the government of the country exceed--

`` (i) the amount necessary to repay all debt obligations of the government falling due within the coming 12 months;

`` (ii) 20 percent of the country's money supply, using standard measures of M2; and

`` (iii) the value of the country's imports during the previous 4 months.".

(d) *Definition of Real Effective Exchange Rate Undervaluation.*-- Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677), as amended by subsection (c) of this section, is further amended by adding at the end the following new paragraph:

`` (38) **REAL EFFECTIVE EXCHANGE RATE UNDERVALUATION.**--The calculation of real effective exchange rate undervaluation, for purposes of paragraph (5)(E)(v) and paragraph (37), shall--

`` (A)(i) rely upon, and where appropriate be the simple average of, the results yielded from application of the approaches described in the guidelines of the International Monetary Fund's Consultative Group on Exchange Rate Issues; or

`` (ii) if the guidelines of the International Monetary Fund's Consultative Group on Exchange Rate Issues are not available, be based on generally accepted economic and econometric techniques and methodologies to measure the level of undervaluation;

`` (B) rely upon data that are publicly available, reliable, and compiled and maintained by the International Monetary Fund or, if the International Monetary Fund cannot provide the data, by other international organizations or by national governments; and

`` (C) use inflation-adjusted, trade-weighted exchange rates.".

SEC. 3. REPORT ON IMPLEMENTATION OF ACT.

(a) *In General.*--Not later than 9 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the implementation of the amendments made by this Act.

(b) *Matters to Be Included.*--The report required by subsection (a) shall include a description of the extent to which United States industries that have been materially injured by reason of imports of subject merchandise produced in foreign countries with fundamentally undervalued currencies have received relief under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.), as amended by this Act.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. *Levin*) and the gentleman from Michigan (Mr. *Camp*) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. *Levin*).

Mr. LEVIN. Mr. Speaker, I yield myself 3 minutes.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Colleagues, this is an important moment for this House and for the people of our Nation. There is a real problem--China's persistent manipulation of its currency. That requires real action, and under our leadership, real action is now being taken in this House.

China's practices represent, as the Secretary of the Treasury indicated in his testimony before us, ``a major distortion in the global economy."''

For our country, it is impacted on our trade deficit with China--in 2009, \$226 billion--and it is impacted on our jobs. Their goods come to us, as a result of their manipulation, cheaper, and our goods to them, more expensive. There is a 15-35 or 40 percent imbalance, a tilted field of competition. The estimates mean 500,000 to 1.5 million jobs. This manipulation is one of the causes of the outsourcing of our jobs--of manufacturing and other good jobs.

Talk hasn't worked. Less than 2 percent appreciation has occurred since just before the last G-20 meeting when the Chinese said that they would make their currency more flexible.

Additional steps are needed, and this bill is just such a step. So, after 2 days of hearings before our committee, I worked over the weekend with our majority staff to modify, to make sure this bill was fully compliant with our international WTO obligations. It is compliant.

China has an economic strategy. For our businesses and workers, it is vital that our Nation has an active economic strategy, and this is one important piece of that strategy.

I strongly urge support of this legislation, and I reserve the balance of my time.

Mr. CAMP. I yield myself such time as I may consume.

Mr. Speaker, let me start by saying it is truly disappointing that this is the only trade bill in the past 2 years that has been marked up by the Ways and Means Committee. I find it unacceptable that this is the sum total of our trade agenda. While this legislation addresses an important issue, it will not address many more pressing trade concerns with China, and it will not advance the goal of doubling exports in 5 years.

To achieve those goals, we must move expeditiously on the pending free trade agreements, work harder to open new markets to our exports, and address broader economic issues all over the world and with China.

[Time: 16:10]

We have held four separate hearings on China this year alone. At each, we heard from witnesses, including Treasury Secretary Geithner, who stressed that China's currency policy is only one element in our highly complicated trading relationship.

It's not that China's currency problem is not a problem or priority; it's just that there are far larger issues with regard to China and our trade imbalance. Issues like intellectual property rights, indigenous innovation, export restraints on rare earth minerals and other items,

and a host of nontariff barriers are wreaking havoc on American employers, their workers, and our economy.

Despite my disappointment about the lack of a broader trade agenda and the lack of action on these other concerns with respect to China, it would be an enormous mistake to give up completely on addressing China's currency policy. We all agree that China's currency is fundamentally misaligned and that China must take prompt action to allow market forces to determine the value of its currency.

At the same time, it is important that any legislation be consistent with our international obligation and be effective. Any legislation that could potentially expose the United States to WTO-sanctioned retaliation would undoubtedly do more harm than good and would undermine our efforts to get China to comply with its own obligations.

At our hearings over the past few weeks, a number of witnesses and Republican Members raised serious concerns about the WTO consistency of the original version of H.R. 2378. As a result of these concerns, Chairman *Levin* completely rewrote the bill. The version before us today has little in common with the original, which, on its face, violated our WTO obligation. It addresses many of the criticisms raised by witnesses and by Republican Members, and I appreciate that the chairman has taken these concerns into account.

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Unlike the original version, this bill does not mandate that the Commerce Department automatically adjust antidumping and countervailing duty calculations to account for China's currency policy. This version allows Commerce to consider many factors in determining whether or not China's currency policy satisfies the technical definition of an export subsidy, as it does today, and does not prejudge an outcome.

While I remain deeply concerned about using countervailing duty law to address China's currency policy, I believe the bill before us today does not, on its face, violate our WTO obligations.

I will vote for this bill because it sends a clear signal to China that Congress' patience is running out but does not give China an excuse to retaliate against U.S. companies and their workers. While we cannot pass legislation that likely violates our WTO commitments and would result in WTO-sanctioned retaliation, we cannot, at the same time,

allow ourselves to be afraid of China's reaction to a WTO-consistent measure.

If China retaliates against this bill at this stage, I fully expect that USTR, and the administration as a whole, will act swiftly and aggressively to pursue every option available, including through action at the WTO. China's posturing and bad behavior cannot dictate our trade policy.

This legislation also sends an important signal to the administration: It is time to produce results. The administration must step up its bilateral and multilateral efforts and set a clear timeline for action. The administration should work to ensure that the issue of global imbalances, which naturally includes China's currency policy, is prominently on the agenda at the November G20 meetings in Seoul. We should also reengage in bilateral investment treaty negotiations.

As I noted at our markup, the fact that the administration has not moved aggressively on a multilateral basis has forced us to this point. The legislation we are considering today is better than the original but still won't resolve our trade imbalances with China.

Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. *Brady*), and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore (Mr. *Capuano*). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LEVIN. I yield myself 15 seconds.

That statement really rewrites the history of this legislation. I suggest to everybody, go back and look at the opening statement of the ranking member. Also, we have urged support of the green 301 petition. Only three Republicans supported it. I regret the partisan inflection here. I won't engage in it. I hope we get bipartisan support.

I now yield 1 1/2 minutes to the gentleman from Washington (Mr. *McDermott*), a gentleman who is so actively engaged on these issues.

(Mr. *McDERMOTT* asked and was given permission to revise and extend his remarks.)

Mr. *McDERMOTT*. Mr. Speaker, there is an old Chinese proverb that says, "A journey of a thousand miles begins with a single step," and I rise today in support of this legislation which is before us to take the first step toward addressing the egregious imbalance between China's currency and our own.

For too long, the Chinese have not been playing fairly in the international trade arena, and this Congress has to send a clear message that China must become a responsible player in a multilateral trade. The Chinese export-driven strategy is smart, but subsidizing by suppressing their currency is an unfair way to do it.

This legislation is a good step, but it's not my preferred step. I would prefer the United States, together with our partners, bring a multilateral WTO case against China on the currency issue. Absent that, this commonsense legislation helps the Commerce Department do a fair job of making the multilateral mechanisms more available to U.S. businesses.

This legislation sends a clear signal that the American people respect international agreements and expect fairness. After years of an unlevel playing field, it is time to act, and this legislation is the right kind of measured first step we must take now.

I urge the passage of this bill.

Mr. *BRADY* of Texas. Mr. Speaker, I yield myself such time as I may consume.

I appreciate the effort, Mr. Speaker, by Chairman *Levin* to address the concerns of Ranking Member *Camp* and other Republican Members that were raised at our various hearings. And while the revised version addresses the WTO consistency issue, my view is that, on balance, the promises that this bill makes to compel China to appreciate its currency to reduce the trade deficit and to create U.S. jobs won't be realized, and, therefore, I oppose this bill.

Rather than focus on China's currency policy alone, a priority must be creating American jobs by promoting U.S. exports, and this bill doesn't do enough to provide new market access for American businesses, farmers, and workers. If we are to meet the President's goal of doubling exports, we must focus our energy on tearing down real substantive barriers to U.S. access to China's consumers. We must require China to better U.S. intellectual property rights and end

its directed lending, cease its innovative policy, and move other artificial barriers to U.S. exports. Such an effort would benefit thousands more American workers than the focus on China currency alone.

I am concerned that moving on this bill makes it more difficult for us to resolve these other issues, and I think we ought to be careful to avoid doing more harm than good in tearing down these barriers.

Breaking down barriers to U.S. exports is difficult work and requires concerted effort by Congress and the administration. To begin with, rather than merely paying lip service to new and pending trade agreements, we have to find a way to move these agreements forward.

Currently, there is no clear end date for concluding the Trans-Pacific partnership negotiations, no plan from the administration on how it intends to resolve issues related to the U.S.-Colombian, -Panama trade agreements, and just limited discussion on the U.S.-South Korea trade agreement.

The administration must also return to the negotiating table and complete bilateral investment treaty negotiations with China. Entering into a bit with China could help on many of these issues and is necessary to ensure that Americans have the same rights in China as our other trading partners.

Mr. Speaker, while this bill is improved from its original version, it is no substitute for a comprehensive China policy that the administration and the majority have failed to give us. I urge, and strongly urge, a "no" vote on this legislation.

I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, it is my privilege to yield 1 1/2 minutes to the gentleman from Massachusetts (Mr. *Neal*), another active member of our committee.

Mr. NEAL. I thank the gentleman.

Mr. Speaker, this legislation is about supporting American manufacturing jobs, plain and simple. The Peterson Institute suggests that this would increase American exports by \$100 to \$150 billion a year. The Ways and Means Committee held three hearings on this

issue which confirmed that China is deliberately intervening in currency markets to continue its unfair advantage over American manufacturers and workers.

The committee reported out a bipartisan bill with important changes to make it fully consistent with WTO rules. In short, this bill allows currency manipulation to be considered in trade remedy cases. It is consistent with a free market solution to enabling fair trade.

[Time: 16:20]

Lawrence Lindsey, who was President George W. Bush's own economic adviser, said, ``The Chinese clearly undervalue their exchange rate. It is the Chinese Government, not markets and not Americans, who are shaping how much is bought and from whom.'' This bill is not a solution to all the challenges relating to U.S.-China trade, but it is a significant and much-needed trade remedy tool to help American business and workers compete.

New initiatives such as this are needed in response to negotiations that

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time and again have been stymied in both Democratic and Republican administrations. This is a good step in the right direction.

Mr. BRADY of Texas. Mr. Speaker, I would like to yield 2 minutes to the gentleman from Louisiana (Mr. *Boustany*), who has played a key role in opening trade barriers for U.S. products.

