

Three-Committee Hearing Highlights Negative Effects of Currency Manipulation on U.S. Economy

The Energy & Commerce Subcommittee on Commerce, Trade and Consumer Protection, the Ways & Means Subcommittee on Trade, and the Financial Services Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a joint hearing today to examine the practice of currency manipulation.

NEWS RELEASE

Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

For Immediate Release: May 9, 2007

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Reps. Dingell, Rush Urge U.S. Intervention to Protect American Manufacturers

Washington, D.C. — The Energy & Commerce Subcommittee on Commerce, Trade and Consumer Protection, the Ways & Means Subcommittee on Trade, and the Financial Services Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a joint hearing today to examine the practice of currency manipulation.

The hearing reviewed indications that some foreign governments are manipulating their currencies, a practice that artificially raises the value of the American dollar and gives foreign exporters an unfair competitive advantage. The automotive industry is particularly affected, with the manipulated dollar-yen exchange rate amounting to a \$2,400 price advantage for Japanese automakers on a \$20,000 vehicle.

"Currency manipulation is a threat to free trade and must be dealt with decisively," stated Rep. John D. Dingell (D-MI), Chairman of the Committee on Energy & Commerce, at this morning's hearing. "For too long, the Department of Treasury has allowed countries such as Japan, China and Korea to get away with practices that harm the U.S. economy. We cannot continue to ignore these illegal and trade-distorting activities."

Rep. Bobby Rush (D-IL), Chairman of the Subcommittee on Commerce, Trade and Consumer Protection, also expressed his support for immediate U.S. government action: "It is imperative that this Congress voice its most stringent opposition to this practice, which affords unsustainable economic development for some and unfair trade imbalances for others."

Witnesses discussed options the U.S. government could exercise to discourage governments from engaging in currency manipulation, including imposing large tariffs on imports from suspected offenders.

"This practice has contributed significantly to the loss of hundreds of thousands of jobs in the American auto industry," testified Mustafa Mohatarem, chief economist for the General Motors Corporation. "It's time for the U.S. government to demand that the Japanese government allow the yen to appreciate."

- 30 -

Prepared by the Committee on Energy and Commerce

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