

# **The Competitive Dollar for Jobs and Prosperity Act**

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**Problem:** For two decades, foreign countries, including China, have manipulated their currencies to boost their exports while making American products more expensive abroad. Foreign purchases of U.S. stocks, bonds and other assets have also led to an overvalued American dollar that has put our businesses and workers at a disadvantage. As a result, our trade deficit has exploded and 90,000 factories have closed down, thousands of family farms have gone bankrupt, and millions of manufacturing workers have lost their jobs.<sup>1</sup>

While foreign governments have reduced their currency manipulation in recent years, the dollar is still rising due to private investment from abroad pouring into our bonds, stocks, real estate, and other financial products. These private purchases have driven the value of the dollar up by 20 percent since 2014, making *all* U.S. exports that much less competitive. The decline has been felt acutely in trade-sensitive industries like agriculture and manufacturing, which compete in global markets.

**Solution:** The *Competitive Dollar for Jobs and Prosperity Act* would bring the dollar into alignment by placing a small fee called a “market access charge” on foreign purchases of U.S. stocks, bonds, and other assets. This fee would make U.S. exports more competitive and gradually reduce our trade deficit until it is within an acceptable range (plus or minus half a percent of GDP). Going forward the Federal Reserve is charged with keeping the dollar at its trade balancing price.

**Impact:** Bringing the dollar into alignment over a period of six years could add nearly \$1 trillion to our GDP, create over five million new jobs, raise over \$2 trillion in revenue.<sup>23</sup>

**Support:** The legislation is supported by the Coalition for a Prosperous America (a coalition of manufacturers, organized labor, farmers, and ranchers); National Association of Pipe Fabricators; National Farmers Union; JOA Industries; Meyer Manufacturing, Lapham-Hickey Steel, Team Industries.

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<sup>1</sup> <https://www.epi.org/publication/the-china-toll-deepens-growth-in-the-bilateral-trade-deficit-between-2001-and-2017-cost-3-4-million-u-s-jobs-with-losses-in-every-state-and-congressional-district/>

<sup>2</sup> [https://www.prosperousamerica.org/quantifying\\_economic\\_growth\\_job\\_creation\\_competitive\\_dollar](https://www.prosperousamerica.org/quantifying_economic_growth_job_creation_competitive_dollar)

<sup>3</sup> [https://www.baldwin.senate.gov/imo/media/doc/Hansen%202019.06.15.DOC%20Market%20Access%20Charge%20\(MAC\)%20Towards%20Accelerated%20Growth%20and%20Balanced%20Budget.pdf](https://www.baldwin.senate.gov/imo/media/doc/Hansen%202019.06.15.DOC%20Market%20Access%20Charge%20(MAC)%20Towards%20Accelerated%20Growth%20and%20Balanced%20Budget.pdf)