

American Federation of Labor and Congress of Industrial Organizations



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Statement by AFL-CIO President Richard Trumka On the Currency Exchange Rate Oversight Reform Act March 16, 2010

America's workers welcome the introduction of the bipartisan Currency Exchange Rate Oversight Reform Act of 2010 by Senators Schumer, Stabenow, Graham, Snowe and 10 other cosponsors. At a time when America's working families need good jobs now, the illegal undervaluation of currency, by China and other governments, has spelled the loss of millions of American manufacturing jobs.

Over the past decade, the Chinese currency has been consistently undervalued by an estimated 35-40 percent. As a result, while Chinese imports and U.S. trade deficits set records, American manufacturing employment has plummeted. In 2009 alone the merchandise deficit with China was \$227 billion—approximately 80 percent of the non-oil goods deficit.

President Obama recognizes that we must address currency manipulation in a concrete and effective way. Until we do, a full economic recovery will remain out of reach. To rebuild our middle class, revitalize manufacturing, and reach our goal of significantly increasing net exports, we have to take decisive action. And the time for action is now.

We need strong legislation that will hold China and other countries accountable when it comes to currency manipulation. So far, the U.S. Treasury has declined to cite the Chinese government for currency manipulation. By bringing the Treasury definitions more in line with International Monetary Fund guidelines, the Currency Exchange Rate Oversight Reform Act of 2010 will remedy that situation. And, like the Currency Reform for Fair Trade Act, H.R. 2378/S. 1027, it provides meaningful sanctions, including countervailing duties, in the event that currency negotiations fail. We look forward to working with Congress in further strengthening this legislation.

America's working families are counting on Congress to stand up for good jobs and fair trade. In the face of egregious and ongoing currency misalignment, the Currency

Exchange Rate Oversight Reform Act is a major step in that direction. The AFL-CIO will work with the Obama Administration and with Congress on any steps including legislation that ensure concrete action for working families.

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