

# Time for new trade policies with China

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Are you ready for some really bad economic news?

No, it's not the closing numbers from Wall Street or the foreign exchanges.

It's the announcement Friday that, in August, the U.S. imported more goods from China than ever before in history.

The import total from China alone was \$31.8 billion.

"Sending more than \$1 billion dollars a day to (the Chinese government and its allied industries) is unacceptable," argued U.S. Rep. Marcy Kaptur, D-Ohio, who has emerged as the chief congressional watchdog on trade and economic issues. "President Bush continues to encourage one-sided, reckless trade with (a Chinese government that) promotes human rights abuses, abhorrent working conditions, and abusive economic practices. Americans deserve better than a race to the bottom."

Unfettered U.S. trade with China certainly benefits the bosses in Beijing.

But it doesn't do American workers or farmers much good. As Kaptur notes, the U.S. trade deficit with China was up by more than \$2 billion in August alone. And there is no reason to believe that the outflow of U.S. dollars, jobs and industries will slow anytime soon.

So, while the bankers and brokers fret about what is happening on Wall Street, Main Street continues to wither as a result of failed trade policies.

There is an alternative.

Kaptur has proposed congressional action (H.R. 1958) to withdraw permanent normal trade relations treatment -- formerly referred to as "most-favored nation status" -- from China.

Kaptur also proposes a measure, the Balancing Trade Act (H.R. 169), that would require the president to review economic relationships with countries whenever the U.S. has a \$10 billion deficit for more than three consecutive years.

Needless to say, that review would begin with China, which has been so advantaged by current trade rules that the deficit runs in the range of a quarter trillion -- yes, trillion -- dollars.

Ending permanent normal trade relations with China would not mean ending trade with Beijing. It would simply remove the special status accorded businesses that relocate from the U.S. to China.

Similarly, a review of economic relations with China would not, necessarily, lead to dramatic new barriers to trade.

The point is not to punish the Chinese. The point is to establish responsible relations on a fair playing field. Doing that would, ultimately, create more stable conditions for workers and farmers in the U.S. AND China.

Additionally, a new approach to trade can and should put human rights back on the table.

China's occupation of Tibet, along with its brutal repression of ethnic and religious minorities, is given a stamp of approval when the U.S. agrees to trade policies that unlink economic and human concerns.

Kaptur proposes to renew the linkage, and members of Wisconsin's congressional delegation should support her in doing so.

At the same time, Wisconsin voters should be conscious of the fact that there is a stark difference between this year's presidential candidates when it comes to trade policy. Republican John McCain and Democrat Barack Obama both favor expanding trade with foreign countries. But McCain wants to do so along the free-trade lines advanced by the Clinton and Bush administrations -- an approach that embraces no-strings-attached trade with China.

Obama, on the other hand, has embraced fair-trade values that say our agreements should raise standards -- and incomes -- in the U.S. and abroad.