



## China devalues American industry

2010-08-12 16:28:03



China is stealing American jobs. Ninety thousand U.S. textile and apparel jobs have disappeared since the start of the recession. China is responsible for the lion's share of them. We have already racked up a textile and apparel trade deficit of \$23.6 million with China so far this year. Simply put, the Chinese government's predatory practices are effectively shutting down U.S. production and throwing American workers out of their jobs while artificially bolstering Chinese exports.

While Chinese industry today is roaring ahead, the outlook is not so good for the countries like the U.S. that compete against them where unemployment remains at record levels. In order for our domestic industry to recover these jobs and get the unemployed working once again, the United States must step up enforcement of international trade agreements, particularly where China is concerned.

China subsidizes its textile industry by offering large tax rebates to its domestic manufacturers, providing massive loans through state-run banks and restricting access to raw materials. The worst of these practices is currency manipulation, which means the Chinese government keeps its currency artificially low in order to increase its exports. This has enabled China to become the largest exporter of

manufacturing goods (including textile products) in the world. Chinese currency manipulation gives its exporters a 10- to 30-percent price break over goods made in other countries, including U.S.-made goods. While currency manipulation has been extraordinarily effective for Chinese industry, it has also caused hundreds of U.S. mills and thousands of other U.S. companies to shut down.

The textile industry is not the only industry that has suffered closed plants and lost jobs. The Economic Policy Institute estimates that 2.4 million jobs have been lost since 2001 because of China's unfair trade practices. Think how much better shape our economy would be in today if we had not allowed the Chinese government to take these jobs!

Jobs would remain in the United States if the government did more to assist American businesses to export more. The goal of President Obama's National Export Initiative (NEI) is to double exports in five years. That will not happen unless China begins to play fair. In order to accomplish the goals of the NEI, businesses need to recapture the competitive advantage to increase exports for products in demand in the global marketplace.

However, American businesses, especially the textile industry, cannot regain a competitive advantage if they are forced to compete against foreign governments that subsidize their exports. Add currency manipulation to the long list of subsidies and it is virtually impossible for the domestic industry to compete.

There is a solution. The U.S. House of Representatives returns from a six-week summer recess in September, and the House Ways and Means Committee will hold a hearing on China's exchange rate

policy on Sept. 15. One focus of that hearing will be a bill, H.R. 2378, that will hold China's feet to the fire and force the Chinese government to rebalance the renminbi (RMB).

Congress must approve legislation rather than hold hearings. Enacting H.R. 2378, the Currency Reform for Fair Trade Act authored by Reps. Tim Ryan (D-Ohio) and Tim Murphy (R-Pa.) would give the Commerce Department the authority to accept countervailing duty and anti-dumping cases against countries that manipulate their currency to gain an unfair export advantage. This bill will finally give businesses in the United States the ability to fight back.

Diplomatic efforts to press for China to float its currency have failed. It is time for action. Call on the House of Representatives to bring H.R. 2378 to a vote. I urge you to meet with or call on your congressperson to support the textile and apparel industry in the United States. (You can find out who they are and how to contact them by visiting [www.house.gov](http://www.house.gov).)

Stand up to China's job stealing and support H.R. 2378. Call your congressperson and tell them to demand an up or down vote on the bill.

*Anderson Warlick is CEO of Gastonia's Parkdale Mills.*

© Copyright 2010 Freedom Communications. All Rights Reserved.  
[Privacy Policy](#) | [User Agreement](#) | [Site Map](#)