

Congress of the United States
Washington, DC 20515

April 5, 2017

Donald J. Trump
President of the United States
1600 Pennsylvania Ave.
Washington, D.C.

Dear Mr. President,

Throughout your campaign, you promised a get-tough-on-China trade policy and pledged to declare China a currency manipulator on your first day in office. You reiterated that pledge “to protect American workers” in your “Contract with the American Voter,” stating that on your first day in office: “I will direct my Secretary of the Treasury to label China a currency manipulator.” However, on February 23, Treasury Secretary Steve Mnuchin explicitly stated that the Administration was not ready to make any such declaration. The same day, you told a group of manufacturing Chief Executive Officers visiting the White House that you would take strong action to combat China’s “\$500 billion” trade deficit with the United States. In addition, on February 24, you stated that China was the “grand champion” at manipulating its currency.

Your second month in office has passed and still no action has been taken with regard to China’s currency policy. After decades of Democratic and Republican administrations refusing to take action against the Chinese government’s trade cheating, despite growing congressional demands, you have declared that you will do so. This month, the Treasury Department must issue a report on currency manipulation. Americans will be watching to see if that report reflects your view that China is a currency manipulator, as well as what actions your administration will take to address China’s decades of misaligned currency values, unfulfilled World Trade Organization (WTO) obligations, intellectual property theft, subsidies, and other predatory trade actions.

In addition, you have not indicated your plans to the American public with respect to the U.S.-China Bilateral Investment Agreement (BIT) that the previous administration was rushing to conclude before you entered office. A final deal was not reached. However, much of the text of that agreement was completed.

The China BIT would replicate key aspects of the Trans-Pacific Partnership (TPP) and the North American Free Trade Agreement (NAFTA), two agreements that you castigated as damaging to American workers and our economy. The China BIT would include the investor protections found in NAFTA and the TPP that make it easier to offshore American jobs. The Cato Institute, a supporter of such pacts, has even criticized the “investor protections” that incentivize firms to relocate production as “subsidizing” offshoring. The BIT would give Chinese firms, including state-owned enterprises, broader rights to purchase U.S. firms, land, and

other assets. Further, it would newly expose the U.S. government to demands for compensation from Chinese firms empowered to attack U.S. policies in the extra-judicial investor-state dispute settlement tribunals that were also at the heart of NAFTA and the TPP.

In sum, the China BIT would make our current China trade problems significantly worse. Your National Economic Council chair, Gary Cohn, worked with the previous administration to promote the China BIT, as well as the TPP. Goldman Sachs, the Wall Street firm where Mr. Cohn previously served as a top official, as did Treasury Secretary Mnuchin, was a leading promoter of the China treaty. When ethics experts raised concerns about Cohn's \$285 million Goldman Sachs exit payment, Cohn said he would recuse himself from any matters related to Goldman Sachs. We urge you to ensure this includes matters concerning the China BIT.

For decades, Democrats in Congress have sought a different approach to trade with China for good reason. Since China joined the WTO in 2001, the U.S. bilateral trade deficit with China has more than quadrupled, from \$83 billion in 2001 to \$355 billion in 2016. China's unfair trade practices, including decades of currency manipulation, drove the loss of one-third of U.S. manufacturing jobs during the same period. A January 2017 report by the Economic Policy Institute concluded that China's trade cheating has cost a total of 3.4 million American jobs since China's WTO admission with 2.6 million of those jobs in manufacturing.¹

You pledged to the American people that you would prioritize fixing our failed China trade policy and declared that this was essential to delivering on two other promises - to reduce our massive trade deficit and to "bring back" American manufacturing jobs. Especially as China begins to implement its "Made in China 2025" plan to dominate additional economic sectors and purchase U.S. companies and technology, we are eager to understand your plans to correct our current China trade policies and steer a new course.

Sincerely,




Rosa L. DeLauro
Member of Congress

¹ Scott, R. E. (2017, January 31). Growth in U.S.–China trade deficit between 2001 and 2015 cost 3.4 million jobs. Retrieved from <http://www.epi.org/publication/growth-in-u-s-china-trade-deficit-between-2001-and-2015-cost-3-4-million-jobs-heres-how-to-rebalance-trade-and-rebuild-american-manufacturing/>