Mr. BOUSTANY. Mr. Speaker, let me just be clear to start. China's currency policy is wrong, and it is harmful for the U.S. and for China. But it is one of many problems, a whole host of problems that we have heard about: indigenous innovation, IPR protections, licensing and standards, all of these nontariff barriers that we have heard so much about.

So if we're going to look at how we approach this, we have to, A, be consistent with our WTO and other international obligations; and, B, whatever we do has to be effective. Those are the parameters that Secretary Geithner himself laid out. I have questions as to whether this approach will meet either of those. Yes, the bill on its face is WTO compliant. But if we are to implement this connection between

countervailing duties and currency valuation, I believe that will be subject to challenge. And I regret that we have not heard from the Department of Commerce, U.S. Trade Rep, Treasury on their read on this. In fact, the administration's not even made a statement with regard to this bill as to the effectiveness or as to whether or not it is consistent with our international obligations.

But to a broader point: If we're going to have leverage, we need trade policy, and we do not have a trade policy. Ranking Member *Camp* has already made the statement that we have had nothing beyond this in the discussions about what are we going to do to really have leverage and to move forward with a trade policy. I have heard from the administration that we do need to move the South Korean free trade agreement. Clearly we need to do that. We need a bilateral investment treaty with China and with other countries. We have had no movement on that.

Finally, I just think it's unacceptable that this administration did not send a representative to the ASEAN conference in Asia recently. We are not even showing up on the playing field. How can the U.S. be truly credible if we're not actively engaged in a trade policy that makes sense? U.S. credibility is on the line. We have to prove that we keep our commitments.

Passing this bill is going to do nothing to solve our trade imbalance with China. It is not the kind of tool, I believe, that we need. We need to move forward in multilateral negotiations in a vigorous way and enlist other allies who also have the same concerns that we do.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADY of Texas. I yield the gentleman 1 additional minute.

Mr. BOUSTANY. We are starting to see the makings of a currency war out there, where others are devaluing their currencies at our expense. That's why this needs to be addressed at a multilateral level. I feel we can do this in a responsible way. So because of these concerns, I am going to oppose this bill.

But I do want to thank you, Chairman *Levin*, for working back from what was originally a very bad bill to something that is improved. I think we can do better. I can only wish that we were able to work further on this to where we could have a truly strong bipartisan

agreement to approaching our very complicated and important commercial and economic relationship with China.

Mr. LEVIN. I now yield 1 1/2 minutes to the gentleman from California (Mr. *Becerra*), another very distinguished member of our committee.

Mr. BECERRA. Mr. Speaker, we can talk or we can act. International trade is a high-stakes, cutthroat business. And every time we simply talk, the other side acts. And every time they act, an American loses a job. It's time for us to do what American workers for the last several years have been asking us to do, and that is to take action against what we know are unfair trade practices going on which cause us not only to lose jobs but to lose American businesses that can't continue to sustain themselves here and move abroad.

We know that the Chinese have been playing with their currency. Everyone knows that the Chinese have been playing with their currency. The Chinese know it. You know what? They are going to do everything they can for their workers. They are going to do everything they can for their businesses. You can't beat them for that. But please, let's not let them beat us at what we can do well. And that's why it's time to do this legislation.

Some credible estimates say that if we were to act on China's currency manipulation, we could return 1 million American jobs to this country, that we could reduce our \$250 billion trade deficit by \$100 billion with China. It is time for us to take action because the Chinese are certainly taking action. We can either take bold steps, as the American public has asked us, or we can take baby steps.

It's time for us to recognize that Americans are doing the best they can to produce American products so we can sell them, not just here but abroad. But if we allow someone to manipulate their currency by 25 to 40 percent, making their products look cheap here and making our products look expensive abroad, then guess what? Shame on us, because the American public is working very hard. It's time to pass this legislation. It's time to take bold steps, not to take baby steps.

Mr. BRADY of Texas. At this time I yield 3 minutes to the gentleman from Pennsylvania (Mr. *Tim Murphy*).

Mr. TIM MURPHY of Pennsylvania. I thank the gentleman for yielding. And I thank my colleague *Tim Ryan*, who is the Democrat

lead in this, and I am the Republican lead on this. We know this is an important bill.

You know, the perfect is the enemy of the necessary. We are arguing about trade policies, what the WTO might think, what China might think, what negotiations might happen while the American people are out there saying, What are you doing about our jobs? China has been involved in a number of things, such as steel dumping and dumping products here, and setting these unfair currency practices which lead to up to a 40 percent discount. And while American companies see their factories close and American workers get their pink slips, they wonder if Washington gets it. Well, we do, and today is our chance to make good on that.

There was a time when "Made in the USA" was a standard for the world. It was a matter of fact that you owned the best. We earned that esteem. And now we are about to lose our position as a global leader when next year China overtakes us as the biggest manufacturer in the world. You know, the trouble is that China has never really accepted the basic rules of fair trade, and that's what we're standing for in this bill, fair trade.

Former Bush administration Commerce Secretary Carlos Gutierrez said that China's currency valuation does not yet adequately respond to market forces. Treasury Secretary Tim Geithner said similar things, believing that China is manipulating its currency. President Obama said the same thing and said, We need a two-way street. But unfortunately, when President Obama goes to talk to the Chinese, they push him back in a corner because we've got \$800 billion in debt to them, and they continue to stall and stall.

Now I don't care who is in the White House, Republican, Democrat, whoever. But I don't want another country saying to my President that we are not going to talk to you about these things and somehow make it sound like it is the United States' fault. This is an issue that Republicans and Democrats alike are backing, and action delayed is action denied. Only when our government starts pursuing policies that cultivate rather than stifle American manufacturing and holds China and other trading partners fully accountable for cheating on trade will we begin to revitalize that manufacturing sector which we have lost ground on.

If we unleash our factories and workers from the constraints of an overly burdensome taxation and regulatory requirements, giving them

the tools they need to ensure that all countries play fair and by the rules, the American manufacturer will win in the global marketplace every time. With its dedicated workforce and demonstrated ingenuity, American manufacturing has a chance not just to repair our economy, not just lead us out of debt

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and deficit, but to create hundreds of thousands of new, well-paying, high-quality jobs.

We in Congress must do everything we can to support American manufacturing in this goal and not stand in their way and not quietly wring our hands and worry. We can start by passing the Currency Reform for Fair Trade Act tomorrow, because in matters of economic and job diplomacy, we can speak softly, but it sure is nice to carry a big stick.

[Time: 16:30]

Mr. LEVIN. I yield 1 1/2 minutes to the distinguished gentleman from California (Mr. *Thompson*), another member of our committee.

Mr. THOMPSON of California. Mr. Speaker and Members, I rise in support of this legislation in part because it will help level the playing field for America's renewable energy manufacturers. China has time and again turned to unfair trade practice to promote their manufacturers, and it is time we put a stop to that.

For example, solar panel technology was developed in America. Yet in 2008, China became the largest producer of solar panels in the world. Right now it is cheaper to purchase Chinese-made solar panels here in the United States because of China's manipulated currency. This is unacceptable.

In my district our solar manufacturers compete on a global scale, but they are at a huge disadvantage because of China's current policy.

The solar and renewable energy sector creates tens of thousands of jobs, generating more jobs per megawatt of capacity than any other energy technology.

Further, petroleum currently accounts for half of our total trade deficit. By investing in and supporting our renewable energy

manufacturers, we can help close our trade deficit and stop giving monies to countries who, in about 40 percent of the cases, are not our friends.

It is time to support American jobs, American renewable energy manufacturers, and, again, bring those jobs home. I urge my colleagues to vote in favor of H.R. 2378.

Mr. BRADY of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 1 1/2 minutes to the gentleman from Oregon (Mr. *Blumenauer*), another very, very distinguished member of our Ways and Means Committee.

Mr. BLUMENAUER. I appreciate the gentleman's courtesy, and I appreciate his leadership in working to have a piece of legislation here that can be brought forward in a bipartisan fashion, listening to the concerns that were expressed repeatedly to our committee.

I come from an area of the country that is intensely trade dependent. Some of our iconic brands, Nike, Harry and David, Columbia Sportswear, would not exist without strong international partnerships.

Oregon's largest private employer, Intel, is a product of the international market for high-tech products. This makes a difference to people in my community. When we find, as the International Monetary Fund has found, the currency of the Chinese is significantly undervalued, it makes the United States exports more expensive in China and Chinese imports cheap in the United States and third country markets.

My support for trade is contingent upon our making sure that we are using the tools in an aggressive fashion. We should be using all of the tools in our national trade tool box, the WTO, our bilateral agreements, shared agreements, forums that the United States and China are party to, U.S. domestic law, all of these to make sure that we are ensuring this level playing field that people are talking about here.

If, as has been estimated, China's currency policy could reduce our gross domestic product by over a percentage point when we are trying desperately to jump-start the economy, this is precisely the policy we should do moving forward.

Mr. Speaker, I appreciate having an opportunity to vote on this today. I think this sends a strong signal that we want our international trade regime to work, that we are not just mindlessly entering into these agreements, but we are going to make sure that they are enforced. This an important step.

Mr. BRADY of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. I yield 1 1/2 minutes to the gentlewoman from California (Ms. *Linda T. Sánchez*), another distinguished member of our committee.

Ms. *LINDA T. SÁNCHEZ* of California. I thank Chairman *Levin* and Ranking Member *Camp* and Representatives *Ryan* and *Murphy* for their leadership on this important bill, which I strongly support.

Mr. Speaker, this bill is about protecting one thing, the American economy. We must give American businesses a fair opportunity to sell their goods abroad and challenge underpriced Chinese imports.

This bill does that. It gives us stronger tools to address currency manipulation and protect American businesses. We can compete and win against any nation in the world if we're all playing by the same rules. China isn't.

Opponents say that this bill will start a trade war. I say we are already in a trade war and China is using cannons, and we are standing here shooting BB pellets.

Some say ``Let's wait." I say we have waited long enough.

When China joined the World Trade Organization in 2001, promises were made. We have held up our end of the bargain. China has not.

It has manipulated its currency, condoned intellectual property theft, and looked the other way while its businesses advertise schemes to avoid paying us the duties that we are owed.

For nearly 10 years, the prior administration failed to address the currency problem. Meanwhile, unfair Chinese imports caused small businesses across the country to close their doors, including one in my own district, Michels Furniture Store in Lynwood, California.

For nearly 10 years, our go-slow approach allowed China's job-killing mercantilist currency policy to flourish. The time for waiting is over.

Given the unemployment rate in this country and the economic pain that families feel in my district, shame on us if we fail to support this bill.

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. *Rogers*).

Mr. ROGERS of Michigan. Mr. Speaker, today's debate has been a decade in the making. While this Congress and administrations of both parties fiddled, American manufacturing burned.

Michigan workers make an average of \$12,000 a year less than they did just a decade ago. Our trade deficit has skyrocketed, with manufacturing goods deficit up 3,000 percent. It is no accident and it is no coincidence. Chinese currency manipulation is the driving force behind this destruction.

Chinese currency is at least 25 percent below where it should be, making their goods cheap and destroying our manufacturing base.

