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China Currency Coalition Press Briefing
October 13, 2005
National Press Club, Washington D.C.

I would like to welcome and thank my co-chair of the China Currency Coalition, Doug Bartlett, and Dr. Peter Morici of the University of Maryland for joining us this morning. We are here to spotlight the tragic impact of China's unfair trade practices.

American manufacturing workers and their communities continue to bear the brunt of the illegal actions by the Chinese government. The facts are: China violates workers' rights. It gives illegal subsidies to business. It manipulates its currency. The resulting cost to our economy in lost jobs and opportunities is staggering.

Since 2001, our nation has lost over 2.9 million manufacturing jobs. The trade deficit with China alone has cost the U.S. over 410,000 manufacturing jobs, just in the past two years, according to the Economic Policy Institute.

China's currency is undervalued by approximately 40%, according to experts. The Chinese government keeps its currency undervalued by accumulating hundreds of billions of dollars worth of Treasury bills. - - That creates a huge competitive disadvantage for American producers and workers and rewards companies that outsource U.S. jobs. Basically, it creates a subsidy for China's exports and a surtax on its imports, thus hitting American workers coming and going.

It is estimated that over sixty percent of the products imported from China to the U.S. come from American firms doing business there. This means that American multinational companies are profiting from the Chinese government's deliberate undervaluation of its currency. You've got to ask, is this why our own government has been so slow to act?

In July, the Chinese government announced a two percent revaluation and a move toward a float against a market basket of currencies. But the truth is that this was little more than a smokescreen. It did not change the forty percent disadvantage our domestic manufacturers face in competing with goods made in China. That is why America's unions and manufacturers continue to support a major revaluation of the yuan. That would establish a fair starting point.

Since the revaluation, the Chinese currency has not in fact floated, and the People's Bank of China has made clear that it intends to keep it that way. In late September, the central bank announced that "it will continue to maintain the basic stability of the yuan-exchange rate and that appreciation pressure appears to be abating."

Yet in the face of the Chinese government's empty promises and inadequate actions, our own government has simply failed to act. As the months and years pass without a resolution, the bilateral U.S. deficit with China continues to hit new records, and we continue to hemorrhage family-supporting manufacturing jobs.

Time and again, the Bush Administration has announced it has a better way to solve this trade crisis. Yet the beginning and the end of this solution appear to be yet another trip to China by Treasury Secretary Snow, and more rhetoric from both governments, with little action.

The time for talk is over. It is time to look out for American workers and the U.S. economy.

The Administration and the Congress need to take urgent and immediate action to remedy the Chinese government's practice of manipulating its exchange rate to gain an unfair trade advantage. Our policymakers need to adopt a positive trade and industrial agenda to ensure that China stops subsidizing its export sector and allows its workers the growing incomes and democratic rights that will allow them to join the middle class. This would be a win-win solution for Chinese and American workers.

The AFL-CIO Industrial Union Council urges the following steps be taken immediately:

- The forthcoming Treasury Department report must accurately reflect China's exchange rate manipulation.
- We urge Congress to approve H.R. 1498, bipartisan legislation co-sponsored by Representatives Tim Ryan and Duncan Hunter. This legislation would provide U.S. manufacturers and the executive branch with more effective WTO-compliant tools to combat the Chinese government's illegal currency manipulation.
- The Commerce Department must aggressively pursue unfair trade complaints and collect all duties owed in a timely fashion.
- The President should provide relief to impacted industries under section 421, as permitted under the terms of China's accession to the WTO.

American workers and manufacturers deserve better from our government. Addressing China's currency manipulation is absolutely essential to beginning to turn around our trade imbalance with China, but it is by no means the ending point. In the end, we need a fair, equitable and balanced approach to trade that also addresses democratic workers' rights, environmental standards, illegal subsidies, and more effective protection of intellectual property rights.