

Creating Jobs and Improving Trade

America cannot be expected to compete with other nations when we are subject to unfair trade rules. Our country has lost too many jobs to other countries partly because the United States has failed to effectively use the World Trade Organization (WTO) to address unfair trade practices that other nations use against us. The nation's Democratic governors believe it is time to:

1. **End Chinese Currency Manipulation.** The President should immediately address this unfair trade advantage by working with the International Monetary Fund (IMF) and the World Trade Organization.
2. **Enforce Intellectual Property Laws.** China's Intellectual Property laws are rarely enforced, leading to rampant violations of U.S. companies' IP rights. These violations translate into lost American jobs and lost earnings for American companies. The US should move quickly to bring WTO cases to ensure China complies with its international IPR commitments.
3. **Level the Playing Field for American Companies.** The unfair tax advantages for European companies and other foreign firms that are exist in current WTO agreements cause American products to lose sales in the global marketplace. The U.S. must insist that the WTO agreements be revised to level the playing field and change the rules that give these foreign firms an unfair advantage.
4. **Support the end of Child Labor.** The U.S. should reject trade deals with nations that use either child or forced labor, and work to ensure that all trade agreements contain enforceable labor rules that equal or surpass International Labor Organization standards. In addition, the U.S. should issue a yearly report on the status of labor conditions around the world, paying particular attention to nations with whom the U.S. has concluded, or is considering concluding, a free trade agreement.
5. **Join the Worldwide Movement to Protect the Environment.** The U.S. should commit to the Kyoto Accord and take the lead in promoting strong domestic environmental rules, developing enforceable environmental agreements, and providing other nations with the assistance and expertise they need to meet higher environmental standards. This can be accomplished, in part, by working closely with the World Bank and IMF.

Unfair Trade

China's currency manipulation equates to an unfair indirect \$14 billion government subsidy.

Counterfeit goods make up a \$24 billion industry; and its violations translate into lost American jobs and lost earnings for American companies.