

American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 637-5000
www.aflcio.org

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For Immediate Release
April 20, 2004

Contact: Sarah Massey (202) 637-5018

AFL-CIO President Urges U.S. to Raise Workers' Rights Violations in Talks with Chinese *Letter to President Bush Calls for Action on AFL-CIO's Section 301 Petition*

WASHINGTON, April 20 -- The President should use this week's Joint Commission on Commerce and Trade (JCCT) meetings to press the Chinese government to respect workers' fundamental human rights and to protect the rights and interests of workers here at home, AFL-CIO President John Sweeney urged President Bush in a letter today. The trade meetings, which include the Chinese Vice Premier Wu Yi, are an annual high-level gathering, representing the best opportunity for a year for the Bush administration to address the repression of Chinese workers and its resulting downward pressure on America's manufacturing jobs and wages.

President Sweeney urges President Bush to accept the AFL-CIO's Section 301 petition to the U.S. Trade Representative on workers' rights in China before the meetings and use it to create serious discussions with the Chinese government on trade enforcement and workers' rights. The AFL-CIO filed the 301 petition on March 16, and the Bush administration decision on whether to accept it is due by the end of April. The petition documents massive violations of fundamental workers' rights in China, and demonstrates the burden these violations impose on U.S. commerce and jobs. The petition's goal is to establish a balanced economic relationship with China by creating a fair playing field for America's workers.

A full copy of the letter is attached.

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April 20, 2004

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

This week, members of your cabinet will meet with high-level Chinese officials to discuss America's trade relationship with China. The Joint Commission on Commerce and Trade (JCCT) meetings provide an ideal opportunity for your representatives to press the Chinese government to respect workers' fundamental human rights, and in so doing, to protect and promote the rights and interests of workers here at home.

As you know, the AFL-CIO filed a Section 301 petition on workers' rights in China in March. Your decision on whether or not to accept this petition is due by the end of April. The petition manifestly meets the requirements for acceptance: It documents massive violations of fundamental workers' rights in China, and it demonstrates the burden these violations impose on U.S. commerce. Independent human rights groups and members of Congress have expressed their hopes that you will accept the petition. I urge you to do so before the JCCT meets and request that you use the upcoming JCCT sessions to begin a serious discussion with the Chinese government on workers' rights.

Repression of workers' human rights keeps wages in China artificially low, thereby allowing producers to gain an unfair cost advantage on their exports from China to the U.S. The AFL-CIO's petition demonstrates how these violations distort trade: They depress the prices of Chinese exports by 43 percent, costing American workers as many as 727,000 jobs. As our companies flee to take advantage of China's repressed workers, they leave behind jobless workers, shattered families and desperate communities here in the U.S.

In China, companies employ young girls from the countryside and force them to work long hours, under hazardous conditions, for poverty wages. Many work under a system of virtual bonded labor, where they can never pay off the debts they owe to their employer, much less earn enough to support themselves or their families. Independent trade unions are outlawed. Workers brave enough to stand up for their rights are often fired, jailed, or deported back to their villages with impunity. This kind of inhumane abuse is not the exception, but the rule, and it enjoys the *de facto* endorsement—and sometimes outright support—of the Chinese government

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According to press accounts, you plan to use the JCCT to address several outstanding issues with Chinese officials, including intellectual property rights protections and technology transfer. However, the agenda does not appear to include any discussion of the brutal repression of Chinese workers' rights and the associated infringement of rights and protections of America's workers. While adherence to international trade rules is an important ingredient for balancing trade with China, it will not be sufficient. The systematic violation of workers' rights in China is a significant factor in our lopsided and unsustainable trade relationship with the nation. If we persist in turning a blind eye to repression of workers' rights in China, our trade balance will only continue to deteriorate and we will lose even more jobs.

Unfortunately, over the last three years our trade policy has too often focused on rewarding the multinational corporations investing in China instead of standing up for workers. Despite numerous documented violations of World Trade Organization (WTO) rules, the U.S. waited to file its first case against China until this year. China, on the other hand, did not hesitate to join a WTO complaint against our steel tariffs soon after joining the WTO. You have refused to implement the China-specific safeguard to address import surges, despite recommendations to do so from the International Trade Commission on three different occasions. The duties we impose on Chinese goods illegally dumped on our market are routinely lower than duties imposed by other countries on the same products. And it has now come to light that we even fail to collect many of the duties we do impose: Massive enforcement problems allowed importers to escape paying more than \$100 million in tariffs on Chinese goods illegally dumped on the U.S. market last year. Your administration has failed to take effective action to end China's manipulation of its currency, which artificially reduces the price of our imports from the country (and raises the price of our exports) by as much as 40 percent. Finally, in 2002 and again in 2003, you declined to push for a United Nations Commission on Human Rights resolution condemning China's human rights abuses (including its violations of workers' rights). I understand that the U.S. will put forward a resolution this year – a welcome, but long overdue, step.

The result of these policy failures has been continued rights abuses and unfair trade practices in China and a ballooning trade deficit here in the U.S. Since 2001, our trade deficit with China – the largest deficit we run with any country – has jumped by 49 percent, hitting \$124 billion last year. For every dollar of goods we sell to China, we buy five dollars from China. No other country in the world runs the kind of trade deficit with China that we do.

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This week, your administration has an important opportunity to start addressing this crisis. I urge you to accept the AFL-CIO's Section 301 petition and to place protection of workers on an equal footing with promoting corporate interests in your upcoming JCCT discussions. The United States cannot establish and maintain a balanced and prosperous economic relationship with China until its workers are free to exercise their fundamental human rights, join independent unions, and bargain for a fair share of the wealth they create. And we cannot rebuild our own devastated manufacturing sector and put Americans back to work until our trade policy and its enforcement enables America's workers to compete on a fair playing field with the rest of the world.

Respectfully yours,

John J. Sweeney
President

JJS/ED:lkr

cc: Ambassador Robert Zoellick, U.S. Trade Representative
Donald Evans, Secretary of Commerce