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BAUCUS PUSHES FOR COORDINATED PLAN TO ADDRESS U.S.-CHINA TRADE IMBALANCE, HELP CREATE AMERICAN JOBS

Finance Chairman Proposes Strategy to Redefine America's Approach to China

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) convened a hearing today with Commerce Secretary Gary Locke and United States Trade Representative (USTR) Ronald Kirk to examine the U.S.-China trade relationship. Baucus pressed Locke and Kirk to develop objective, measurable benchmarks and timelines to reduce the U.S.-China trade imbalance and ensure China eliminates unscientific barriers to U.S. agriculture exports, enforces and protects American intellectual property rights and suspends China's practices favoring home-grown, or "indigenous," innovation that discriminate against American companies.

"China's discrimination against American companies, barriers to world-class U.S. exports, infringement of U.S. intellectual property rights and improper subsidization of its own exports create a significant trade imbalance that is costing American jobs and impairing our recovery here at home," said Baucus. **"The United States must develop and implement a comprehensive, coordinated strategy to ensure that persistent economic and trade problems do not fall through the cracks. It is time to hold China accountable to its international obligations and ensure American businesses are competitive in the global economy."**

Baucus stressed to Locke and Kirk the need for a comprehensive, administration-wide strategy to aggressively tackle U.S.-China economic and trade issues.

Today's hearing was the second in a series the Finance Committee is holding to examine the U.S.-China economic relationship. At a June 10 hearing with Treasury Secretary Timothy Geithner, Baucus pushed Geithner to produce measurable results and laid out a four-pronged strategy to rethink U.S.-China trade and economic relations:

- Formulate a coordinated, comprehensive U.S.-China economic strategy led by the White House.
- Work multilaterally with key trading partners to make it clear to China that the world is watching and is united in its concern about China's currency misalignment, ineffective protection and enforcement of intellectual property rights and industrial policies favoring home-grown, or "indigenous," innovation.
- Pursue recourse with the tools offered by international institutions such as the International Monetary Fund and World Trade Organization (WTO), where effective, and where these tools are not adequate, work to strengthen them.
- Take strong unilateral action when necessary.

Baucus made clear to Kirk and Locke today that USTR and Commerce are crucial to ensuring the success of this strategy. As part of Baucus's strategy to effectively utilize the tools offered by international institutions, Baucus urged Kirk to consider carefully whether USTR should file additional WTO cases to ensure that China adheres to its WTO commitments. He also pressed USTR to take aggressive action to suspend China's indigenous innovation policy and dismantle Chinese barriers to U.S. agricultural products and other exports. And he urged Commerce to apply U.S. antidumping and countervailing duty laws to dumped and subsidized Chinese imports.

Last week, China announced steps to appreciate its currency. While Baucus welcomed the move as a first step, he stated that the appreciation must be meaningful. At today's hearing he urged Commerce to carefully consider whether China's currency practices constitute an improper subsidy under U.S. law. Baucus announced he will work with members of the Finance Committee to take aggressive action in the coming weeks to address China's currency manipulation and ensure the Administration has the resources it needs to fight intellectual property piracy.

Opening statements and full video footage of today's hearing may viewed on the Finance Committee website here: http://www.finance.senate.gov/sitepages/hearings.htm.

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