In Michigan alone, Chinese currency manipulation has destroyed some 68,000 jobs in Michigan. In my district, some 4,500 jobs are gone because this Congress and both the Bush and the Obama administrations have refused to do anything but talk on Chinese currency manipulation.

Today's vote is a tough, first step toward fair trade with China. Fair trade and the livelihood of Michigan workers finally lets them compete on a level playing field with the start and the passage of this bill.

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. *Slaughter*), the very distinguished chair of the Rules Committee.

Ms. SLAUGHTER. I am going to forego the niceties of congressional conversation this afternoon because I have only got a minute to tell you what I really think. There are times when the timidity of the Congress of the United States absolutely overwhelms me into anger.

We have sat in this country since the Second World War was over, watching American jobs go to rebuild the economies of Germany,

Japan and Korea, one after the other. We have gone way too far. We have jeopardized our own well-being.

If we believe that we can be a superpower, the superpower, and not manufacture anything, I think we are sorely mistaken. When we are dependent on other countries for all the goods that we need, not only domestically but

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militarily, I think we are in a sorry shape.

Now, our trade policies that we have had have been awful, and it is bipartisanly awful. But I will tell you right now that as far as I am concerned, and I hope a lot of my colleagues agree with me, until we get reciprocity, until every trade agreement that we pass says that that country has to open its borders completely to trade from the United States of America, we don't have anything.

We are way late on this. We are 20 years too late to be doing this. We are right at the brink right now of financial disaster in this country. Those jobs that we have lost are not coming back. We have got to be rebuilding a new economy. We can't do it if China is going to do it all first and get there and dump on us and undercut.

So not only pass this bill today, but demand stronger policies in this country to save us for our next generation.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. *Hensarling*), who is focused on jobs, spending, and getting this economy back on track.

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Speaker, as I look at the available evidence, I believe that the preponderance of the evidence does show that China is manipulating its currency. So I don't question the problem; I question the remedy. And I question whether or not punishing American consumers is the right remedy to apply to this situation. I believe that, ultimately, if this legislation is enacted, that is what will happen.

We know already--we don't know what the estimates are, 5 to maybe 30 percent--that the renminbi may be overvalued. And China should let their currency float.

[Time: 16:40]

It is wrong what they're doing. They are hurting their own people by doing what they're doing.

But in addition, Mr. Speaker, one thing I do know they are doing is they are subsidizing goods to the American people at a time when many family budgets are being strained. The available evidence shows that if this was passed, if actually the renminbi was revalued, that prices for many of these Chinese goods may go up 10 percent. A pair of shoes that a mother needs for her child to go to school, maybe it is a pair of glasses, maybe it is toys at Christmas, all become more expensive.

So to some extent there is a question: Should we pass a law, pick winners and losers between manufacturers and consumers? Is that something we should be doing? I am not sure that it is.

In addition, Mr. Speaker, we all know our history. We know that presently we are still mired. Whether or not some Bureau economist tells us we are out of a recession, we know that people in our districts continue to suffer through probably the greatest economic crisis we have seen since the Great Depression. One of the most exacerbating factors happened to be the Smoot-Hawley tariff. I fear a trade war.

Now, some say we are already having a trade war. Well, by historic standards, we are probably having a trade skirmish. But we know that already the administration last year elected to impose tariffs on Chinese tires. And, guess what? They imposed tariffs on our poultry, one of the few areas where we actually had a favorable balance of trade, and so import tariffs up to 105 percent on U.S. exports of poultry. So any type of jobs that may be gained in manufacturing just might be lost in agriculture or some other area.

I am not convinced that the proponents of this bill have made the case that, on net, this would even create more jobs in America. It certainly would create more in one sector than another. But, again, precipitating a trade war at a time when we are in tough economic times, making it more difficult for consumers to afford the items they need to provide for their families, I think is unwise public policy. So I would urge defeat of this legislation.

Mr. LEVIN. I yield myself 10 seconds.

To the gentleman who just spoke, without a job, one can't buy goods at any price. This bill is about jobs.

I now yield 1 minute to the gentleman from Ohio (Mr. *Bocchieri*).

Mr. BOCCIERI. Mr. Speaker, the American people are watching. While we may wear different jerseys, we are supposed to be playing for America, and this vote today is about whether we are going to stand up and fight for Americans.

Just last week, the Chinese Government ordered all our domestic manufacturers who are building cars in China to turn over all their battery technology. Ohio, who has 25 percent of her economy based on the automotive industry, cannot afford to stand on the sidelines as countries like China refuse to play by the rules.

Critics believe that this legislation could start a trade war. America is already in a trade war, and the question is whether the U.S. Government is going to show up for the fight. And forcing the agreed-upon trade rules is not protectionist. In fact, the Chinese practices like currency manipulation and illegal subsidies are protectionist.

In 2005 Ohio lost more than 183,000 manufacturing jobs because of bad trade deals. I say that you can't afford to buy tennis shoes if you don't have a job. And that is what this bill is about.

In the past 2 years alone, workers from nine local companies in my district received trade adjustment assistance as a result of bad trade deals.

We respect the Chinese culture, their people, and their workers, but we are playing for America. We have got to build it; we have got to assemble it, and we have got to manufacture it here in our country. We can't be the movers of wealth; we have to be the producers of wealth, and it starts with this vote today.

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. *Rohrabacher*).

Mr. ROHRABACHER. I rise in support of the resolution.

I think that the Chinese clique that dominates that country has not only mistreated its own people, because they are the worst kind of

tyrants one can imagine, but they have also been treating the American people in a malicious way as well.

The fact is that we have adopted policies that are very positive toward the Chinese and the Chinese Government that have been to the detriment of the people of the United States. We have permitted a one-way free trade policy. We have permitted a lack of access to their markets while they have total access to our markets. We have put up with the wholesale theft of American technology. And, yes, we have put up with the fact that they have manipulated their currency in a way that ensures the flow of wealth into their society as opposed to an equal relationship that would benefit both countries.

What we have to do is decide are we going to permit the clique that runs China to continue to do great damage to the people of the United States of America, or are we going to provide some sort of action that we can take if they are manipulating the currency in a way that shifts the wealth from our society and the jobs from our society and transports them to China?

And let me note this. In a dictatorship like China, we are not talking about wealth that is raising the standard of living of their people. We are talking about wealth that, in the end, is manipulated and controlled by a clique of gangsters who are the worst human rights abusers in the world. And what are they doing with this profit that they make from this unfair trade relationship and manipulation of currency? They are building a military, a modern military based on technology that they have stolen from us and an unfair trade relationship that we have acquiesced to over the years.

It is about time we have legislation that will at least prevent them from manipulating the currency and give us an alternative action that we can take to try to prevent the manipulation of currency on the part of the Chinese. So I rise in support of this resolution.

Mr. LEVIN. Mr. Speaker, I now yield 1 1/2 minutes to the gentleman from North Carolina (Mr. *Etheridge*), a member of our Ways and Means Committee.

Mr. ETHERIDGE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of fair trade and making sure other countries play by the rules and in support of H.R. 2378, the Currency Reform for Fair Trade Act.

Just this week, China announced tariffs as high as 105.4 percent on U.S.

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poultry because of a trumped-up dumping charge. But the real trade distortion in the U.S.-China relationship is currency manipulation--a huge subsidy to their manufacturers and a hidden tariff on U.S. goods. China's currency manipulation allows them to sell the world cheaper goods, costing us jobs and economic growth.

This bill would give our trade negotiators the tools they need to investigate this manipulation and take action, if appropriate. It would restore balance to our trade relationship.

North Carolina's producers are second to none, and given a level playing field, our workers can compete with anybody. But how are they supposed to compete with a country that manipulates its currency? I say it is not fair.

Mr. Speaker, we should pass this bill and send a clear message to China that it is time to play by the rules. I call on my colleagues to stand up for our exporters, our producers, and the people of America, and join me in supporting American industry and H.R. 2378.

- [Begin Insert]

Earlier this week we saw another example of how China refuses to play by the rules for international trade. On Monday, China announced that it would impose steep tariffs on our poultry producers. Because of this decision, some U.S. producers will face tariffs as high as 105.4 percent. China claims that this is in response to "dumping" in its market, but we all know that this is actually retaliation for U.S. tariffs on tires. Once again, the Chinese government has shown that it will take extraordinary--and illegal--steps to make sure they enjoy unfair advantages in their trade relationship with the United States.

Nowhere is this unjustifiable trade distortion more evident than in China's intervention in the value of its currency. This currency manipulation amounts to a subsidy: It allows China to sell goods at a cheaper price here in this country, while simultaneously making our exports more expensive. As a consequence, the United States now has a large trade deficit with China; a trade deficit that is now slowing the economic recovery. For the sake of our economy and our country, it is vital that we address this issue.

H.R. 2378 gives the U.S. Commerce Department the tools to examine this matter. It does not force any conclusion be reached, but rather all the facts be taken into account when making a decision as to whether China's currency manipulation constitutes an illegal subsidy. If Commerce finds that China is violating trade law, this bill makes sure the United States takes action to protect our industry, our exporters and our economy. Nothing could be more important.

Trade is good for America, but only if it is fair. My state of North Carolina produces everything from pharmaceuticals, industrial goods such as jet engine parts, to tobacco and textiles. Our farms produce top quality poultry and pork. North Carolina's products are second to none, and, given a level playing field, our workers can compete with anybody. But how are they supposed to compete with a country that manipulates its currency? That's not fair.

I know that some of my friends on the other side of the aisle will object to this bill. Many are fearful that China will react to this legislation by imposing retaliatory tariffs that further hurt our exporters. But China already arbitrarily slaps tariffs on our goods regardless of what we do, as we saw earlier this week. This legislation, on the other hand, complies with WTO laws and precedents, and any retaliation by China because of this bill would be unlawful.

As our trade deficit threatens to sap our economic recovery, we should pass this bill and send a clear message to China that it is time to play by the rules. Some economists estimate that a significant appreciation of the Chinese currency will create 600,000 to 1,200,000 jobs. When many people throughout the country are struggling to find employment, it is the right time to pass this bill.

Mr. Speaker, this bill will ensure our trading partners play by the rules. I call on my colleagues to stand up for our exporters and producers, and join me in supporting American industry and H.R. 2378.

- [End Insert]

Mr. LEVIN. Mr. Speaker, I now yield 1 minute to the distinguished gentleman from Indiana (Mr. *Visclosky*).

Mr. VISCLOSKY. I thank the gentleman for yielding, and I want to thank Chairman *Levin* and Mr. *Camp* for bringing this bill to the floor. I

want to thank Mr. *Ryan* and Mr. *Murphy* for their very, very good work on this bill.

This is a jobs issue, and there should be no doubt in anyone's mind that that is what we are talking about today.

In 1990, in the State of Indiana, 226,000 more people worked in manufacturing than in government. This year, 7,000 more people work in manufacturing than government, because 165,000 manufacturing employees lost their jobs. That is 165,000 families in the State of Indiana alone that lost good-paying manufacturing jobs. One of the causes is the currency manipulation by the Chinese Government.

[Time: 16:50]

We were told by the last administration if we just dialogue with the Chinese, we would solve this problem. We are told by the current administration, if we just dialogue with the Chinese, we will solve this problem. We were told by the Chinese on May 18, 2007, if we just dialogue on this problem, we will solve it.

