



Persistently Recurring Capitulation

Obama Promised To Tackle China's Trade Practices But As President He Has Dithered While American Jobs Were Shipped Overseas

OBAMA'S FAILURE TO ADDRESS CHINESE CURRENCY MANIPULATION HAS COST HUNDREDS OF THOUSANDS OF AMERICAN JOBS

PROMISE: Obama In 2008: If China Is "Devaluing Their Currency To Make Their Goods Cheaper And Our Goods More Expensive And We're Not Challenging Them ... Dumping Cheap Steel And Cheap Goods Into This Country Because They're Subsidized By The Chinese Government And We're Not Challenging Them, That's Just Not Fair. It's Not Right..." OBAMA: "If they're devaluing their currency to make their goods cheaper and our goods more expensive and we're not challenging them, if they're stealing our intellectual property, our copyrights and we don't say anything about it, we don't take them before the World Trade Organization, if they're dumping cheap steel and cheap goods into this country because they're subsidized by the Chinese government and we're not challenging them, that's just not fair. It's not right, and it's going to undermine our economic condition over the long term." (Craig Gilbert, "Candidates Berate China," [Milwaukee Journal Sentinel](#), 4/14/08)

BROKEN: In May 2012, The Treasury Department Said That China "Did Not Meet The Definition Of A Currency Manipulator Under Its Standards." "The Treasury Department on Friday once again declined to name China a currency manipulator despite bipartisan calls for action from Congress. Treasury noted that China's currency has appreciated against the dollar since June 2010, and said it did not meet the definition of a currency manipulator under its standards." (Julian Pecquet, "Treasury: China Not Manipulating Currency," [The Hill's "Global Affairs" Blog](#), 05/25/12)

- **The Washington Post: "China's Policy Has Probably Cost Americans Hundreds Of Thousands Of Jobs And Contributed To China's Destabilizing Pile Of Trillions Of Dollars In Reserves."** "China's undervalued renminbi is a long-standing, bipartisan concern, and it is not a phony one: In pursuit of growth led by exports, China has held the renminbi down in relation to the dollar, rendering its goods artificially cheap in the U.S. market. The renminbi would gain about 20 percent against the dollar if it were allowed to float freely like other currencies, according to the Peterson Institute for International Economics. China's policy has probably cost Americans hundreds of thousands of jobs and contributed to China's destabilizing pile of trillions of dollars in reserves." (Editorial, "Breaking China? Last Thing Needed Is A Trade War," *The Washington Post*, 9/1/11)
- **Obama's Failure To Confront China Cost The United States 450,000 Jobs From 2008 To**

2010. “American jobs have been shifting to low-wage countries for years, and the trend has continued during Obama’s presidency. From 2008 to 2010, U.S. trade with China alone cost about 450,000 American jobs because of the growth of Chinese exports, said Robert E. Scott, a pro-labor advocate at the liberal Economic Policy Institute. That figure was less than in previous years, but the decrease was probably tied to the U.S. economic slowdown, which crimped demand for imports.” (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, “Obama’s Record On Outsourcing Draws Criticism From The Left,” [The Washington Post](#), 7/9/12)

“Obama’s Critics, Primarily On The Political Left, Say He Has Repeatedly Failed In Other Ways To Protect American Jobs From Being Moved Overseas” Including Confronting China. “While White House officials say they have been waiting on Congress to act, Obama’s critics, primarily on the political left, say he has repeatedly failed in other ways to protect American jobs from being moved overseas. They point to a range of actions they say he should have taken: confronting China, reining in unfettered trade and reworking a U.S. visa program that critics say ends up sending high-tech jobs abroad.” (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, “Obama’s Record On Outsourcing Draws Criticism From The Left,” [The Washington Post](#), 7/9/12)

