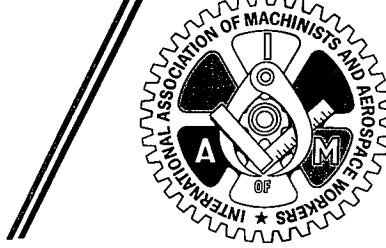


**International
Association of
Machinists and
Aerospace Workers**



9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

September 15, 2010

RE: HR 2378 Currency Reform and
Fair Trade Act of 2010

Dear Representative,

As the U.S. economy struggles and job growth remains essentially stagnant, our nation's huge trade imbalance with the rest of the world continues to undermine stimulative efforts to create economic growth; since early 2009 over \$500 billion has been pumped into the economy only to be undermined by a more than \$600 billion trade deficit. By far our largest trade deficit is with one country, China, which through July had a trade imbalance with the U.S. of over \$145 billion for 2010.

The primary driver of the Chinese trade imbalance is the incredibly undervalued Chinese currency, which by most estimates is 35 to 40 percent below its true value. China's cheap currency artificially lowers the cost of their goods and makes our exports more expensive resulting in a large and persistent trade deficit with China. Like a cancer eating away at the heart of the American economy, the trade imbalance with China contributed significantly to the loss of over 5 million U.S. manufacturing jobs in the last decade.

Rebalancing our trade with China would have an immediate stimulative effect on the U.S. economy and, according to Noble laureate Paul Krugman, would increase GDP by approximately 1.5 percent. The Peterson Institute estimates that up to one million jobs could be created in the U.S. by ending Chinese currency manipulation.

The U.S. government has attempted to talk China into letting its currency rise with market forces and China appeared to agree. Yet, since last June when China announced that it would float its currency, the Chinese yuan has only appreciated by less than one half of one percent—clearly an untenable situation.

The time for talk is over. For the health of the U.S. economy, Congress must act by passing the bipartisan legislation, HR 2378, the Currency Reform and Fair Trade Act of 2010. This legislation would apply countervailing duties to goods produced by countries that illegally manipulate their currency and significantly correct the U.S. trade imbalance.

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If you have any questions, please contact Legislative and Political Director
Matthew McKinnon at (301) 967-4575.

Sincerely,

A handwritten signature in cursive script that reads "R. Thomas Buffenbarger". The signature is written in black ink and is positioned below the word "Sincerely,".

R. Thomas Buffenbarger
International President