



Committee On Finance

Max Baucus, Ranking Member

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Baucus Meets with Chinese Commerce Minister Lu Fuyuan *Senator Requests Meeting to Discuss U.S.-Chinese Trading Relationship*

(Cancun, Mexico) The Ranking Member of the U.S. Senate Finance Committee, U.S. Senator Max Baucus (D-Mont.), today met with Chinese Commerce Minister Lu Fuyuan during the World Trade Organization (WTO) Ministerial meeting in Mexico to discuss the U.S.-China trading relationship.

During the meeting, Baucus extended his appreciation to Minister Lu for the generally positive effect the Chinese have had on the Doha negotiations, but he warned that some of the problems with U.S. trade with China, if left unaddressed, could have negative political consequences.

"I worked hard for China's accession to the WTO, and I am pleased at the constructive role China has played in the Doha negotiations," Baucus said. "But if China doesn't do anything regarding its failure to allocate agricultural tariff rate quotas properly, the lack of transparency in the regulations for doing business in China, and – perhaps most importantly – about its undervalued currency, I'm afraid that may set the stage for a political backlash against the U.S. economic relationship with China."

Baucus has long criticized China for intervening in currency markets to depress the value of its currency, arguing that this practice artificially lowers the price of Chinese exports and harms the competitiveness of U.S.-manufactured exports. The Senator also expressed concern over regulations China is developing that may require the government to exclusively purchase domestic goods and services, including software, which could discourage growth in China and internationally.

"As the U.S. economy continues to falter and we lose even more jobs, China's undervalued currency may lead to popular sentiment against China's economic policies," the Senator added. "I believe that both countries can and have already greatly benefited from an open trade relationship," Baucus said. "But in order for this to be a successful endeavor, both the United States and China must be willing to engage in free and fair trading practices."

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