

(May 26, 2005) Lipinski Calls for End to China's Unfair Trade Practices

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WASHINGTON, DC - Today, Congressman Dan Lipinski called on Congress and the Bush Administration to act quickly to end China's unfair trade practices which are destroying American manufacturing jobs. In a joint hearing of the Tax, Finance and Exports Subcommittee and the Rural Enterprises, Agriculture and Technology Subcommittee, small business owners told how currency manipulation, piracy of intellectual property, and the lack of viable labor standards in China are putting American businesses at a competitive disadvantage.

"While we continue to hear about the promises of free trade, the actions of China show that when trade is not fair, American workers suffer," said Congressman Lipinski. "With the Chinese engaging in these unfair actions, including devaluing their currency by as much as 40 percent, cheap foreign imports undercut our domestic manufacturers and American products cannot compete fairly for export into China. The result is a growing trade deficit with China that hit a record of over 160 billion dollars in 2004. This has meant the loss of American jobs and the diminishment of America's vital manufacturing base."

China's currency manipulation acts both as a subsidy for Chinese exports to the United States and third countries and as a hidden duty on U.S. products that would be imported into China. Congressman Lipinski is a cosponsor of HR 1498, The Chinese Currency Act of 2005, which would enable American manufacturers and workers to gain relief from this practice.

Many have called on the Administration to get tough in pushing China to comply with its trading obligations as a new member of the World Trade Organization. Since granting China Permanent Normal Trade Relations (PNTR) status, the United States has lost more than 2.7 million manufacturing jobs, while China has created two and a half million manufacturing jobs. Congressman Lipinski is also a cosponsor of HR 728, which withdraws PNTR status for Chinese products.

"There simply is nothing normal about our so-called Permanent Normal Trade Relations with China. China's actions are destroying the American manufacturing base and American jobs. All our manufacturers need is an opportunity to compete on an even playing field and we must act now to make sure that they have that," Rep. Lipinski said. "We cannot wait until more workers have been laid off and more plants have been shut down. We must provide relief now."