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PRESS STATEMENT

To Dig Out of Severe Economic Downturn, America Must Dramatically Boost Production and Cut Trade Deficit

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WASHINGTON, DC -- According to U.S. government figures released this morning, the United States ran a trade deficit of \$59.76 billion in August, meaning that the United States produced \$1.93 billion per day less than it consumed for the month. For the year, the U.S. trade deficit is on pace to exceed \$700 billion once again. Moreover, the U.S. trade deficit with China is \$167.67 billion for the first eight months of the year. At this pace, the U.S. trade deficit with China also will again exceed \$250 billion by year end.

"The U.S. economy is facing its greatest financial crisis since the Great Depression because we've taken on too much debt to mask a shortfall in U.S. production. The real remedy to the current financial crisis is to revitalize the true wealth creating sectors of our economy, like manufacturing. America must dramatically boost production and cut the trade deficit to dig our way out of this severe economic downturn," said American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo. "The quickest way to do that is to start producing at home much of what we've been buying from abroad. That's what will create the millions of middle-class jobs America needs to get out of this mess," he continued.

"America can't borrow its way out of this crisis; it must produce its way out to keep its standard of living," Tantillo added. "That means reinvesting in manufacturing and reviving lost supply chains. We've got to start building more cars, trucks, computers, software, plasma televisions, iPhones, pharmaceuticals, furniture, and textiles -- and their component parts -- here at home. Far more research and development must be kept onshore and emerging high-tech and green energy industries must be nurtured and encouraged to remain in the United States," he further elaborated.

"Congress and the White House just gave Wall Street a \$700 billion bailout. Sadly, however, the congressional leadership and the President have ignored the fact that the productive sectors of the U.S. economy have been running bailout-sized \$700+ billion shortfalls for years at the cost of the loss of millions of middle-class jobs. There's no doubt tax dollars from ordinary Americans will be bailing out Wall Street again soon unless we fix the broken sectors of the U.S. economy like manufacturing," he concluded.

Fixing America's international economic policy, therefore, must be the top priority for the next President and Congress. Smart actions to boost production and dramatically reduce the trade deficit will create millions of new jobs, restore healthy growth, and strengthen national security.

This will require investing in America, creating incentives for corporations to keep jobs here and to bring others home, and reducing reliance on foreign sources for energy, critical inputs, capital, and even food. To accomplish this, America must:

- Promote American interests by requiring full reciprocity, fairness, and transparency in all U.S. trade agreements, including in such areas as labor and environmental standards.
- Eliminate of tax disadvantages that undermine the competitiveness of U.S. producers at home and abroad, or that discourage investment in America. Specifically, America must negate the \$428 billion disadvantage to U.S. producers of goods and services caused by foreign border-adjusted taxes, such as value-added (VAT) taxes.
- Quickly combat the illegal, mercantilist practice of prolonged currency misalignment, including legislation to make it actionable under U.S. trade law.
- Aggressively enforce U.S. laws to halt foreign illegal trade activities such as dumping, subsidization, and intellectual property theft. In addition, U.S. policy must ensure that all goods sold here meet U.S. food and product safety standards.
- Implement a comprehensive strategy to reduce U.S. dependence on imported energy.

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