



BOB KING, President

DENNIS WILLIAMS, Secretary-Treasurer

VICE PRESIDENTS: JOE ASHTON • CINDY ESTRADA • GENERAL HOLIEFIELD • JIMMY SETTLES

IN REPLY REFER TO

September 15, 2010

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Dear Representative:

The United Auto Workers (UAW) urges Congress to address the practice of some foreign nations that manipulate their currencies to boost exports and to disadvantage American manufacturers and their workers. We urge you to support H.R. 2379, the Currency Reform for Fair Trade Act of 2010, and a floor vote on this legislation.

Currency manipulation by some of our trading partners, including South Korea and China, has caused American businesses to lose export opportunities and American workers to lose their jobs because of artificially underpriced imported products. Korea's currency is estimated to be undervalued by approximately 15 percent and the Chinese renminbi by as much as 40 percent.

Nobel laureate Paul Krugman estimates that ending currency manipulation would dramatically increase American exports and stimulate the U.S. economy by nearly \$220 billion. The Peterson Institute calculates that a 25 to 40 percent revaluation of the renminbi would reduce the U.S. trade deficit between \$100 billion and \$150 billion per year, adding between 750,000 and 1 million jobs for Americans. The Economic Policy Institute concludes that China's currency manipulation resulted in the loss of at least one American million jobs between 2001 and 2008.

The United States has lost 5.5 million manufacturing jobs since 2000, and a significant share of that job loss is attributable to other nations' currency undervaluation. With unemployment at 9.6 percent and expected to remain high throughout next year, Congress must act to create jobs. Enacting H.R. 2370 is one effective and cost-free way of doing so.

Thank you for considering our views on this critically important issue.

Sincerely,

Barbara Somson  
Legislative Director

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