The solution is on the floor today. I would ask my colleagues to strongly support passage of H.R. 2378, and give this administration the intestinal fortitude to stop dialoguing with the Chinese and to take serious action on jobs.

- [Begin Insert]

I strongly support H.R. 2378, the Currency Reform for Fair Trade Act. I am proud to have the opportunity to speak in support of this bill that takes an important step in leveling the playing field for United States manufacturers.

At the outset of my remarks, I would like to applaud the leadership of the Ways and Means Committee, especially Chairman **LEVIN** and Ranking Member **CAMP** for bringing this legislation to the Floor. I would also like to commend Representative **TIM RYAN**, the sponsor of the legislation, and Representative **TIM MURPHY**, the Vice Chairman of the Congressional Steel Caucus, for their tireless efforts advocating for this much-needed bill.

As the Chairman of the Congressional Steel Caucus, I would like to focus my remarks on the steel industry. In the world of steel, China is

of paramount concern. In 2009, China produced 47 percent of the world's total output of steel, which is 567.8 million tons. This is more than double the amount that China produced in 2003. By comparison, last year the United States produced approximately 60 million tons of steel, compared with approximately 100 million tons in 2003. While multiple factors contributed to China's unprecedented increase in production, paramount among them is China's currency manipulation. The undervalued Yuan is perpetuating a destructive trade imbalance and costing American jobs.

Congress must ensure that the U.S. remains a competitive place for manufacturing investment. This requires the U.S. to reverse the unsustainable imbalance that has allowed other nations to adopt policies supporting excessive exports of manufactured goods to the U.S., while we export debt and manufacturing jobs. And we must take action now, as evidenced by a recent report by the Economic Policy Institute, which estimates that the rising trade deficit with China will cost the U.S. over one-half of a million jobs in 2010.

I believe that the passage of H.R. 2378 represents a turning point in the battle to combat unfair Chinese trading practices. And I hope that its passage finally gives the Administration the intestinal fortitude to stop "dialoguing" with Beijing and start enforcing our trade laws.

Mr. Speaker, I again want to thank Representatives **RYAN** and **MURPHY** and the Committee for bringing this important legislation to the Floor, and I urge my colleagues to support the measure.

- [End Insert]

Mr. BRADY of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. *DeFazio*).

Mr. *DeFAZIO*. Mr. Speaker, I was a bit surprised to hear the gentleman from Texas and a few others on the Republican side find an excuse to oppose this legislation, but, then again, they always find an excuse to side with their international corporate benefactors.

He feigned, "Oh, my god, the American people won't be able to afford shoes for their kids next fall because we won't have those cheap Chinese imports shutting down American factories."

Now, what the Americans need are jobs. We don't need jobs in China; we need them here. And with an unfairly priced currency, we are losing more and more manufacturing.

When the Republicans controlled everything from 1994 to 2006, or the Congress and the presidency for a good part of that time, our trade deficit with China went up 806 percent, and they did nothing. But they can find little problems here and there with this legislation.

They are worried about a trade war. We are at war. We are having a trade war with China. They are supporting capitulation, and we are finally starting to fight back from this side of the aisle.

No, no excuses. Plain and simple: Are you with the American people and fair

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trade, or are you with the Chinese and the big international corporations and their excuse for free trade, which is manipulated currencies, trade barriers, and taking our jobs away from our workers. Plain and similar: Where do you stand?

Mr. BRADY of Texas. Mr. Speaker, I yield myself 15 seconds.

I would make the point that the Chinese currency appreciated 20 percent during President Bush's administration. It had no impact on the trade deficit. It has only appreciated 5 percent under the current administration, with no impact on the trade deficit.

I reserve my time.

Mr. LEVIN. Mr. Speaker, it is now my special pleasure to yield 2 minutes to the gentleman who is an original cosponsor of this important legislation, the gentleman from Ohio (Mr. *Ryan*).

Mr. RYAN of Ohio. Let me thank the chairman for his good work. Let me thank Speaker *Pelosi* for her giving us this opportunity to bring this bill to the floor, and Leader *Hoyer*, who was very instrumental in our Make It In America project, of which this is a major component.

In the late 1970s, the top 1 percent of the people in our country controlled about 9 percent of real income, and in 2007, the top 1 percent controlled about 23.5 percent of real income. If you go back and see the amount of time families worked in the late 1970s

compared to today, the average family works about 12 weeks more a year than they did back then.

So the average family is making less, working longer, sometimes two or three jobs just to make ends meet, and part of the problem has been this erosion of the manufacturing base. And what we are talking about with currency manipulation is the Chinese Government artificially subsidizing every single product that lands on our shores here in the United States. So, yes, it may be cheap, because it is being subsidized by their government, but it is putting American workers and American manufacturers out of business.

If we are going to resuscitate this economy, we have got to focus as a nation on making things in America again. And if you look at the list of the supporters of this bill, tool and die manufacturers, corn growers, the supply chain for all of our manufacturing that happens in the United States, they are all supporting this bill, along with all of the workers groups, all of the unions.

This is something we can all agree on. It will stimulate our economy and not add one dime to the deficit, and that is what this is about.

For every manufacturing job, you get five or six or seven spinoff jobs. Manufacturing jobs pay more. There are more patents, more innovation, more research and development.

This is about taking our country back. You wonder why people are anxious out there? They have been working longer, working more, and getting paid less. I would be anxious too. I would be upset. That is what we are feeling in the country.

I think this bill is an opportunity for us to reinvest back in the United States, put people back to work, and have good, middle class jobs here in the United States.

Mr. BRADY of Texas. I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, how much is there on both sides?

The SPEAKER pro tempore. The gentleman from Michigan has 11 minutes remaining. The gentleman from Texas has 10 3/4 minutes remaining.

Mr. LEVIN. It is now my pleasure to yield 1 minute to the gentleman from Maine (Mr. *Michaud*), an active participant in discussions of trade issues.

Mr. MICHAUD. Thank you very much, Mr. Chairman, for yielding, and I also thank you for your leadership on this issue of bringing this bill before the House.

Mr. Speaker, I rise today to express my strong support for H.R. 2378. This issue is simple: China's currency manipulation is illegal, and it costs Maine jobs. Just ask the Sappi Fine paper mill workers in Westbrook and Skowhegan, or those at the NewPage mill in Rumford. They have seen their coworkers get laid off and were certified for Trade Adjustment Assistance because of cheap Chinese paper imports.

In fact, over 9,000 Mainers in all sectors have lost their jobs because of our trade deficit with China, which is directly related to their currency manipulation. Companies like NewPage and Sappi Fine can't compete when China doesn't play by the rules.

This bill will help us hold China's feet to the fire for their unfair trade practices. It will make sure American companies are competing on a level playing field. And it will save American jobs.

I urge my colleagues to vote for this critical bill.

Mr. BRADY of Texas. I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, it is now my pleasure to yield 2 minutes to the very distinguished gentleman from New York (Mr. *Rangel*).

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Let me congratulate the chairman and the ranking member of Ways and Means for coming together to have this civil type of discourse, having our staffs work together, agreeing on some things, disagreeing on others, but showing that bipartisanship, while it might be in intensive care, at least on the Ways and Means Committee it is not dead.

Mr. Speaker, we do recognize that there is a split among business people as to whether or not we should go forward with this bill that would point out to China, as so many developing countries would like

to, but they certainly don't have our leverage, that it is time that they be fair in terms of international trade.

Those people who buy from China and enjoy the lower prices, I can understand why they would not support the equity that we are seeking in international affairs, as well as in the WTO.

But for those Americans who take a deep-seated pride when they see "made in the USA," when we know we can make it in the USA with jobs, then we don't get excited about the number of jobs that occur in China, but believe that it is patriotic, and if it hasn't reached that level, then certainly it is in the best interests of the United States of America, to say that we supported you, we supported you in getting into the World Trade Organization, with that comes some obligation. And if the President cannot succeed in persuading them, as he said, there are other means which we can use as a nation to encourage them to do the right thing.

So, Mr. Speaker, I hope that the chairman here and the ranking member could find some other things before we go home that we can come together on. But until that happens, congratulations to both of you.

Mr. BRADY of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I now yield 1 1/2 minutes to the distinguished gentlewoman from Ohio (Ms. *Sutton*).

[Time: 17:00]

Ms. SUTTON. Thank you, Chairman *Levin*, for your leadership on this issue.

Abusive trade practices by China have cost American small businesses opportunities and American workers jobs. We've heard the numbers--2.4 million jobs lost across the country, 92,000 jobs lost in Ohio, and 5,700 jobs have been lost in my congressional district due to China's deliberate and abusive trade policies--policies like their blatant currency manipulation that violates their obligations to international trading.

Today, we say we've had enough. Today, we stand with American workers and American small businesses. We send a clear message that

American workers and businesses will compete with Chinese workers and businesses but they should not have to compete against a manipulated currency.

China's currency manipulation makes their goods artificially cheaper, costing our workers jobs and our businesses opportunities. Working families around the country see and feel the results of China's misaligned currency. We must stand against it. They see plants closing. They see friends and loved ones losing their jobs. And today, Mr. Speaker, they are seeing us stand up for American manufacturing and American workers and demand a level playing field and an end to China's currency manipulation.

Mr. BRADY of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, it is now my privilege, a deep privilege, to yield

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1 minute to our distinguished Speaker, the gentlewoman from California (Ms. *Pelosi*).

Ms. PELOSI. I thank our distinguished chairman of the Ways and Means Committee for the recognition and for his yielding time. I thank him for his leadership in bringing this legislation to the floor. I thank Mr. *Murphy* of Pennsylvania and Mr. *Ryan* of Ohio for their leadership in this important legislation.

Mr. Speaker, for so many years we have watched the China-U.S. trade deficit grow and grow and grow. And today we are finally doing something about it by recognizing that China's manipulation of the currency represents a subsidy for Chinese exports coming to the United States and elsewhere.

Many of us have been working on this issue for decades. Twenty years ago, when the issue of China trade was before the floor of the House, the trade deficit was \$5 billion a year. The U.S.-China trade deficit was \$5 billion a year. We thought that that gave us tremendous leverage for them to stop violating our intellectual property, to give us market access, to stop nontariff barriers to our products going into China, and the rest. We had other issues with China's proliferation of weapons of mass destruction to Pakistan, with the actions taken in Tiananmen Square, and human rights in China and Tibet. But strictly

on the subject of trade, the imbalance was \$5 billion, which seems like an enormous amount of money.

We tried through legislation, unsuccessfully, on the floor under both Democratic and Republican Presidents--this is not a partisan thing--and because of the opposition of the administration, we were not able to pass any legislation that said, Halt. We understand the U.S.-China relationship is an important one in every way--culturally, politically, diplomatically, economically, and commercially--but we need to play by the rules.

When China came into the WTO, it was projected that they would play by the rules. But here we are today, and remember, I said the trade deficit was \$5 billion a year 20 years ago when we were having this debate then. It is now \$5 billion a week. A week. One way that we can address that is to address the issue of China's manipulation of the currency, which, as I mentioned, is a subsidy for their exports.

We believe that passing this legislation here today will give the President leverage in his conversations with the Chinese about how seriously and closely the American people are watching this situation. As part of our Make It In America agenda to stop the erosion of our manufacturing, industrial, and technological base, we have to stop that. It's an economic issue and it's a national security issue that we have the manufacturing capacity to protect the American people in every way.

