



<http://finance.senate.gov>
Press_Office@finance-rep.senate.gov

MEMORANDUM

To: Reporters and Editors
Re: Administration officials' comments on currency legislation
Da: Tuesday, July 31, 2007

Today Treasury Secretary Henry Paulson and other members of the Bush administration said pending Senate legislation directed at misaligned foreign currencies is the “wrong approach.” Sen. Chuck Grassley, ranking member of the Committee on Finance, is one of four sponsors of the *Currency Exchange Rate Oversight Reform Act of 2007*, which the Finance Committee approved 20 to 1 last week. The other sponsors are Sen. Max Baucus, Finance Committee chairman, Sen. Charles Schumer, and Sen. Lindsey Graham. Grassley made the following comment on today’s critique.

“I appreciate the Administration’s ongoing efforts, but the current dialogue isn’t working. China can and should be moving more quickly to a market-based valuation of its currency. But it’s not. China’s progress on currency modernization has been glacial. It’s good to continue the dialogue, but we can’t rely on it exclusively. Also, the Finance Committee bill isn’t a China bill. It’s not directed at any single country. It’s a much-needed overhaul of current law, which dates to 1988. And, it’s been drafted to comply with our WTO obligations. The bill creates a framework for bringing about realignment in currency exchange rates when macroeconomics informs us that there should be an adjustment that’s just not happening because of a foreign government’s actions. To do that, the bill incorporates meaningful consequences. I look forward to seeing currency exchange rate legislation passed this Congress.”