



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

JOHN J. SWEENEY
PRESIDENT

RICHARD L. TRUMKA
SECRETARY-TREASURER

LINDA CHAVEZ-THOMPSON
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5090

September 21, 2006

Dear Senator:

The Senate may soon vote on S. 295, a bill introduced by Senators Schumer and Graham to authorize appropriate action if negotiations with the People's Republic of China regarding China's undervalued currency continue to be unsuccessful. The AFL-CIO strongly supports the Schumer-Graham China Currency bill and urges you to vote for it should it come to the floor.

In 2005, the U.S. trade deficit with China reached a staggering \$200 billion, a record that will be shattered in 2006. In addition, the 2005 U.S. current account deficit, the measure of foreign trade that covers not only trade in goods and services but also investment flows between countries, rose to \$791.5 billion. It too is a record destined to be broken as the 2006 deficit heads toward \$900 billion. These deficits are unsustainable and dangerous.

Currency manipulation is an unfair trading practice that helps fuel the deficits. The Chinese government's manipulation of its currency places U.S. manufacturing at a significant and unfair competitive disadvantage against Chinese products.

By authorizing the 27.5% duty that S. 205 would place on Chinese imports into the U.S., our government will be sending a strong signal that China must end its illegal trade practice and revalue its currency.

This bill is supported by a broad coalition of U.S. labor and business groups and deserves strong bipartisan support. It is well past time for the Chinese government to revalue its currency and end its illegal and unfair manipulation.

Sincerely,

William Samuel, Director
DEPARTMENT OF LEGISLATION