So this is about America's workers. It's about making it in America so that our people can make it in America for their families, for their communities, for our country, for our economy. Especially now, when we're talking about all the new green technologies and the rest, which are part of the green, clean energy jobs for the future, and we see what is happening in the trade relationship with China on that score, it is absolutely essential, as we go farther into that future, that we do not have unfair subsidies of Chinese exports into the United States in the important competitive arena of innovation and new green technology.

So with this bipartisan legislation, and, again, I commend Representative *Tim Murphy* and Representative *Tim Ryan*, we make it clear that if China wants a strong trading relationship with the United States, it must play by the rules. We owe that to American workers. It is our hope that passing this legislation, again, will give the Obama administration and future administrations greater leverage in its

bilateral and multilateral negotiations with the Chinese Government. We do this because 1 million American jobs could be created if the Chinese Government took its thumb off the scale and allowed its currency to respond to market forces.

The bipartisan Ryan-Murphy Currency Reform for Fair Trade Act marks a positive step in the direction of fairness for our workers, opportunities for our manufacturers, and growth for our economic prosperity. I urge our colleagues to vote ``aye."

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. *Flake*), who is, again, focused on jobs and getting this economy back on track, as well as limiting the size of these dangerous debts and deficits.

Mr. FLAKE. I thank the gentleman for yielding.

I rise in opposition to this bill. There's no denying that there are issues related to Chinese currency valuation. Unfortunately, the passage of this bill today will do little to address those concerns. Instead, approval of this bill will likely only result in retaliatory actions on the part of the Chinese.

A recent letter was penned to leaders of the House of Representatives by a variety of business groups, including the Chamber of Commerce, Business Roundtable, National Foreign Trade Council, and others. They wrote: ``Unilateral legislation, which seeks to increase tariffs on imports from China, is unlikely to incentivize China to move expeditiously to modify its exchange policies. Rather, it would likely have the opposite effect and could engender retaliation against U.S. exports into the Chinese market, currently the fastest growing market for U.S. exports."

Courting retaliation with no direct benefit likely qualifies for what you would call the very definition of counterproductive trade policy. And it's unfortunate that, as has been said here today before, in 2 years this is about the only trade legislation that we've considered. Certainly, very little to open up new markets. We have three pending trade agreements that languish that should be approved, and yet this is what we're doing. That's really sad.

Later today I think we're considering something like a Made in America Flag Act or something to require that we not import any flags made outside of the U.S. into the U.S. I don't know what's next.

Maybe requiring Americans to eat apple pie while they make flags. I don't know. But we're into the crazy season here where we're simply pandering instead of actually addressing what will open new markets and help create jobs in the private sector.

I urge opposition to H.R. 2378.

Mr. LEVIN. I yield 1 minute to the distinguished gentleman and colleague from Michigan (Mr. *Kildee*).

[Time: 17:10]

Mr. KILDEE. I thank the gentleman for yielding.

Mr. Speaker, I rise today in strong support of H.R. 2378, the Currency Reform for Fair Trade Act.

For years, China has unfairly pegged its currency to the U.S. dollar at a fixed exchange rate. It is estimated that this undervalues Chinese currency 20 to 40 percent, allowing them to offer significantly cheaper products for export. American workers are playing by the rules, but they are struggling to compete on the unfair playing field Chinese currency manipulation has created.

Cheap exports from China have contributed to hundreds of thousands of American job losses. In my hometown of Flint, Michigan, unemployment is more than 25 percent. However, currency manipulation is not currently considered when determining export subsidies to assist American businesses. This has to change. We must stand up for our workers and their livelihoods.

H.R. 2378 will make currency manipulation a factor when the Commerce Department awards export subsidies. I have long advocated for fair trade policies that protect American workers. This bill will go a long way toward achieving that goal.

I urge passage of the Currency Reform for Fair Trade Act.

Mr. BRADY of Texas. I reserve the balance of my time.

Mr. LEVIN. I yield 15 seconds to the gentleman from Ohio (Mr. *Ryan*).

Mr. RYAN of Ohio. Mr. Speaker, I just want to respond to the gentleman from Arizona. He talked about our exporting products to China. This bill would actually increase the buying power of the Chinese consumer because their yuan would be worth more money so they would have more buying power to buy American exports.

So this snake oil that the Chamber of Commerce is trying to send around and scare everybody not to vote for this

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doesn't make any sense. The more your currency is worth, the more you're going to be able to buy.

Mr. LEVIN. I now yield 1 minute to the gentleman from New Jersey (Mr. *Andrews*).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. I thank the chairman for yielding.

My friend from Arizona said a few minutes ago, we're in the crazy season. I think on this issue we've been in the crazy season for about two decades. I think when we have a policy that says if the other side doesn't follow the rules, you just ignore it, I think that's crazy. If you have a policy that says if the Chinese manipulate their currency and make it easy to fill the shelves at Wal-Mart but empty the pockets of American workers and you ignore it, I think that's crazy.

So I think the process of going forward when the other side doesn't play by the same rules that we do, that empties factories, empties wallets and empties communities in this country, I think ignoring that is crazy. And I am glad to see that this House on a bipartisan basis for the first time in a long time is saying it's time to stand up for American communities, American companies and American workers and vote ``yes" on this legislation.

Mr. BRADY of Texas. Mr. Speaker, I continue to reserve.

Mr. LEVIN. It is now my special privilege to yield 1 minute to the distinguished gentleman from Virginia (Mr. *Perriello*).

Mr. PERRIELLO. Thank you very much for your leadership on this issue.

This is a great day for American job creation, for the American worker, and a very sad day for American politics.

This is simple. If we give the American people, the American worker and American business a level playing field, they will still out-compete the world. We can still make it, build it and grow it better in America than anywhere else, if we give that fair playing field.

What could be simpler than going after China for manipulating its currency and unfairly dumping its products and pushing out the much-needed American manufacturing base that we must be rebuilding rather than suffocating?

If ever there was something we should be able to come together on, it should be standing with American workers instead of Chinese corporations and Chinese rule-breaking. And yet here we have a debate rather than unity.

Earlier today, we fought to extend health benefits to our heroes and their families from 9/11. And while we cheered and saluted, many on the other side of the aisle sat on their hands. Aren't these commonsense things that the American people are begging us to come together and focus on? Commonsense solutions. This is our chance--to fight for American jobs, like the steelworkers in my district. Six thousand manufacturing jobs lost to China in my district alone and 24,000 family members of those who have lost their jobs.

For those who want to play games with this issue, it is long past time to do what is right.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 30 seconds.

I do think it is unfortunate to try to interject partisan politics into a serious issue. There is already concern that after 4 years this bill is now being rushed to the floor a few weeks ahead of the election. I think at this point on an issue so serious, we ought to be thoughtful, understanding there are Members on both sides of the aisle that have come to different conclusions about this bill.

With that, I continue to reserve my time.

Mr. LEVIN. Mr. Speaker, how much time remains on either side?

The SPEAKER pro tempore. The gentleman from Michigan has 2 1/4 minutes, and the gentleman from Texas has 8 1/4 minutes.

Mr. LEVIN. I yield now 1 minute to the gentleman from Vermont (Mr. *Welch*).

Mr. WELCH. I thank you, Mr. Chairman.

Mr. Speaker, the American middle class has been built on having jobs that allow families to pay their bills, to send their kids to college, to own a home, to save for their own retirement.

The American middle class has been under assault; their wages declining, their jobs being outsourced and sent abroad. Our fundamental responsibility is to give folks who want to work the opportunity to work in jobs that are going to allow them to take care of their families. And if we stand by idly when a competitor country manipulates its currency to put our manufacturers, our workers, at a disadvantage, we are complicit in that. And this is the bare minimum of what we can do--give our workers, give our manufacturers, give our American middle class an even shot at the American Dream.

This legislation is necessary, it's overdue, and it must be passed.

Mr. BRADY of Texas. Mr. Speaker, I continue to reserve.

GENERAL LEAVE

Mr. LEVIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 2378.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LEVIN. Is the gentleman ready to close?

Mr. BRADY of Texas. I am, Mr. Chairman.

Mr. LEVIN. So am I.

Mr. BRADY of Texas. Mr. Speaker, I yield myself the balance of my time.

This is an issue, I think, where good people can disagree. There is unanimity in the desire for China to appreciate its currency. There are differences of opinion about what impact that truly would have on our complex relationship with China economically. And there have been a number of issues raised throughout the hearings on this bill, and I do appreciate, to Chairman *Levin*, taking into account the number of the objections on the most, we think, troubling provisions that Ranking Member *Dave Camp* from Michigan and others raised during those hearings. I think some of those issues have been addressed in a very positive way, but there are real concerns about how effective this will be, and if it will truly compel China to change its currency regime or that it will significantly change our trade deficit.

I would like to submit for the *Record* a letter sent by, I think, almost 30 of our major job creators in America, groups that represent many of our agriculture companies and workers, our technology sector, our manufacturing and financial services sector, those who produce and sell medical devices and services throughout the world, including groups like the National Retail Federation; the broader job creators like the U.S. Chamber of Commerce, the Business Roundtable and companies that compete and succeed successfully selling U.S. products in China.

This letter agrees with Chairman *Levin* and others that China needs a yuan exchange rate response to trade flows and that China should move rapidly toward that. But it says:

“We do not agree, however, that H.R. 2378 as reported can help achieve that goal. To the contrary, we believe that passage of this legislation is counterproductive not only to the goals related to China's exchange rate that we all share but also to our Nation's broader goals of addressing the many and growing challenges in the U.S.-China economic relationship, including inadequate protection of intellectual property, restrictions on market access, financial services liberalization, export of commodities such as rare earths, discriminatory indigenous innovation and other industrial policies. Above all, this legislation will do more harm than good to job creation and economic growth at a time when we need both dearly.”

The point of that, I think, is that there are a number of barriers to selling U.S. products fairly and successfully in that growing Chinese

market. We all have the same goal. How we achieve it is where we honestly differ.

[Time: 17:20]

This group concludes this way:

`` We share Congress' desire to have China act more quickly to adopt a market-determined exchange rate, but the proposed unilateral measure is not going to achieve that result. We urge you to oppose H.R. 2378 and, instead, work with and vigorously call on the administration to develop a robust bilateral and multilateral approach to

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achieve tangible results, not only on China's exchange rate policies, but also on other Chinese policies that are harming American businesses, workers and farmers."

I think that is the point, perhaps, of those of us who believe this bill will not achieve what we hope.

While I urge opposition of this bill, there are those who believe that, as we move forward, regardless of the outcome, we ought to, Republicans and Democrats, join hands and insist on fair access to Chinese markets, on a level playing field and on a growing trade relationship that is balanced to increase Chinese consumption, as well as to increase U.S. savings that will rebalance the trade relationship for decades to come. We share those goals and look forward to working with those in Congress who also share them.

September 28, 2010.

Hon. **NANCY PELOSI**,
Speaker, House of Representatives,
U.S. Capitol, Washington, DC.

Hon. **STENY HOYER**,
Majority Leader, House of Representatives,
U.S. Capitol, Washington, DC.