Pete Aguilar
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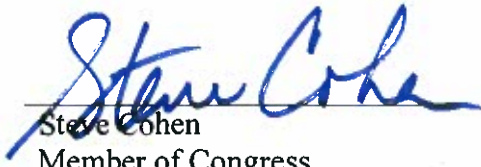
Sanford Bishop
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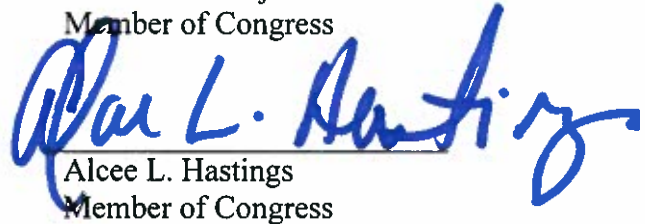
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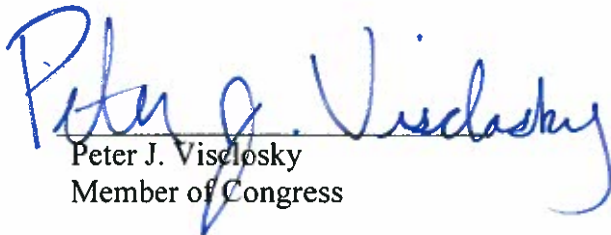
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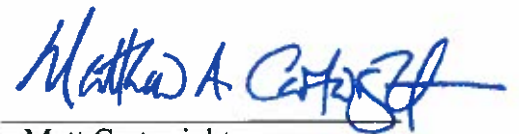
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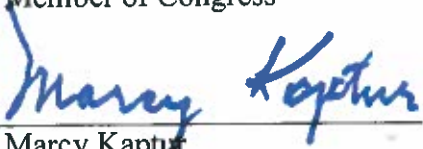
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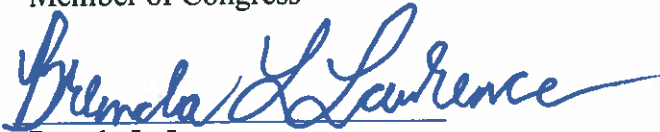
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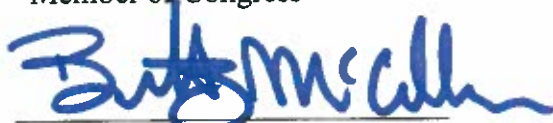
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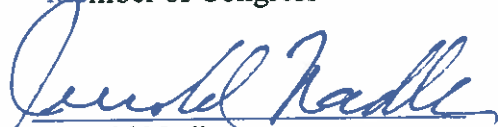
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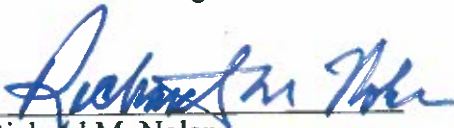
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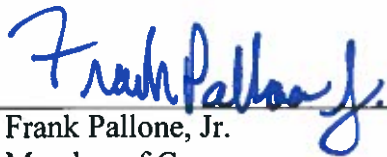
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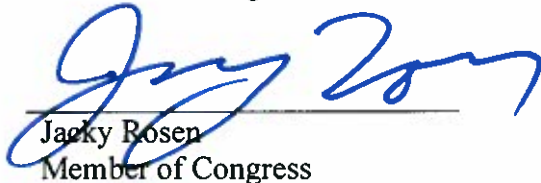
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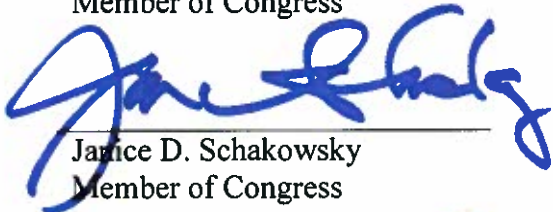
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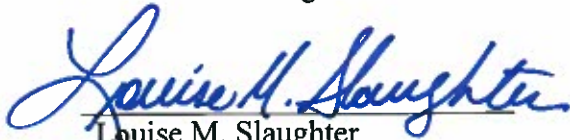
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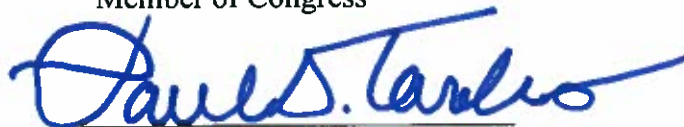
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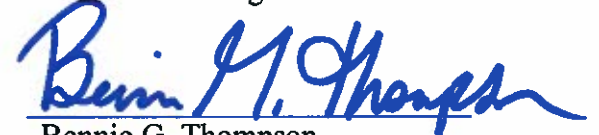
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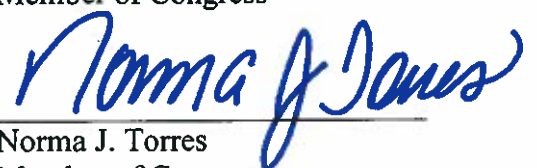
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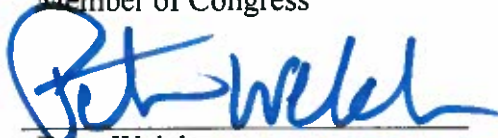

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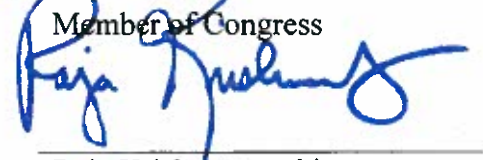

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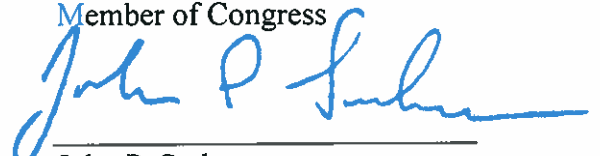

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