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PRESS STATEMENT

Manufacturing Job Loss Drives January's Negative Employment Numbers

Congressional Response to U.S. Manufacturing Job Loss Crisis Needed Now

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WASHINGTON, DC -- The U.S. Bureau of Labor Statistics reported today that the United States lost 28,000 manufacturing jobs in January 2008. These losses were a leading contributor to the overall loss of 17,000 jobs in the U.S. economy for the month.

"Passing a stimulus package is not enough. Congress must respond to the U.S. manufacturing job loss crisis decisively and immediately if the United States is to avoid a prolonged economic downturn," said American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo.

"Predatory trade, especially as practiced by China, has led to more than 3.3 million U.S. manufacturing job losses since the beginning of 2001," Tantillo continued.

Noting that Congress long has been considering anti-currency manipulation legislation, "Congress needs to pass strong anti-currency manipulation legislation right now. It is the height of irresponsibility for the Congress not to have addressed the anti-currency manipulation issue in recent months. China's illegal undervaluing of its currency combined with its peg to the U.S. dollar gives China's manufacturers a substantial competitive advantage over their U.S. competitors," Tantillo said.

"Not only is China's cheating costing U.S. manufacturers market share, it also is discouraging investment in manufacturing in the United States, and this lack of investment is contributing to weakness of the U.S. economy," Tantillo added.

"The longer Congress delays in addressing the currency manipulation issue, the likelihood of the U.S. economy sliding into a deep recession grows even greater," Tantillo concluded.

To stop currency manipulation, AMTAC supports immediate passage of H.R. 2942, the Fair Currency Act of 2007, introduced by U.S. Congressmen Tim Ryan (D-OH) and Duncan Hunter (R-CA). This bill would discourage currency manipulation by China and other countries by giving injured parties the right to seek a remedy under U.S. countervailing duty (CVD) law.

To help U.S. manufacturing in the long term, Congress also must eliminate the disadvantage to U.S. producers and service providers caused by foreign border-adjusted taxes such as value-added (VAT) taxes. Currently, approximately 95 percent of U.S. trade is conducted with foreign countries using some form of VAT taxation.

VAT rebates by foreign countries on their exports to the United States combined with foreign VAT assessments on their imports from the United States disadvantaged U.S. producers and service providers by an estimated \$428 billion in 2006.

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, AMTAC 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).

Despite the loss of 3.432 million jobs since December 2000, the U.S. manufacturing sector still employs 13.746 million Americans. The average annual pay in 2006 for a U.S. manufacturing worker was \$51,427 compared to \$25,567 for U.S. retail trade workers, \$39,115 for U.S. education and health services workers, and \$17,781 for U.S. leisure and hospitality workers.[i] It also should be noted that many manufacturing employers provide critical health and retirement benefits.

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[i] Source for wage data is the U.S. Census Bureau's Quarterly Census of Employment and Wages (QCEW).