Written by on June 21, 2010



Senators Would Ban U.S. Govt. Purchase of Chinese Goods

A bill introduced in Congress on June 17 by four Senators would prohibit purchases by the U.S. federal government of Chinese goods and services until China agrees to the Agreement on Government Procurement. The bill, formally designated as S. 3505, the China Fair Trade Act of 2010, was introduced by three Democrats, Debbie Stabinow of Michigan, Russ Feingold of Wisconsin, and Sherrod Brown of Ohio, and one Republican, Lindsey Graham of South Carolina.

The legislation is aimed at countering China's "indigenous innovation" policy of buying key products only from domestic producers.



"China continues to discriminate against American businesses, refusing to let our companies bid on Chinese government contracts," said Stabenow, the measure's primary author.

"We want to export our products, not our jobs. Until China agrees to play by the rules, our legislation guarantees federal taxpayer dollars are not being used to purchase Chinese goods and services," she said in a statement.

AFP news quoted the other sponsors, each of whom issued statements explaining their support for banning our federal government from purchasing Chinese goods.

"I want a good, working relationship with China, but that partnership needs to be fair and equitable," said Graham.

"When China fails to play the rules, US tax dollars should not be used to buy Chinese-made products," said Brown.

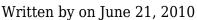
"American businesses deserve to compete on an equal footing and our government needs to take seriously China's unfair practices," said Feingold.

A <u>statement</u> posted on the website of the Office of the United States Trade Representative says, "The WTO Agreement on Government Procurement (GPA) is a 'plurilateral' agreement, which means that it applies to a number of WTO Members, but not all Members."

The GPA is part of the WTO's Uruguay Round Agreement, the eighth round of multilateral trade negotiations (MTN) conducted within the framework of the General Agreement on Tariffs and Trade (GATT), spanning from 1986-1994 that transformed the GATT into the World Trade Organization.

Article III of the <u>GPA agreement</u> addresses "Nation Treatment and Non-discrimination" and specifies:

With respect to all laws, regulations, procedures and practices regarding government procurement covered by this Agreement, each Party shall provide immediately and unconditionally to the products, services and suppliers of other Parties offering products or





services of the Parties, treatment no less favourable than:

- (a) that accorded to domestic products, services and suppliers; and
- (b) that accorded to products, services and suppliers of any other Party.

China, though a WTO member, accepted the GPA on February 21, 2002 as an "observer," which means that China's obligation is limited to the "transparency aspects," which will *not* restrict its ability "to give preferences to domestic supplies and suppliers."

"Transparency," apparently means that, presently, China can have its cake and eat it too.

The bipartisan makeup of S. 3505's initial sponsors is indicative of the role reversals that have taken place in U.S. politics, with some liberal Democrats from Northern industrial states abandoning the China-friendly policies that prevailed under Bill Clinton because too many of their constituents are hurting economically owing to Chinese competition. And while the rank-and-file neoconservative Republicans have largely abandoned their party's one-time aversion to trading with China because of the communist regime's oppressive nature and support of America's enemies in wars in Korea and Vietnam — all in the name of "free trade" — Graham is among a minority of GOP stalwarts who occasionally put America's interests ahead of Communist China's.

A similar coalition formed earlier this month, as reported in a June 9 Reuters news report: "Congressional anger over China's currency and trade practices boiled over on [June 9] as senators vowed to pass legislation soon and lashed out at President Barack Obama's administration for failing to get tough with Beijing."

The article quoted New York Democrat Charles Schumer's statement to the U.S.-China Economic and Security Review Commission, a watchdog group appointed by Congress. "Years of meetings and discussions with Chinese officials in an effort to persuade China to float its currency have repeatedly failed to produce lasting and meaningful results," said Schumer. "No question, this is what is called a 'put up or shut up' moment for lawmakers."

The report said that Schumer blamed China's undervalued currency for "millions of lost U.S. manufacturing jobs and thousands of closed facilities."

Once again, Senator Graham joined with northern liberal Democrats, including Schumer, Debbie Stabenow, and Sherrod Brown, in attempting to put congressional pressure on China. Reuters reported:

Senator Lindsey Graham, a South Carolina Republican, called China "a country without a soul in terms of what's right and what's wrong" and predicted there could more than 80 votes in the 100-member U.S. Senate for the legislation he has co-sponsored with Schumer and others.

The economic recession has evidently done what years of belligerent behavior, suppression of human rights, and even genocide could not do: cause many members of Congress — even liberal Democrats — to cast China in the role of "bad guy."

Photo of Sen. Lindsey Graham: AP Images



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