

U.S. to get tough on trade, labor infractions: Kirk

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PITTSBURGH - The U.S. government will get tough with governments that don't live up to trade deals, including those with substandard labor practices, U.S. Trade Representative Ron Kirk was set to announce on Thursday.

The USTR and U.S. Labor and State departments will identify and investigate labor violations in countries with which it has free trade agreements and insist problems are fixed, instead of waiting for complaints to initiate enforcement, according to prepared remarks.

"If they won't fix their labor problems, we will exercise our legal options," Kirk was set to say in a speech at a U.S. Steel Corp plant in a city where leaders from the G20 group of nations will meet in September to discuss the sagging global economy.

"American workers should not be expected to compete against substandard labor practices," he said.

President [Barack Obama](#) promised during last year's election campaign to boost enforcement of trade deals and strengthen labor provisions, tapping into cynicism felt by Americans who have seen manufacturing jobs migrate overseas in recent years.

The U.S. steel industry has slumped with the global economic downturn, and U.S. Steel Corp, one of the largest players in the sector, has complained Chinese domestic subsidies have made the situation worse.

Kirk said the Obama administration believes more jobs can be created by boosting trade of American goods and services.

"But we have to do more than just pursue new trade deals. We must also insist on respect for our rights in the global trading system, if Americans are to reap the real benefits trade has to offer," he said in his prepared remarks.

Kirk said the government will use more forceful diplomacy to solve trade issues, similar to its recent approach with the European Union to put aside a dispute over food safety regulations that kept most U.S. beef out of that market since the late 1980s.

The USTR plans new initiatives to lift technical barriers to farm and manufactured goods, he said.

The tack will be similar to how USTR enforces infractions in telecommunications trade and intellectual property rights, where it monitors infractions, reports on them annually, and can withhold trade privileges and programs from offending countries, Kirk said.

The United States will continue to use its anti-dumping and anti-subsidy laws to correct trade distortions, he said.

Kirk also said the USTR will fight trade cases at the World Trade Organization and in bilateral forums when necessary.

The United States and the European Union recently launched a WTO challenge against Chinese export restrictions on raw materials used to make steel, aluminum and chemicals, complaining the measures keep costs low for Chinese steelmakers, giving them an unfair advantage.

"We are prepared to take the case to the next step, if we do not reach an acceptable solution" in WTO consultations with China, Kirk said.

Similarly, tariffs the USTR applied in April to some Canadian lumber shipments will stay in place as "incentive" for Canada to work to resolve the dispute, he said.