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October 12, 2011

The Honorable John Boehner
Speaker
H-232 The Capitol
Washington, DC 20515

The Honorable Eric Cantor
Majority Leader
H-329 The Capitol
Washington, DC 20515

Dear Speaker Boehner and Majority Leader Cantor:

I write to request your support for a vote in the House of Representatives on legislation addressing currency manipulation. In a period of congressional gridlock, we must seize every bipartisan opportunity available to us not only to create jobs, but also to protect the good paying jobs we already have.

As the Senate demonstrated yesterday by passing S. 1619, *The Currency Exchange Rate Oversight Reform Act*, the time is right to take advantage of bipartisan cooperation. Sixteen Republican senators joined 47 Democratic senators in voting for S. 1619 to counter an unfair trade practice that is hampering our economic recovery. In February, Democratic Reps. Sander Levin and Tim Ryan and Republican Rep. Tim Murphy introduced H.R. 639, *The Currency Reform for Fair Trade Act*. H.R. 639 has garnered 225 bipartisan cosponsors, more than enough to secure House passage, and would allow the Department of Commerce to counter imports made cheaper by currency manipulation with a corresponding tariff. A nearly identical bill, H.R. 2378, passed the House last year by a strong, bipartisan vote of 348 to 79.

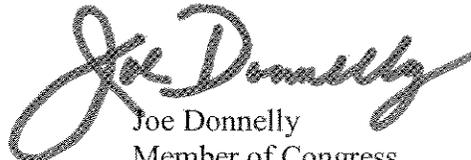
When countries are allowed to keep the value of their currencies artificially low—and, in turn, the prices of their exports into the U.S.—American companies face an unfair disadvantage. Forced to compete on an unlevel playing field where competitors are able to maintain a permanent sale on their products, American jobs are lost and our trade deficit grows with countries like China. In fact, the Economic Policy Institute recently released a study showing that between 2001 and 2010, the U.S. lost 2.8 million jobs—including nearly 62,000 jobs in Indiana—as a result of the expanding trade deficit with China.

Many experts agree that countries like China that manipulate their currencies are damaging the U.S. economy. In testimony before the Joint Economic Committee, Federal Reserve Chairman Ben Bernanke recently expressed concern “that the Chinese currency policy is blocking what might be a more normal recovery process in the global economy” and stated that “it is to some extent hurting the recovery.” Chairman Bernanke is tasked with directly serving and protecting America’s economic interests, and he recognizes the impact Chinese currency manipulation is having on our economy. It is past time for the House of Representatives to do the same.

After the Senate expressed interest in considering S. 1619, China immediately went on the offensive, issuing threats and saying such legislation could spark a “trade war.” Though China’s comments are disappointing, they are not unexpected, and Congress should not shy away from doing what is in America’s best interests. China’s unfair currency policies have cost millions of Americans their jobs, and I believe inaction on this issue is dangerous to the American economic recovery and would continue to put at risk hundreds of thousands more American jobs.

When I travel around my district, I often hear from small businesses and manufacturers on this issue, and they never ask that Congress act to guarantee their success. All they want is a fair fight, and I believe that given a level playing field, American businesses can compete against anyone. Please allow bipartisan legislation addressing currency manipulation to come before the full House of Representatives for a vote.

Sincerely,



Joe Donnelly
Member of Congress