



*Oral Testimony & Summary*

*of M. Brian O'Shaughnessy, Chairman, Revere Copper Products, Inc.*

*on behalf of Revere*

*and the Coalition for a Prosperous America*

*before the Investigation and Oversight Subcommittee*

*of the House Science and Technology Committee*

*on Globalizing Jobs and Technology*

**May 22, 2008**

## Who Do You Represent?

**Chairman Miller, Ranking Member Sensenbrenner and members of Congress. My company is Revere Copper Products and was founded by Paul Revere in 1801. We believe we are the oldest manufacturing company in the USA. Our factory is in Rome, New York and produces copper and brass sheet, strip, coil, bar and extruded products for shipment to other manufacturing companies. Revere is a domestic manufacturing company and outsources nothing.**

*My unwillingness to outsource or sell out is based on loyalty and patriotism.*

**Please note that I also represent and serve on the Board of Directors of the Coalition for a Prosperous America or CPA. This coalition includes domestic manufacturing, organized labor, farming and ranching. You should visit CPA at [www.prosperousamerica.org](http://www.prosperousamerica.org). My testimony includes positions on issues that have not yet been considered by CPA but are ever present in Revere's besieged financial results.**

*The U.S. is alone among major trading nations in the world without a national trade strategy.*

**China and the rest of the world are waging a mercantilist war on the U.S. and the U.S. is sleeping as its factories, farms and ranches are being systematically destroyed. We desperately need a national trade strategy instead of a patchwork of trade agreements that deepen the current problems and enable foreign protectionism.**

*Our nation's focus on general trade agreements and FTAs is misguided, inadequate and lacks strategic thinking. While I am a proponent of free trade, the agreements to date compound the problem, while deceiving many who think free trade is being promoted. This is one problem that has real solutions.*

**First, the USA cannot continue to negotiate global or bilateral trade agreements as long as the other country is free to manipulate its currency and use VATs to offset any tariff reduction. Also labor, environmental, antitrust, quality and intellectual and other property standards in trade agreements must be equivalent to the burden placed on manufacturing, farming and ranching in the USA or we just cannot compete and provide jobs in the USA.**

**Can you imagine competing in a global market that gives your competition an eight year head start? Yet, that is exactly what is being proposed to kill jobs with House legislation that targets only domestic manufacturing companies to**

cap and trade *and die*. If the environmental burden is unfair for our foreign competition, it's unfair for us.

*In the global trade war, who do you represent?*

Second, the manipulation of its currency by China or any nation is unacceptable. The first step should be to pass the Ryan Hunter bill (HR 2942) that would define currency manipulation as an illegal subsidy and allow the application of Countervailing Duties (CVDs) to offset the injurious impact of currency manipulation. The Ryan Hunter bill is designed to be compliant with the rules of the WTO. If the WTO refuses for any reason to sanction the use of CVDs to offset currency manipulation, we must assume that the system that governs world trade is broken and must be fixed. Immediately!

*If the use of CVDs to offset currency manipulation does not lead China to stop manipulating its currency, then the USA must take stronger measures, even if it means stepping outside WTO rules.*

Third, the USA must reform its tax and health care systems and institute VATs on a scale that gives production of goods and services in the USA a competitive advantage. Currently, the USA is the *ONLY* country without such a policy.

The USA must significantly reduce or eliminate all national taxes, both corporate and personal, including income, dividend, capital gain, estate, FICA and unemployment taxes and replace them with a consumption tax like a VAT. Under current international trade rules, consumption taxes can be rebated on exports and imposed on imports. The US refuses to reciprocate, disadvantaging all American-made goods that compete with imports or are offered for export.

*No wonder we have such a massive trade deficit!*

In my opinion, those taxes must also include the “tax” of health care costs. My concern is simply that health care cannot be paid for by job providers in the USA competing with job providers abroad who pay little if any health costs.

*Either the US government solves this problem or outsourcing will resolve it.*

Fourth, the USA needs to ensure that its citizens and businesses have access to substantial, additional low cost, clean energy so that they are able to compete on the world stage *and* keep the environment clean.

*Our government needs to focus on the big picture of global trade and the competitive position of the U.S. economy which is deteriorating. Please address these problems with a national trade strategy immediately.*

**When Paul Revere tried to rouse the countryside with his wake up call, what did the people do? They certainly didn't go back to sleep. We all need to wake up and listen. But we must be careful who we listen to...**

*Visit: [reverecopper.com](http://reverecopper.com) and learn more*

*Wake up, America!*