- **Robert Scott Of The Economic Policy Institute: “I Think He Walked Away From The Campaign Commitments.”** “‘I think he has walked away from the campaign commitments,’ said Scott, the institute’s director of trade and manufacturing policy research. ‘He has done far too little to improve U.S. trade.’ According to a study by the U.S. Bureau of Economic Analysis, large American companies in 2010 barely added any workers in the United States, increasing their numbers by 0.1 percent, while they expanded their foreign workforce by 1.5 percent.” (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, “Obama’s Record On Outsourcing Draws Criticism From The Left,” [The Washington Post](#), 7/9/12)
- **Scott Paul, Head Of The Alliance For American Manufacturing, Is “Perplexed” By Obama’s Refusal To Label China A Currency Manipulator.** “But Obama’s critics say the most important step the president could take — but hasn’t — is to declare China a ‘currency manipulator,’ which could ultimately allow the U.S. government to erect tariffs to protect American industries. ‘I’m perplexed by this decision because it runs counter to the goal of re-shoring jobs from China,’ Scott Paul, head of the labor-backed Alliance for American Manufacturing, said in a May statement.” (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, “Obama’s Record On Outsourcing Draws Criticism From The Left,” [The Washington Post](#), 7/9/12)

Even Obama’s Fellow Democrats Have Criticized Him For His Inaction

Sen. Sherrod Brown (D-OH): “The U.S. Treasury Department Has Given China A Free Pass When It Comes To Its Currency Manipulation.” “‘Once again, the U.S. Treasury Department has given China a free pass when it comes to its currency manipulation,’ Brown said. ‘While we’re seeing American manufacturing rebound, China is stepping up its efforts in a number of critical sectors, including clean and solar energy, advanced manufacturing, and auto parts.’” (Press Release, “Treasury Giving China A ‘Free Pass’ On Currency Manipulation,” [Senator Sherrod Brown](#), 5/25/12)

Sen. Charles Schumer (D-NY): “The Administration Continues To Let China Get Away With Flouting Trade Rules Just For The Sake Of Diplomacy.” “Sen. Charles Schumer (D-N.Y.), who has been sponsored legislation that would punish Chinese imports for the undervalued currency, also criticized the administration’s report. ‘The administration continues to let China get away with flouting trade rules just for the sake of diplomacy. Calling out China as a manipulator may be awkward, but it is time to take off the kid glove,’ he said in a statement.” (Julian Pecquet, “Treasury: China Not Manipulating Currency,” [The Hill’s “Global Affairs” Blog](#), 5/25/12)

Sen. Bob Casey (D-PA) Urged Obama To “Pursue The Aggressive Policies” Needed To Protect

American Companies And Jobs. “China’s unfair trade practices and economic policies are harming companies and costing jobs in Pennsylvania and across the country,” said Senator Casey. ‘I urge President Obama to address these concerns with the Chinese Vice President and pursue the aggressive policies I have advocated to give Pennsylvania workers and manufacturers a chance to compete.’” (Senator Bob Casey, Casey Urges Obama to Get Tough On China Ahead Of Visit From Chinese Vice President,” [Press Release](#), 2/14/12)

Rep. Tim Ryan (D-OH): “China Continues To Flout International Trade Laws By Manipulating Its Currency Value To Increase Its Trade Advantages. ... This Is Completely Unacceptable. All That Our People Are Asking For Is A Level Playing Field.” “In March, U.S. Rep. Tim Ryan, D-Niles, and Congressman Mike Michaud, D-Maine, drafted a letter to U.S. Treasury Secretary Tim Geithner and U.S. Commerce Secretary Gary Locke to address China’s continued currency manipulation. ‘China continues to flout international trade laws by manipulating its currency value to increase its trade advantages,’ Ryan said. ‘This is completely unacceptable. All that our people are asking for is a level playing field.’” (Editorial, “Cheating Robs U.S., Area Of Jobs,” [Tribune Chronicle](#), 6/15/12)

UNDER OBAMA, THE TRADE GAP WITH CHINA IS AT ITS HIGHEST LEVEL SINCE 1985

The Wall Street Journal Headline: “U.S. Trade Deficit With China Grows, Bucking World Trend.” (Bob Davis and Tom Orlik, “Bucking Trend, U.S.-China Trade Gap Grows,” [The Wall Street Journal](#), 7/10/12)

- **The Trade Gap With China In 2008 Was -\$268 Billion.** (“Trade Goods With China,” [U.S. Census Bureau](#), Accessed 9/12/11)
- **In 2011, The Trade Gap With China Grew To -\$295 Billion.** (“Trade Goods With China,” [U.S. Census Bureau](#), Accessed 9/12/12)
- **In June 2012, The U.S.-China Trade Deficit Was \$29.4 Billion, Totaling Over \$174 Billion This Year.** (“Trade Goods With China,” [U.S. Census Bureau](#), Accessed 9/12/12)

