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NCTO URGES CONGRESS TO PASS THE FAIR CURRENCY ACT

CONGRESS MUST ACT NOW TO SAVE U.S. JOBS

Millions of U.S. Jobs Threatened by China's Currency Manipulation

Washington DC) The National Council of Textile Organizations (NCTO) today urged the U.S. Congress to act immediately and address China's persistent manipulation of its currency by passing the Fair Currency Act of 2007 (H.R. 782/S. 796). This legislation, introduced by Reps. Tim Ryan (D-OH) and Duncan Hunter (R-CA) in the House and Senators Jim Bunning (R-KY) and Debbie Stabenow (D-MI) in the Senate, will give American manufacturers the necessary tools to combat the pervasive currency manipulation that exists among countries like China and Japan.

"Since the Asian currency crisis in the late 1990s, when the Asian countries devalued their currencies across the board, employment in the U.S. textile and apparel sector has decreased by more than 50 percent," said Cass Johnson, President of NCTO. "This means that more than 700,000 workers were left out of a job, without health insurance, and without a retirement plan. The bleeding of jobs because China refuses to stop manipulating its currency, something that it agreed to do when it joined the WTO, has got to stop. The recent elections were a clear indication that American workers are tired of being on the losing end of the free trade agenda and they are now demanding that the U.S. government look out for their interests by getting tough on China."

Johnson continued, "the U.S. textile industry is particularly at risk from China's currency manipulation and its multitude of other subsidies. Quotas on textile and apparel imports from China will expire in less than two years, and unless something is done to rebalance the competitive environment, China is predicted to take two-thirds of the U.S. apparel import market. This will have a devastating effect on U.S. textile companies and workers and will further destabilize economies around the world, especially those in Central America and Mexico, where more than one million workers are currently employed in the textile and apparel sector."

Johnson concluded: "The Fair Currency Act of 2007 is the only meaningful piece of legislation that has been introduced on currency manipulation. Every member of Congress who cares about U.S. manufacturing workers should become a cosponsor of this bill. The clock is ticking and time is running out, not only for the U.S. textile industry, but for all of U.S. manufacturing. Congress must act now to save U.S. jobs."

NCTO is a founding member of the China Currency Coalition

www.chinacurrencycoalition.org

KEY FACTS ABOUT THE U.S. TEXTILE INDUSTRY

- One of the largest manufacturing employers in the United States, the overall textile sector employed nearly one million workers (909,000) in 2005. Textile mills alone employed 383,000 workers.
- The 3rd largest exporter of textile products in the world – more than \$16 billion in 2005.
- Two-thirds of U.S. textile exports during 2005 went to developing countries. The U.S. textile industry exported to more than 50 countries, with 20 countries buying more than \$100 million a year.
- Supplies more than 8,000 different textile products a year to the U.S. military.
- U.S. textile shipments totaled \$70 billion in 2005.
- Invested more than \$33 billion in new plants and equipment from 1994 – 2004.
- Increased productivity by 49 percent over the last 10 years and ranks second among all industrial sectors in productivity increases.
- In 2005, textile workers on average earned 103.7% more than clothing store workers (\$499 a week vs. \$245) and received health care and pension benefits.

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