Hon. **JOHN BOEHNER**,
Republican Leader, House of Representatives,
U.S. Capitol, Washington, DC.

DEAR SPEAKER PELOSI AND LEADERS HOYER AND BOEHNER:

Like Congress and the Administration, we agree that China needs a yuan exchange rate that responds to trade flows and that China should move rapidly towards a market-determined exchange rate. In addition to continuing U.S. government efforts, our organizations support strong, coordinated and enhanced multilateral pressure, including at the early October Finance Ministers' Meeting in Washington and continuing at the November G20 Leaders' Meeting in Seoul, to achieve concrete progress on China's currency and exchange rate policies.

We do not agree, however, that H.R. 2378 as reported by the Committee on Ways and Means can help achieve that goal. To the contrary, we believe that passage of this legislation is counterproductive not only to the goals related to China's exchange rate that we all share, but also to our nation's broader goals of addressing the many and growing challenges in the U.S.-China economic relationship, including inadequate protection of intellectual property, restrictions on market access, financial services liberalization, export of commodities such as rare earths, discriminatory indigenous innovation and other industrial policies. Above all this legislation will do more harm than good to job creation and economic growth at a time when we need both dearly.

Unilateral legislation, which seeks to increase tariffs on imports from China, is unlikely to incentivize China to move expeditiously to modify its exchange policies. Rather, it would likely have the opposite effect and could engender retaliation against U.S. exports into the Chinese market, currently the fastest-growing market for U.S. exports. Our companies do not fear retaliation--if it were based on WTO-consistent actions that would achieve the desired result, with benefits outweighing the costs. But counterproductive tariff legislation will not get us closer to the goal of a market-driven exchange rate and will shift the focus away from the core issue of China's currency and onto U.S. unilateral action. Such an action would embolden PRC retaliation and undermine U.S. government efforts to address a growing number of discriminatory Chinese policies, weakening our economy by harming American exports of manufactured goods and farm products.

Despite efforts to make H.R. 2378 consistent with the rules of the WTO, it is not clear that the legislation meets the WTO's standards for the application of countervailing duties (CVDs). The legislation would require the Commerce Department to estimate what the "true" exchange rate is, a process that will be highly subjective and potentially politicized. Since application of CVDs to imports from China

on the basis of this legislation is of questionable WTO legality, China would almost certainly challenge this action as violative of U.S. WTO obligations, which would focus the world's attention on the United States and WTO technicalities, and away from China's exchange-rate policies.

We share Congress' desire to have China act more quickly to adopt a market-determined exchange rate. But the proposed unilateral measure is not going to achieve that result. We urge you to oppose H.R. 2378 and instead work with and vigorously call on the Administration to develop a robust bilateral and multilateral approach to achieve tangible results not only on China's exchange-rate policies, but also on other Chinese policies that are harming American businesses, workers and farmers.

Sincerely,

Advanced Medical Technology Association (AdvaMed); American Chamber of Commerce in China; American Chamber of Commerce in Shanghai; American Chamber of Commerce in South China; American Apparel & Footwear Association (AAFA); American Soybean Association; American Meat Institute; Business Roundtable; Coalition of New England Companies for Trade (CONNECT); Coalition of Service Industries; Consumer Electronics Association; and Corn Refiners Association.

Distilled Spirits Council of the United States; Emergency Committee for American Trade (ECAT); Fashion Accessories Shippers Association (FASA); Financial Services Forum; Financial Services Roundtable; International Dairy Foods Association; Los Angeles Customs Brokers and Freight Forwarders Association; National Cattlemen's Beef Association; National Customs Brokers and Forwarders Association of America (NCBFAA); National Fisheries Institute; National Foreign Trade Council; and National Retail Federation.

Pacific Coast Council of Customs Brokers and Freight Forwarders (PCC); Retail Industry Leaders Association; Securities Industry and Financial Markets Association; Sporting Goods Manufacturers Association; Toy Industry Association; Travel Goods Association (TGA); United States Association of Importers of Textiles and Apparel (USA-ITA); U.S. Chamber of Commerce; US-China Business Council; U.S. Council for International Business; USA Poultry & Egg Export Council; and Washington State China Relations Council.

Mr. Speaker, I yield back the balance of my time.

Mr. LEVIN. I yield myself the balance of my time.

Mr. Speaker, international trade is here to stay. The question before us today is whether we shape its course or simply let it roll--whether there are rules of competition that allow us to compete or whether we look the other way.

A 25-40 percent tilt against us is unacceptable. This bill says we cannot and will not look the other way. We are going to act. I say the more multilateral effort the better, but the lack of it should not leave us without a remedy.

China's manipulation of its currency is a major unilateral act, and we need to act. The President of our country said to the Chinese Premier, "Make your currency flexible or we have other means." This is just such a means.

This is a real problem. No more excuses. Goodwill isn't enough. We need a real answer. This is a real answer. Support this legislation.

- [Begin Insert]

Mr. PASCARELL. Mr. Speaker, I want to thank Chairman **LEVIN** for bringing this bill to the floor today, as well as the sponsors of this legislation, Mr. **RYAN** and Mr. **JOHNSON** for working in a bipartisan way on behalf of America's workers and manufacturers.

In the Ways and Means Committee, we have studied how China uses "state capitalism" to manipulate world trade to give its industries an unfair advantage over the rest of the world, at the expense of our workers and businesses.

Currency manipulation is just the tip of the iceberg. China provides government subsidies to favored industries--notably green technology, selectively rebates its value added tax to penalize imports and encourage exports, imposes restrictive local content rules, and practices an "indigenous innovation" policy. We must deal with each of these issues as a part of a broad strategy.

Everyone acknowledges the reality that China's currency is fundamentally undervalued. My friends on the other side of the aisle, the Administration, our international partners, and even China itself have all said the RMB could and should appreciate.

However, despite this widespread consensus, China has not taken any meaningful steps to correct this manipulation that disrupts the flow of international trade.

With the passage of this bill today, we signal to China that enough is enough. The free ride is over. We will not stand by while we lose 1.5 million Americans jobs and shave 1.5 percent off of our GDP every year.

I hope that this legislation will cause China to change its behavior and strengthen the Administration's hand in multilateral negotiations. But after 8 years of asking nicely, the Congress will not be silent anymore.

We must allow American industries to respond to the injury being caused by this policy, and H.R. 2378 will help level the playing field, plain and simple--when the playing field is level, the American worker can out-compete anyone.

Our system of international trade only works when everyone plays by the same rules. By passing this legislation, we stand up for that system, and stand up for American workers and businesses.

Mr. HOLT. Mr. Speaker, I rise in support of H.R. 2378, the Currency Reform for Fair Trade Act. For every worker, every business, and every nation to get a fair shake in today's global economy, everyone must play by the rules. For too long, China has violated the rules of the global economy by deliberately undervaluing its currency. This practice reduces the costs of Chinese exports and makes it more expensive to export U.S. products to China, giving China an unfair advantage and making it difficult for U.S. companies

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to compete. I hear far too often from workers in central New Jersey who have been victims of this unfairness. They are laid off as their employers are undercut by Chinese competitors and forced to cut jobs or go out of business.

That story is repeated time and again around the country, and our economy suffers. The U.S. trade deficit with China ballooned from \$10 billion in 1990 to \$226 billion in 2009. Economists estimate that China's currency manipulation reduces U.S. Gross Domestic Product by 1.4 percentage points annually and has led to the loss or displacement of millions of manufacturing jobs over the last decade. One recent

study concluded that the increasing trade deficit with China will cost over 500,000 U.S. jobs in 2010 alone.

The Currency Reform for Fair Trade Act gives the Department of Commerce the necessary tools to combat unfair manipulation of foreign currencies. Upon finding that currency manipulation meets the criteria for an export subsidy, the Department will have the authority to correct the unfair advantage by impose countervailing duties that are consistent with World Trade Organization regulations. When they have a level playing field, Americans can and will out-compete their international counterparts every time. Passing this bill is an important step in preserving a fair world market for U.S. goods, revitalizing our domestic manufacturing base, and creating jobs for American workers.

Mr. KUCINICH. Mr. Speaker, I rise in strong support of H.R. 2378, the Currency Reform for Fair Trade Act. This legislation addresses the suppression of the renminbi--or RMB--the official currency of the People's Republic of China. The suppression of the RMB allows China to make its exports cheaper and thus makes foreign imports into China more expensive. As Chinese trade deficits continue to grow, so too does the negative impact on American workers, many of whom have been displaced by the growing trade deficit.

This legislation requires the Department of Commerce to levy countervailing duties if the affected U.S. company can prove it has been "materially injured" by imports from any country with undervalued currency. I strongly support the legislation and the remedial tools it provides to the Department of Commerce and American workers.

According to the Economic Policy Institute (EPI), ever increasing China trade deficits will displace between 512,000 and 566,000 jobs in the U.S. just this year. Between 2001 and 2007, 561,000 jobs were displaced by the China trade deficit. Two-thirds of the jobs displaced were in the manufacturing sector.

At the same time, we must remember that if we are trying to prevent the loss of more American jobs, we cannot forget about the reasons we have lost jobs in the U.S. We need to talk about the free trade policies we have actively pursued that have shipped American jobs overseas and left the American manufacturing sector in shambles.

The consideration of H.R. 2378 is an indication that we must do more to ensure that American industries, as a foundational part of our

economy, remain strong. But it is not enough. Ohio has seen far too many idling manufacturing mills and hundreds of long-time steel workers being laid off at once. According to Public Citizen, of the 22 million jobs expected to be created in the U.S. between 2000 and 2010, only 187,000 or 0.1 percent will be manufacturing jobs. Ohio is one of the top ten states posting the biggest job losses in the manufacturing sector.

We cannot have a strong American economy without a strong industrial manufacturing sector that includes not only the steel industry, but also the auto, shipping and aerospace industries. Addressing our trade deficit and foreign policies that add to it is important. But it is also about addressing our policies. I am the proud author of H. Res. 444, which says that the steel, automotive, aerospace and shipping industries are vital to America's national and economic security. We need a coordinated federal policy that puts the manufacturing sector back in its rightful place as an engine of the American economy.

I strongly support passage of this legislation and will continue to work to shore up our local manufacturing base and protect American workers.

Mr. CONYERS. Mr. Speaker, international trade is an integral part of the Southeast Michigan economy, with nearly \$113.3 billion worth of surface trade passing between the United States and Canada at the Detroit-Windsor border every year. I am, however, concerned that other nations' unfair trade practices have significantly hurt American workers. This is why I rise in support H.R. 2378, the "Currency Reform for Fair Trade Act," which will address currency manipulation.

Countries such as Japan and China have both manipulated their currencies and hurt American exporters. For example, Japan's currency has been undervalued by up to 25 percent in the past. This means that a car imported from Japan for \$20,000 has a hidden subsidy of up to \$5,000. According to General Motors' chief economist, Mustafa Mohatarem, "Japan's policies provided anywhere from a \$2,000 to \$14,000 cash windfall for each of the 2.2 million vehicles Japan's automakers exported to the U.S. in 2006."

Even worse, China has undervalued its currency by up 40 percent in the past, which has put American manufacturers at a severe disadvantage. China's currency manipulation also attracts foreign investment into China and away from American manufacturing

facilities. A recent study found that the U.S. has lost more than 2.3 million jobs since 2001 just as a result of the U.S. trade deficit with China. On a recent trip to China, President Obama urged the Chinese Yuan to appreciate and prevent global imbalances.

