COMMITTEE ON FINANCE
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Max Baucus, Chairman
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# BAUCUS CRITICIZES TREASURY'S DECISION TO DELAY CURRENCY REPORT

*Finance Chairman Urges Treasury to Closely Evaluate China's Currency Practices*

***Washington, DC*** – Senate Finance Committee Chairman Max Baucus (D – Mont.) today raised concerns about the Treasury Department's announcement that it would not publish its biannual currency report to Congress on April 15, as required by law. In its report, Treasury must identify key U.S. trading partners that manipulate their currencies at the expense of American jobs and exports. Leading economists agree China is manipulating its currency, and Baucus called on Secretary Geithner to closely evaluate whether China should be considered a currency manipulator for purposes of Treasury's currency report. He also urged Geithner to work closely with China, and other key American trading partners, to address China's currency practices.

**"For years, Treasury has given China's currency practices a free pass, but it's time to reevaluate,"** Baucus said. **"For too long, the United States has pursued diplomacy at the expense of American jobs and exports. Further delay is not the answer. America's competitiveness is at stake, and we must ensure that our ranchers, farmers and workers get a fair shake when they export their first-class products around the world."**

Economists estimate that China's currency is undervalued by approximately 40 percent against the dollar. This undervaluation puts U.S. exporters at a significant competitive disadvantage by making their goods much more expensive as compared to Chinese goods. Economists have estimated that a 25 percent to 40 percent appreciation in the Chinese yuan, and other Asian currencies, could reduce the U.S. current account deficit by approximately $100 billion to $150 billion and create between 600,000 and 1.2 million new American jobs. In past years, the United States has engaged in extensive bilateral dialogue with top Chinese officials to raise concerns about China's currency practices, but China has pegged the yuan to the dollar since 2008 and has refused to allow it to appreciate.

The Omnibus Trade and Competitiveness Act of 1988 requires the Treasury Department to consider whether countries are manipulating their currencies to prevent effective balance of payment adjustments or gain an unfair competitive advantage in international trade. Under this law, Treasury must report its findings to Congress on October 15 of each year, and submit an updated report six months later, by April 15.

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