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PRESS STATEMENT

U.S. Manufacturing Employment Falls by 212,000 in 2007

U.S. Failure to Combat Trade Cheat China Major Cause of Job Losses

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Washington, DC -- The U.S. government reported today that the United States lost another 31,000 manufacturing jobs in December in addition to the 13,000 lost in November. For the year 2007, the United States lost 212,000 manufacturing jobs. Seasonally adjusted U.S. manufacturing employment now stands at 13.919 million. 2007 also marks the first year that U.S. manufacturing employment has fallen below 14 million since 1950.

"The growing U.S. trade deficit with China in goods is a major cause of the job losses," said American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo. The U.S. is on pace to run a trade deficit with China of approximately \$265 billion in 2007. Because the United States is expected to run a small trade surplus with China in services, the entire U.S. trade deficit with China will result from imports of goods.

"To stop manufacturing job losses, the United States must stop China from cheating on trade," Tantillo continued.

"U.S. manufacturers play by the rules; we pay decent wages, provide health care benefits, and respect the environment. China, however, manipulates its currency, rebates VAT taxes on exports, pollutes at will, and condones Third World wages and working conditions. How can U.S. manufacturers be expected to compete when China doesn't play by the rules at all," Tantillo questioned.

"The United States has an obligation to its manufacturers to hold China accountable when it cheats. That's why Congress immediately should pass strong legislation to address the currency manipulation and VAT unfairness issues. Without passage of these bills, the prospects of long-term job recovery in the U.S. manufacturing sector are bleak," Tantillo said.

To level the playing field for U.S. manufacturers, AMTAC supports passage of H.R. 2942, the Fair Currency Act of 2007, introduced by Congressmen Tim Ryan (D-OH) and Duncan Hunter (R-CA) to stop currency manipulation. AMTAC also supports H.R. 2600, the Border Tax Equity Act, introduced by Congressmen Bill Pascrell (D-NJ), Duncan Hunter (R-CA), Mike Michaud (D-ME), and Walter Jones (R-NC) to eliminate the estimated \$428 billion disadvantage to U.S. producers and service providers caused by the imposition and rebating of foreign value-added (VAT) taxes.

According to the U.S. Bureau of Labor Statistics, the average U.S. manufacturing job pays \$713.09 per week compared to \$388.59 per week for retail trade jobs.

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