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"China’s Unethical Practices" Please respond to the following:

 •**The regime in China has been known to manipulate it currency creating a competitive a world competitive advantage for the manufacturing of goods. Evaluate the impact to the U.S. manufacturing industry and make a recommendation on how the U.S. should deal with the practice of currency manipulation.**

If the Chinese currency is undervalued against the dollar,  there are likely to be both benefits and costs to the U.S. economy.

That would mean that imported Chinese goods are cheaper than they would be if the Yuan were market determined. This lowers prices for U.S. consumers and dampens inflationary pressures. It also lowers prices for U.S. firms that use imported inputs (such as parts) in their production, making such firms more competitive. When the U.S. runs a trade deficit with the Chinese, this requires a capital inflow from China to the United States, such as Chinese purchases of U.S. Treasury securities. This, in turn, lowers U.S. interest rates and increases U.S. investment spending. On the negative side,
lower priced goods from China may hurt U.S. industries that compete with those products, reducing their production and employment. In addition, an undervalued Yuan makes U.S. exports to China more expensive, thus reducing the level of U.S. exports to China and job opportunities for U.S. workers in those sectors. However, in the long run, trade can affect only the composition of employment, not its overall level. Thus, inducing China to appreciate its currency would likely benefit some U.S. economic sectors, but would harm others. Critics of China’s currency policy point to the large and growing U.S. trade deficit with China as evidence that the currency is undervalued and harmful to the U.S. economy. However, the relationship is more complex. This manipulation keeps their currency, weak and gives China an artificially competitive trade advantage. These actions also enable China to sell exports cheap, in effect creating more demand for their products, while causing American manufacturing workers to lose their jobs.

 •**China has been known to violate the intellectual property rights related to technology, goods, and services, harming the companies from which it steals. Make a recommendation on how a U.S. company that has fallen victim to this Chinese practice should respond so as to protect its intellectual property.**

 China is a master bootleg country if I can open this discussion and if a country wants to create wealth it must provide opportunities for its citizens to protect their intellectual creations from thief, otherwise there is no incentive for people to be inventive, creative or to produce new ideas, products or services and bring them to market.   Without newly created goods and services the market for exchange would soon dry up and the opportunities for creating new wealth would as well. It is important to the creator of intellectual property that he be allowed the opportunity to profit from his work.   Commonly intellectual property is protected by the use of copyrights, trademarks, service marks, patents, industrial designs and trade secrets.   A “copyright is a form of protection provided to the authors of “original works or authorship” including literary, dramatic, musical, artistic, and certain other intellectual works both published and unpublished”.   A “trademark is a word, name, symbol or device which is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others”.   A “service mark is the same as a trademark except many Americans wonder if the U.S. should take action against China to counter the effects on the global economy. It is time for the U.S. government to take a stand against the Chinese currency policies. We can accomplish this by passing legislation to impose economic sanctions on countries manipulating currency, imposing a temporary tariff on Chinese goods, and boycotting Chinese products. In order to take action against China we must first establish that there is currency manipulation occurring. The U.S. Treasury is required by law to submit a report twice a year detailing all countries that manipulate the rate of exchange between their currency and the United States dollar for purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantage in international trade.

Classmate L,

The unethical practice like creating parallel currency system have legal and economical implications, and creating alternative currency system should be opposed by all the countries. The china has been reported using a competitive world by manipulating its currency to gain competitive advantage over other countries in the world. This may also be the reason of the flood of the Chinese product in the world, with the exception of conspiracy theories. The utilization if such means for creating competitive advantage is unjust and is the exploitation of the rights of the countries who are receiving the Chinese products, and therefore these products should not be allowed in the market, and the negotiations should be made on the country level to stop this activity and the economic sanctions may be imposed.

 China is the participant of the agreements of the world trade organizations to stop the intellectual theft, and some economic areas are just built on trademark violations and infringements (HomelandSecurity, 2005). China has also been reported for violating the intellectual property, and the laws relating to intellectual violation are complex because of the involvement of technology, therefore its violation has become easy and undetectable. The stealing of the potential information is the use of unfair means in business and wherever it is detected, the strict actions must be taken at government level; however, the businesses are not responsible for stopping such events, as they do not have the power of negotiations at country level. But they can impose the incentive for the suppliers to make the original intellectual products, and any type of intellectual stealing should be prohibited

Classmate K,