The Currency Reform for Fair Trade Act will take important steps in helping to address these unfair trade practices. The Act would empower the Department of Commerce to make findings that identify currency manipulation as an export subsidy. Today's legislation would make it easier for the Department of Commerce to add a countervailing duty to offset the amount of the export subsidy from currency manipulation. I believe American manufacturers can have honest and fair competition with foreign imports and thrive in global markets.

Mr. Speaker, in the American Recovery and Reinvestment Act, we hailed the investments in green and renewable technologies. However, many American green technology firms are being hurt by currency manipulation and other subsidies. Just last week, the Steel Workers filed a petition with the United States Trade Representative regarding China's currency manipulation and other subsidies to the green technology manufacturing industry. If the United States is to lead in this industry as well as revitalize our manufacturing base, we need to make sure American firms can compete on a level playing field in the international market. I urge my colleagues to support today's legislation.

Mr. SPRATT. Mr. Speaker, today, I rise to support a bipartisan bill that will help rebuild our manufacturing sector and continue our economic recovery.

I am proud to be a cosponsor of the "Currency Reform for Fair Trade Act." The legislation was introduced in response to China's persistent intervention to keep its currency undervalued by 35-40 percent relative to the dollar and its resort to illegal subsidies and non-tariff barriers to promote its own industries at the expense of U.S. manufacturing jobs.

These practices affect billions of dollars in trade and have allowed China to flood our markets with their products while they limit our ability to export our goods to them. Many companies are left with little choice but to move their operations offshore in order to compete, costing us precious jobs.

According to the textile industry, these unfair trade practices have cost the United States over a million manufacturing jobs in the last decade, including hundreds of thousands of textile and apparel jobs.

The devaluation of China's currency worsens the already severe U.S.-China trade deficit. Statistics show that between January 2000 and May 2009, China's share of the U.S. trade deficit for non-oil goods grew from 26 percent to 83 percent. If we can convince the Chinese to stop pegging its currency, U.S. exports would get a huge boost, and in time, so would investment in new plant and equipment.

This is a great way to stimulate an economy on the mend without adding a dime to the deficit or incurring new public debt.

Specifically, the "Currency Reform for Fair Trade Act" requires the U.S. Department of Commerce to: (1) determine, based on certain requirements, whether the exchange rate of the currency of an exporting country is fundamentally and actionably undervalued or overvalued (misaligned) against the U.S. dollar for an 18-month period; and (2) take certain actions under a countervailing duty or antidumping duty proceeding to offset such misalignment in cases of an affirmative determination. This legislation provides U.S. manufacturers and workers the necessary tools to defend themselves against anti-competitive trade practices of foreign governments, whether it's China or any other country.

About ten years ago, I joined Representative **SUE MYRICK** in sponsoring one of the first bills filed to force a change in China's currency policy. The United States has been seeking to negotiate a solution to the issue for a decade without success; and recent talks between the Obama administration and Chinese officials have made marginal progress at best.

All we're asking for here is a level playing field for U.S. businesses.

Mr. STARK. Mr. Speaker, I rise today in support of H.R. 2378 the Currency Reform for Fair Trade Act.

American manufacturing has a long and proud history, but for years has lost hundreds of thousands of good paying jobs. Our workers are losing jobs to China, a country that

blatantly violates international trade laws. The Chinese government's prolonged and intentional intervention in its currency markets keeps the price of Chinese goods in the United States artificially low and the price of U.S. goods sold in China artificially high. With this pricing advantage, manufacturing jobs move to China instead of staying here in the U.S. Economists estimate that the Chinese currency is undervalued by between 25 and 40 percent. How can our manufacturing sector workers compete against a country that has the ability to effectively subsidize its exports by 25 to 40 percent?

It is our responsibility to stand up and defend our workers against these illegal practices. The Currency Reform for Fair Trade Act is just the first step to level the playing field between U.S. and Chinese manufacturers. The legislation expands our trade laws so that we can better combat illegal practices by countries that seek unfair advantages. The bill targets countries that persistently and significantly undervalue their currency. When these illegal subsidies harm a U.S. industry, our government will be able to impose countervailing duties to negate their impact.

This legislation is not the cure all for our \$266 billion trade deficit with China, but it should help our manufacturers. Nobel laureate Paul Krugman estimates that if China's currency manipulation ended, we would gain 6,000 jobs per billion dollar shift in the trade deficit and could therefore save or create 1.4 or 1.5 million jobs. Fred Bergsten, the director of the Peterson Institute of International Economics also offers an optimistic statistic, that an appreciation of China's currency could generate 700,000 to 1 million U.S. jobs. We cannot turn our back on this kind of job creation. I urge my colleagues to support this bill to begin bringing good jobs back to America.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in support of the Currency Reform for Fair Trade Act that is before the House today. I am an original cosponsor of this legislation and strongly urge my colleagues to support it.

As Americans continue to suffer from stagnant pay, underemployment, and 9.6 percent unemployment, across the Pacific in the People's Republic of China, business is booming. Almost all of this growth is due to China's export sector, which is able to sell goods at low prices and face little to no international competition domestically due to China's manipulation of its currency, the Renminbi, RMB.

Economists from across the political spectrum estimate that the Renminbi is undervalued by at least 35 to 40 percent. In other words, U.S. goods are, at least 35 percent, more expensive for Chinese consumers and make Chinese goods, at least 35 percent, cheaper in the United States.

China's currency manipulation has had terrible effects for competing economies from around the globe. Nations that rely heavily on exportation for growth, such as Japan and South Korea, have begun or are taking measures to emulate Beijing's manipulation of their own currencies so their goods can compete.

In the United States, the non-partisan Economic Policy Institute has estimated that between 2001 and 2008 alone, the growing trade deficits with China have displaced 2.4 million jobs. Sixty percent of these jobs were in the manufacturing sector, the very sector that has given millions of Americans a path into the middle class.

If China allowed its currency to "float" on the international market, in a fashion similar to the U.S. Dollar, British Pound, and Japanese Yen, it could create a million U.S. manufacturing jobs and cut our trade deficit with China by \$100 billion a year, with no cost to the U.S. Treasury.

For years, this Congress, as well as the Administrations of President Bush and President Obama, have tried to persuade the Chinese government to moderate or end the manipulation of its currency. No significant progress has been made.

It is time we take action to hold China accountable for their market distortion and protectionist practices.

A vote "yes" today is a vote to stand up for American workers, to take strides to boost our economy, and to strengthen our domestic manufacturing sector.

Mr. TURNER. Mr. Speaker, today I speak in favor of H.R. 2378, the Currency Reform for Fair Trade Act, which seeks to level the playing field for American companies, some of whom have found themselves unable to compete with foreign companies who are unfairly subsidized by foreign governments.

Mr. Speaker, I would like to take my time to recognize the work of former Congressman Phil English, who represented the 3rd District of

Pennsylvania until the 111th Congress. Congressman English was a long-time supporter of American manufacturers and was a champion of raising awareness and solving the problem of illegal trade practices.

Congressman English raised these issues when he introduced H. Res. 414 in the 108th Congress. The resolution, which encouraged China to engage in fair currency valuation, passed nearly unanimously (411-1) in October 2003.

In the 109th Congress, Representative English introduced the first China currency bill in the House--H.R. 3004, the Currency Harmonization through Neutralizing Action, CHINA, Act. The bill directed the Treasury Department to analyze the exchange rate policies of the People's Republic of China, and to impose additional tariffs, if necessary, to equalize any currency manipulations.

He also helped advocate for the Department of Commerce to consider countervailing duty cases for nonmarket economies, such as China. First introducing this legislation in the 106th Congress, H.R. 3198, he pushed to clarify the countervailing duty statute to ensure these cases against China could proceed.

In the 109th Congress, the House passed H.R. 3283, English's bill to apply the countervailing duty law to nonmarket economies. It was after this bill passed the House that the Department of Commerce ultimately reversed its own policy and started accepting countervailing duty cases against China.

Mr. Speaker, as we look to help our domestic industry compete against unfair competition abroad, H.R. 2378 is an important step.

Mr. MANZULLO. Mr. Speaker, this day has been long in coming. In 2003, I was one of the first Members of Congress to introduce legislation on this topic to stop this anti-free market practice of foreign governments of deliberately undermining the value of their own currency to make their exports less expensive and foreign imports more costly. We have had some modest progress over the years but the overall practice continues to the detriment of our manufacturers and farmers.

Currently, counties in northern Illinois have an official unemployment rate of between 8 and 16.4 percent. The unemployment rate in the cities of Rockford, Belvidere, and Freeport are 17.4 percent, 17.8 percent, and 13.3 percent respectively. But if

you include those who have given up looking for work, the real unemployment rate for these counties and cities is probably somewhere between 18 and 28 percent. We can't wait any longer for more promises to solve this problem in the future.

I am pleased to support the "new and improved version" of the legislation introduced by my fellow co-chair of the House Manufacturing Caucus, Representative **TIM RYAN** of Ohio, to combat exchange rate misalignment by China and other foreign governments. I am a proud original co-sponsor of this legislation. Regardless of any person's view on free trade, opposing exchange rate undervaluation is an area where both sides of the trade debate should come together. We must take a stand to stop China and other nations from making their imports cheaper in the U.S. and our exports more expensive in their country.

Let me relate the experience of one manufacturer from Rockford, Illinois, Jerry Busse of Rockford Toolcraft. He was quoted in the Rockford Register Star last August saying, "We have done work for a big manufacturer in Chicago for 20 years. All of a sudden we lost a lot of their business because they decided to move the work to China." Jerry Busse asked the Chicago company what he had to do to get the work back. The prices they were getting from China were close to what Rockford Toolcraft had been getting. Jerry Busse thought to himself that he could do the work for that amount but the Chicago company refused. According to Jerry Busse, the management of the Chicago firm said anyone in America has to be 30 percent under the Chinese price. Mr. Speaker, 30 percent is approximately the undervaluation of the Chinese currency. Suffice it to say that Rockford Toolcraft couldn't meet this predatory price and lost a customer.

Despite any differences we may have over trade policy, we should all agree on the need to stop foreign governments from undervaluing their currencies to gain an economic advantage over us by making their goods artificially less expensive in the United States and making our exports more expensive overseas.

This bill is not targeted at one country. Currency undervaluation is not just a problem that plagues our trade relationship with China. About two weeks ago, Japanese monetary authorities sold a large amount of yen against the dollar to stem the Japanese currency's sharp appreciation against the U.S.--the first time since 2004. Other countries have joined in this anti-capitalistic, mercantilist behavior over the years and they should be equally condemned. It is in their

long-term self interest to eventually move to a valuation of their currency that is based on the marketplace--not by a government official.

Fred Bergsten, Director of the highly respected Peterson Institute for International Economics, estimated that correction of all of the Asian currency undervaluations would cut the global U.S. trade deficit by about \$100 billion and generate at least 700,000 jobs.

This legislation provides another weapon in our trade arsenal to empower our trade enforcement officials to confront unfair trade practices by China and others. The revised bill

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gives discretion to the Department of Commerce to consider currency undervaluation as another form of a government subsidy that is eligible for higher countervailing duties.