Last Year, “For The First Time Ever,” Canada Exported More Goods To The Pacific Rim Than The U.S. “For almost a century, Canada’s economy has been firmly tethered to its much larger southern neighbor. Now, Canadian officials and executives also are betting their future on China. ... Last year for the first time ever, British Columbia sent more exports to the Pacific Rim than to the U.S. Chinese investors have beat out U.S. investors in Canada’s oil patch every year since 2009, pumping \$12.8 billion into companies and projects since then, according to Dealogic.” (Chip Cummins and Alistair MacDonald, “Resource-Rich Canada Looks To China For Growth,” [The Wall Street Journal](#), 5/13/12)

- **According To Simon Evenett, Trade Specialist At University Of St. Gallen In Switzerland, The Result Of Obama’s Trade Actions Against China “Would Cut The U.S. Bilateral Deficit With China By 0.13%, Which Is Peanuts.”** “In a campaign speech in Maumee, Ohio, last week, Mr. Obama noted a new trade action he brought against China over automobiles and stressed the importance of exports. ... But trade actions affect just a tiny percentage of U.S.-China trade, said Simon Evenett, a trade specialist at University of St. Gallen in Switzerland. Three U.S. dumping cases involving wind power, steel and certain chemicals, for instance, covered \$380 million of Chinese imports, he calculates. ‘Eliminating these imports entirely would cut the U.S. bilateral deficit with China by 0.13%, which is peanuts,’ he said.” (Bob Davis and Tom Orlik, “Bucking Trend, U.S.-China Trade Gap Grows,” [The Wall Street Journal](#), 7/10/12)

DESPITE THE BILLIONS OF DOLLARS OBAMA HAS SHOWERED ON SOLAR PANEL MANUFACTURERS, CHINA CONTINUES TO TROUNCE U.S. MANUFACTURERS

“China Supplied Nearly Half The World’s Solar Panels Last Year” While The U.S. Accounted For Just 3 Percent. “China supplied nearly half the world’s solar panels last year, up from one-fifth in 2008. The U.S., which once dominated the solar industry, shipped just 3% of solar panels used globally last year, down from 7% in 2008, according to Paula Mints of Navigant Consulting.” (Ryan Tracy And Cassandra Sweet, “Fueled By Cheap Chinese Panels, U.S. Solar Use Soars,” [The Wall Street Journal](#), 9/9/12)

- **Two Of The Five U.S. Solar Manufacturers, Which Received Loan Guarantees Under Obama, Have Filed For Bankruptcy, And One Has Put A Factory On Hold.** “President Barack Obama’s 2009 economic-stimulus package provided funds for loan guarantees to five U.S. solar manufacturers. Two have filed for bankruptcy, including Solyndra, the California maker that borrowed more than \$500 million from the federal government. Of the others, two are still developing their technology and haven’t drawn any loans, and one has put a factory on hold. A separate pool of loan guarantees to support large solar-power plants is on firmer financial ground.” (Ryan Tracy and Cassandra Sweet, “Fueled By Cheap Chinese Panels, U.S. Solar Use Soars,” [The Wall Street Journal](#), 9/9/12)
- **Solar Power Industry Growth “Isn’t Coming From U.S. Solar-Panel Manufacturing, Despite The Money And Rhetoric Devoted To The Industry By The Obama Administration” But From More Competitive, Foreign-Made Panels.** “The solar-power business is expanding quickly in the U.S., helping lift the cloud that has surrounded the industry since the demise of Solyndra LLC a year ago. But the growth isn’t coming from U.S. solar-panel manufacturing, despite the money and rhetoric devoted to the industry by the Obama administration. Instead, it is in installations of largely foreign-made panels, whose falling price has made solar more competitive with other forms of power.” (Ryan Tracy and Cassandra Sweet, “Fueled By Cheap Chinese Panels, U.S. Solar Use Soars,” [The Wall Street Journal](#), 9/9/12)