

**Congress of the United States**  
Washington, DC 20515

**IT'S TIME FOR CHINA TO STOP UNDERVALUING ITS CURRENCY.**

Dear Colleague:

September 26, 2003

Concern is growing in Congress about China's undervalued currency and its impact on U.S. jobs. As a result, a number of measures have been proposed in both Houses. Several key ones are outlined below.

Economists estimate China's currency - the yuan or renminbi (RMB) - is undervalued by 15 - 40%. This undervaluation makes Chinese products much cheaper than they otherwise would be and, according to applicable legal standards, should be. This unfair trade practice is devastating to many U.S. businesses. In the words of the National Association of Manufacturers, it is "decimating" U.S. manufacturing jobs.

The undersigned agree on the urgency of the problem and the need for remedial action, *although we may take different approaches to achieve the same result*. To send a clear signal from Congress that China's currency manipulation must stop, please consider supporting one or more of the following:

- **HConRes 285** - by Rep. Manzullo (and Stenholm, Rogers of MI, Hill), expresses deep concern over the harm to US employment and manufacturing base from foreign governmental currency manipulation, and urges the administration to take action under specified legal standards. (Staff contact - Matthew Szymanski 5-5821)
- **SRes 219** - by Sen. Graham of SC (and Schumer, Voinovich, Chambliss, Lieberman, Allen, Specter, Enzi, Kyl) (*passed unanimously 9/25/03*), like HConRes 285, urges action, toward a market-based valuation of the yuan, according to governing legal standards. (Staff contact - Aleix Jarvis 4-5972)
- **S 1586** - by Sen. Schumer (and Bunning, Dole, Durbin, Graham of SC, Bayh), would authorize a tariff that matches China's unfair currency advantage if negotiations with China regarding currency manipulation are not successful. (Staff contact - James Socas 4-7410)
- **HR 3058** - by Rep. English (and Ballenger, Green of WI, Reynolds, Sensenbrenner, Hunter, Myrick, Burr, Coble, Gillmor, Souder, Taylor of NC, Greenwood, Hayes, Hoekstra, Collins, Rohrabacher, Everett, Platts, Gallegly, Goode, Peterson of PA, Duncan, Murphy, Wilson of SC, Otter, Jones of NC, Upton, Brown of SC, Shuster, Barrett of SC, Lewis of KY, Walsh, Norwood, Shaw, Terry, Bishop of UT), would require the administration to determine if China is manipulating its currency for trade advantage, and impose certain remedies. (Staff contact - Dave Stewart 5-5406)
- **S 1592** - by Sen. Lieberman, would require negotiation and appropriate action with respect to certain countries that engage in currency manipulation. (Staff contact - Michael Baum 4-4041)
- **HR 3134** - by Rep. Walsh, would require certain corporations receiving 10% or more of their annual revenue from US Government contracts to keep at least 50% of their workforce within the US. (Staff contact - Matt Sparkes 5-3701)

Sincerely,



Donald Manzullo, MC  
Chairman, House Committee on Small Business  
Founder/Co-Chair, Manufacturing Caucus



Charles Schumer  
United States Senator