This legislation is preferable to other bills that would impose blanket, across-the-board tariffs on just Chinese goods that would almost immediately be ruled illegal by the World Trade Organization. This approach is WTO compliant and does not target one specific country over another for currency undervaluation. This bill should unite both spectrums of the trade debate and one that should send shockwaves to capitals of foreign governments that deliberately undervalue their currency for a trade advantage. The frustration level is high among our small manufacturers such as Jerry Busse and the time is ripe for Congress to act.

I'm here as a proponent of free but fair trade in support of this carefully crafted legislation and I urge my colleagues to do the same. If you want to stop Chinese imports coming in at predatory prices and give our manufacturers and farmers the chance to fairly compete, then support this bill. If you don't like government subsidies and interference in the marketplace; if you prefer capitalism to mercantilism; then you vote for this bill.

Mr. VAN HOLLEN. Mr. Speaker, I rise in strong support of H.R. 2378, the Currency Reform Fair Trade Act.

First, I want to thank Chairman *Levin* and his staff for crafting this responsible and much needed WTO compliant legislation.

There is wide agreement that China is deliberately and illegally intervening in global currency markets to benefit its own economy. According to the Peterson Institute of International Economics, because of repeated Chinese government intervention, the RMB is unfairly undervalued by as much as 24 percent against the dollar.

This practice is harming the U.S. economy and weakening our ability to promote economic growth and jobs. Again, according to the Peterson Institute, if the RMB was fairly valued, there would be 500,000 more Americans employed today in good paying manufacturing jobs.

The President's strategy for boosting the economy includes a two year plan to increase manufacturing and expand exports--but increasing exports in a global economy where American goods are artificially more expensive than comparable Chinese goods, is like fighting an uphill battle.

H.R. 2378 will help encourage the Chinese government to do the right thing and float its currency in a wider band. This will help to protect those American businesses and jobs that are being injured by the imbalance.

Specifically, the bill requires the Department of Commerce to view deliberate currency undervaluation as an illegal export subsidy just as the World Trade Organization does. If this bill becomes law, Commerce will have to use the same standard as the WTO when determining whether an illegal export subsidy exists. Commerce will have to weigh all relevant factors, including currency undervaluation, when determining whether to recommend that "countervailing duties" be applied against a foreign import.

This bill does not just target China, though China is the leading abuser of this practice. Any country that unfairly and significantly acts to suppress the value of its currency to boost its own exports will be a target.

The President's plan for strengthening the economy includes a vigorous enforcement of our rights in the global trade arena. The WTO says we have a right to respond when our trading partners employ illegal practices that injure our businesses. H.R. 2378 ensures that the Department of Commerce does not overlook or underestimate the impact that currency undervaluation has on American businesses.

I encourage my colleagues to support this measure. It provides one more tool that can be used to protect American companies and the workers they employ in the ongoing push to boost the U.S. economy.

Mr. DINGELL. Mr. Speaker, I rise in strong support of H.R. 2378, the Currency Reform for Fair Trade Act, of which I am also a co-sponsor. For too long, the United States has stood idly by while its trading partners--China, in particular--have manipulated the value of their currencies to gain a competitive advantage. H.R. 2378 will strengthen our country's ability to impose punitive tariffs on currency manipulators and, in so doing, help protect American workers and businesses from this most unfair trade practice.

I wish to thank Congressman *Ryan* of Ohio for introducing this fine bill. I also commend my good friend and colleague from Michigan, Chairman *Sander Levin* of the Committee on Ways and Means, for understanding the dire need for this legislation and amending it in such a manner that conforms to the United States' obligations as a member of the World Trade Organization. I hope China will take note of this and adjust its behavior accordingly.

I urge my colleagues to vote in favor of H.R. 2378 and further call on the United States Senate to pass this bill with all due haste.

- [End Insert]

Mr. LEVIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to House Resolution 1674, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LEVIN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on passage of H.R. 2378 will be followed by 5-minute votes on motions to suspend the rules with regard to:

H.R. 6160, by the yeas and nays;

H.R. 4072, by the yeas and nays;

H.R. 3421, de novo.

The vote was taken by electronic device, and there were--ayes 348, noes 79, not voting 6, as follows:

[Roll No. 554]
AYES--348

Ackerman

Aderholt

Adler (NJ)

Akin

Altmire

Andrews

Arcuri

Austria

Baca

Bachus

Baird

Baldwin

Barrett (SC)

Barrow

Bean

Becerra

Berkley

Berman

Berry

Biggert

Bilbray

Bilirakis

Bishop (GA)

Bishop (NY)

Bishop (UT)

Blumenauer

Bocchieri

Bonner

Boozman

Boren

Boswell

Boucher

Boyd

Brady (PA)

Braley (IA)

Bright

Brown (SC)

Brown, Corrine

Brown-Waite, Ginny

Burgess

Burton (IN)

Butterfield

Calvert

Camp

Cao

Capito

Capps

Capuano

Cardoza

Carnahan

Carney

Carson (IN)

Cassidy

Castle

Castor (FL)

Chandler

Childers

Chu

Clarke

Clay

Cleaver

Clyburn

Coble

Coffman (CO)

Cohen

Cole

Connolly (VA)

Conyers

Cooper

Costa

Costello

Courtney

Crenshaw

Critz

Crowley

Cummings

Dahlkemper

Davis (AL)

Davis (CA)

Davis (IL)

Davis (KY)

Davis (TN)

DeFazio

DeGette

DeLauro

Dent

Deutch

Diaz-Balart, L.

Diaz-Balart, M.

Dicks

Dingell

Doggett

Donnelly (IN)

Doyle

Driehaus

Duncan

Edwards (MD)

Edwards (TX)

Ehlers

Ellison

Ellsworth

Emerson

Engel

Eshoo

Etheridge

Farr

Fattah

Filner

Forbes

Fortenberry

Foster

Foxx

Frank (MA)

Fudge

Gallegly

Garamendi

Gerlach

Giffords

Gingrey (GA)

Gonzalez

Goodlatte

Gordon (TN)

Graves (MO)

Grayson

Green, Al

Green, Gene

Griffith

Grijalva

Guthrie

Gutierrez

Hall (NY)

Halvorson

Hare

Harman

Harper

Hastings (FL)

Heinrich

Herseth Sandlin

Higgins

Hill

Himes

Hinchey

Hinojosa

Hirono

Hodes

Hoekstra

Holden

Holt

Honda

Hoyer

Hunter

Inglis

Inslee

Israel

Jackson (IL)

Jackson Lee (TX)

Johnson (GA)

Johnson (IL)

Johnson, E. B.

Jones

Kagen

Kanjorski

Kaptur

Kennedy

Kildee

Kilpatrick (MI)

Kilroy

Kind

Kirk

Kirkpatrick (AZ)

Kissell

Klein (FL)

Kosmas

Kratovil

Kucinich

Langevin

Larson (CT)

LaTourette

Lee (CA)

Lee (NY)

Levin

Lewis (GA)

Lipinski

LoBiondo

Loebsack

Lofgren, Zoe

Lowey

Lucas

Luetkemeyer

Luján

Lungren, Daniel E.

Lynch

Maffei

Maloney

Manzullo

Markey (CO)

Markey (MA)

Marshall

Matheson

Matsui

McCarthy (NY)

McCollum

McCotter

McDermott

McGovern

McHenry

McIntyre

McKeon

McMahon

McNerney

Meek (FL)

Meeks (NY)

Melancon

Mica

Michaud

Miller (FL)

Miller (MI)

Miller (NC)

Miller, George

Minnick

Mollohan

Moore (KS)

Moore (WI)

Moran (KS)

Moran (VA)

Murphy (CT)

Murphy (NY)

Murphy, Patrick

Murphy, Tim

Myrick

Nadler (NY)

Napolitano

Neal (MA)

Nye

Oberstar

Obey

Olver

Ortiz

Owens

Pallone

Pascrell

Pastor (AZ)

Payne

Pelosi

Perlmutter

Perriello

Peters

Peterson

Petri

Pingree (ME)

Pitts

Platts

Pomeroy

Posey

Price (NC)

Putnam

Quigley

Rahall

Rangel

Rehberg

Reyes

Richardson

Rodriguez

Roe (TN)

Rogers (AL)

Rogers (KY)

Rogers (MI)

Rohrabacher

Rooney

Ros-Lehtinen

Roskam

Ross

Rothman (NJ)

Roybal-Allard

Royce

Ruppersberger

Rush

Ryan (OH)

Salazar

Sánchez, Linda T.

Sanchez, Loretta

Sarbanes

Schakowsky

Schauer

Schiff

Schock

Schrader

Schwartz

Scott (GA)

Scott (VA)

Sensenbrenner

Serrano

Sestak

Shea-Porter

Sherman

Shimkus

Shuler

Shuster

Simpson

Sires

Skelton

Slaughter

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Smith (NJ)

Smith (WA)

Space

Speier

Spratt

Stark

Stearns

Stupak

Sutton

Tanner

Taylor

Teague

Terry

Thompson (CA)

Thompson (MS)

Thompson (PA)

Tiberi

Tierney

Titus

Tonko

Towns

Tsongas

Turner

Upton

Van Hollen

Velázquez

Visclosky

Walz

Wamp

Wasserman Schultz

Waters

Watson

Watt

Waxman

Weiner

Welch

Westmoreland

Whitfield

Wilson (OH)

Wilson (SC)

Wittman

Wolf

Woolsey

Wu

Yarmuth

Young (AK)

NOES--79

Alexander

Bachmann

Bartlett

Barton (TX)

Blackburn

Boehner

Bono Mack

Boustany

Brady (TX)

Broun (GA)

Buchanan

Campbell

Cantor

Carter

Chaffetz

Conaway

Cuellar

Culberson

Djou

Dreier

Flake

Fleming

Franks (AZ)

Frelinghuysen

Garrett (NJ)

Gohmert

Granger

Graves (GA)

Hall (TX)

Hastings (WA)

Heller

Hensarling

Herger

Issa

Jenkins

Johnson, Sam

Jordan (OH)

King (IA)

King (NY)

Kingston

Kline (MN)

Lamborn

Lance

Larsen (WA)

Latham

Latta

Lewis (CA)

Linder

Lummis

Mack

Marchant

McCarthy (CA)

McCaul

McClintock

McMorris Rodgers

Miller, Gary

Mitchell

Neugebauer

Nunes

Olson

Paul

Paulsen

Pence

Poe (TX)

Polis (CO)

Price (GA)

Reichert

Ryan (WI)

Scalise

Schmidt

Sessions

Shadegg

Smith (NE)

Smith (TX)

Snyder

Sullivan

Thornberry

Tiahart

Walden

NOT VOTING--6

Blunt

Buyer

Delahunt

Fallin

Radanovich

Young (FL)

[Time: 17:57]

Messrs. POE of Texas, TIAHRT, ISSA, and WALDEN changed their vote from ``aye" to ``no."

Messrs. MILLER of Florida, GRIFFITH and ROYCE changed their vote from ``no" to ``aye."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: ``A bill to amend title VII of the Tariff Act of 1930 to clarify that countervailing duties may be imposed to address subsidies relating to a fundamentally undervalued currency of any foreign country."

A motion to reconsider was laid on the table.