



FAIR CURRENCY COALITION

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FCC Lauds Ryan-Murphy Letter Urging Obama Administration to Act on Currency Manipulation

Washington, DC – The Fair Currency Coalition (FCC) thanked the forty-five (45) U.S. Representatives, led by Congressmen Tim Ryan (D-OH) and Tim Murphy (R-PA), who sent a bipartisan letter yesterday to President Obama urging him to support H.R. 2378, the Currency Reform for Fair Trade Act of 2009 (CRFTA).

CRFTA would make the unfair trade practice of prolonged currency misalignment actionable under U.S. countervailing duty (CVD) and anti-dumping law. Prolonged currency misalignment occurs when a foreign country aligns its currency to the U.S. dollar for a prolonged period at a below market rate. This acts both as a trade barrier and as an illegal export subsidy by making goods from the offending country artificially less expensive compared to products made in the United States.

AFL-CIO Industrial Union Council (IUC) Director Bob Baugh said, "We endorse the Ryan-Murphy letter to President Obama in support of CRFTA because we believe that boosting domestic production and creating good paying jobs is the quickest road to economic recovery and reversing high unemployment. While the stimulus has provided critical short-term relief, it is not sufficient for sustained employment growth. The United States must take action to stop China, Japan and others from using their undervalued currencies to steal American jobs. We urge the Administration and Congress to act now and pass CRFTA as quickly as possible."

FCC Executive Director Charles H. Blum said, "We thank Congressmen Ryan and Murphy for sending their letter to President Obama for introducing the Currency Reform for Fair Trade Act of 2009. Passing H.R. 2378 would be significant job creator and saver for the United States."

"Export subsidies are prohibited under the WTO rules. Whenever subsidies cause injury, those rules mandate a countervailing remedy. Because the U.S. Commerce Department continues to refuse even to investigate allegations of prolonged currency misalignment, tens of thousands of jobs and even entire industries are being lost. This legislation is a 'must have' if America is to enjoy a sustainable recovery," Blum continued.

"The FCC is mobilizing its growing grassroots network in support of the Ryan/Murphy bill. We are committed to working with the Obama Administration and both Democrats and Republicans in Congress to make CRFTA law," Blum added.

With respect to China, the FCC estimates that the renminbi remains undervalued by about 35 percent as a result of the Chinese government's manipulation of its currency. "Products from China are frequently priced at less than the cost of the materials contained in the products," Blum continued. "This is illegal government subsidization, pure and simple. Worse yet, these subsidies are compounded by the accumulation of excess foreign exchange reserves. China admits to having more than \$2.2 trillion in reserves. As that giant slush fund grows, China has the means to subsidize production activities in manufacturing and agriculture without using its own tax revenues."

Since 1999, the United States has lost more than 5.5 million manufacturing jobs. During that same time period, America has run a cumulative trade deficit in manufacturing goods of almost \$4.4 trillion, including deficits of more than \$1.73 trillion with China and \$837 billion with Japan. In 2008 alone, China and Japan combined to account for 78.6 percent of the \$456 billion U.S. trade deficit in manufactured goods.

The FCC is an alliance of industry, agriculture, and worker organizations whose mission is to support U.S. manufacturing and production by seeking an end to the illegal export subsidy of prolonged currency misalignment. Additional information that describes the FCC and its mission can be found at www.faircurrency.org.

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