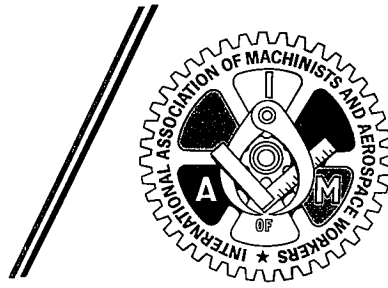


**International  
Association of  
Machinists and  
Aerospace Workers**



9000 Machinists Place  
Upper Marlboro, Maryland 20772-2687

Area Code 301  
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

September 23, 2010

Dear Representative,

**I am writing to strongly urge your support for HR 2378, the Currency Reform and Fair Trade Act, as amended by Ways and Means Committee Chairman Sander Levin.** As the U.S. economy struggles and job growth remains essentially stagnant, our nation's huge trade imbalance with the rest of the world continues to undermine stimulative efforts to create economic growth; our \$600 billion trade deficit since early 2009 has undermined over \$500 billion that has been pumped into the economy during that time frame. By far our largest trade deficit is with one country, China, which through July had a trade imbalance with the U.S. of over \$145 billion for 2010.

The primary driver of the Chinese trade imbalance is the incredibly undervalued Chinese currency, which by most estimates is 35 to 40 percent below its true value. While other countries, most notably South Korea and Japan, also engage in currency manipulation, none do so to the extent that China does. China's cheap currency artificially lowers the cost of their goods and makes our exports more expensive resulting in a large and persistent trade deficit with China. Like a cancer eating away at the heart of the American economy, the trade imbalance with China contributed significantly to the loss of nearly six million U.S. manufacturing jobs in the last decade.

Rebalancing our trade with China would have an immediate stimulative effect on the U.S. economy and, according to Noble laureate Paul Krugman, would increase GDP by approximately 1.5 percent. The Peterson Institute estimates that up to one million jobs could be created in the U.S. by ending Chinese currency manipulation.

The U.S. government has attempted to talk China into letting its currency rise with market forces and China appeared to agree. Yet, since last June when China announced that it would float its currency, the Chinese RMB has only appreciated by less than one half of one percent—clearly an untenable situation.

The time for talk is over. For the health of the U.S. economy, Congress must act by passing the bipartisan legislation, HR 2378, the Currency Reform and Fair Trade Act, as amended. This WTO-consistent legislation would apply countervailing duties to goods produced by any country that illegally manipulates its currency, a move that would significantly correct the U.S. trade imbalance and the health of our economy.

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If you have any questions, please contact Legislative and Political Director  
Matthew McKinnon at (301) 967-4575.

Sincerely,

A handwritten signature in cursive script that reads "R. Thomas Buffenbarger".

R. Thomas Buffenbarger  
International President