

# Congress of the United States

Washington, DC 20515

September 27, 2004

The Honorable George W. Bush  
President of the United States of America  
The White House  
Washington, DC 20500

Dear Mr. President:

A year ago, we wrote to express our deep concern about the direction of your Administration's economic and international trade policies and their negative impact on the manufacturing sector. We sought immediate action in 14 critical areas necessary to stem the devastating loss of manufacturing jobs.

Your Administration has failed to act in any meaningful and effective manner. Since 2001, 2.7 million manufacturing jobs have been lost, and in the last year, only 17,000 manufacturing jobs have been added to the economy, replacing less than 1 percent of the total jobs lost. In Michigan, the situation has actually gotten worse in the last year. Michigan has lost an additional 31,499 manufacturing jobs, for a total of 142,600 or 17% of our manufacturing jobs lost since 2001.

At the same time, other key economic indicators also cause us grave concern. The trade deficit has set new record highs the last two years – almost half a trillion dollars in 2003 – and is on pace to grow by almost \$100 billion more this year, to nearly \$600 billion. Wages are stagnant; median household income is down \$1,535 a year; family health care premiums are up 41% since 2001, and the jobs that are being created pay an average of \$9,000 a year less than the jobs lost. At the same time, the number of people in poverty has increased by 13.5% to 4.3 million and the number of people without health insurance has also increased by 13% to 5.2 million.

The lack of action by your Administration is best summed up by its implementation of your announcement a full year ago that you would create a manufacturing “czar” at the Department of Commerce. Although we never believed that the creation of a mid-level Commerce Department position would lead to any real help for manufacturing, by first nominating a business person who himself outsourced jobs, being forced to withdraw that nominee and then just making a recess appointment of the second nominee on July 30, 2004 you have further indicated that the manufacturing jobs crisis is a very low priority for your Administration.

While we continue to believe that action in each of the fourteen areas that we wrote to you over a year ago offers the comprehensive approach needed to get our economy back on track; as a bare minimum, we are calling on you today to take the following steps before Congress adjourns in October.

**Action Needed by October Congressional Adjournment**

Accept a replacement to the Foreign Sales Corporation (FSC)/Extraterritorial Income (ETI) rules that promotes U.S.-based manufacturing, provides an incentive to keep production in the U.S. rather than to invest offshore and does not add billions of dollars to the already bloated deficit.

Accept the "Section 301" petition filed by the broad-based business and labor organization, China Currency Coalition, so that your Administration can begin real steps to end the currency manipulation by China that puts U.S. businesses and workers at an unfair competitive disadvantage. Ensure that your Treasury Department's October report on currency manipulation cites China and Japan for their unfair practices.

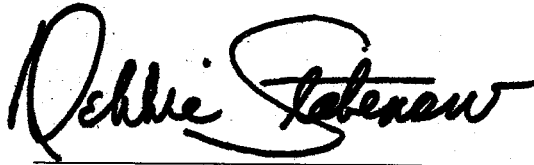
Accept increased funding for the Manufacturing Extension Partnership (MEP) program which in the past you have proposed cutting by 65 percent.

Again, we hope that your Administration will at least take these three steps right now to address the manufacturing jobs crisis that threaten the middle class in our state and the entire nation.

Sincerely,



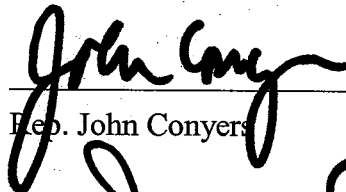
Senator Carl Levin



Senator Debbie Stabenow



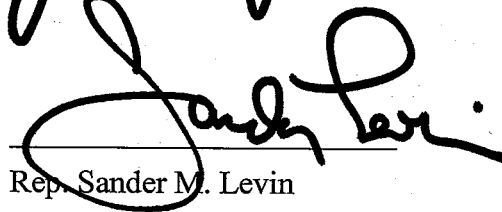
Rep. John Dingell



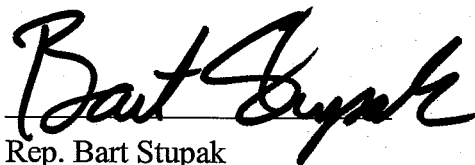
Rep. John Conyers



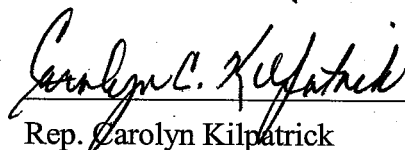
Rep. Dale Kildee



Rep. Sander M. Levin



Rep. Bart Stupak



Rep. Carolyn Kilpatrick