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Missouri senators, companies demand scrutiny of illegal Chinese imports

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Failure by the government to enforce trade laws especially important to small companies is drawing sustained criticism.

WASHINGTON • Missouri's senators called today for the government to start aggressively enforcing trade laws designed to prevent Chinese companies and unscrupulous importers from selling products illegally in the United States.

In a Senate Finance subcommittee on international trade, companies from Missouri and around the country complained that U.S. **Customs and Border Protection** turns a blind eye to schemes originating in China to evade tariffs aimed at promoting fair trade.

That failure is costing jobs in Missouri and across the country while depriving the U.S. treasury of hundreds of millions of dollars, critics testified.

"It is obvious to me that we have put laws on the books that we are making no efforts to enforce," said Sen. **Claire McCaskill**, D-Mo.

Sen. **Roy Blunt**, R-Mo., spoke of the frustration felt by Missouri companies like **Mid Continent Nail Corp.**, of Poplar Bluff, which is losing millions in sales as Chinese manufacturers ship nails to the United States through Taiwan and Korea.

"I think this problem is solvable, but the Congress is going to have to be directly involved in describing what that solution is," Blunt said.

The testimony from Missouri's senators underscored the bipartisan nature of growing concerns in Congress about trade law violations.

Sen. **Ron Wyden**, D-Ore., chairman of the trade panel, said he intends to begin drafting legislation within the next week aimed at forcing the government to act more swiftly when U.S. companies present evidence of illegal imports.

Wyden asserted that anti-dumping duties "are being evaded, they are being flouted by foreign suppliers and dishonest importers...All of this is taking place under the very sleepy eyes of the U.S. Customs and Border Protection agency."

A **Post-Dispatch** investigation this spring highlighted problems identified in the hearing and the damage to Missouri and Illinois companies.

Missouri is at the center of a coalition of industries that sharing the experience of winning trade cases at the **U.S. International Trade Commission** after providing evidences of Chinese "dumping" -- exporting products at artificially low prices. In each case, the Commerce Department ordered duties, or tariffs, to bring the price of imported goods more in line with U.S.-made products.

But Chinese manufacturers routinely evade those duties by shipping through third countries in schemes that Customs officials rarely unravel.

Government officials acknowledged at the hearing that less than 2 percent of the duties imposed are collected.

Karl Glassman, chief operating officer of **Leggett & Platt Inc.**, a leading manufacturer of bedsprings based in Carthage, Mo., testified that failure to collect duties translates to 60 fewer jobs at his company and \$60 million annually in lost proceeds to the U.S. treasury.

"We are dismayed to see the way unscrupulous foreign suppliers and their U.S. importers brazenly evade U.S. law, and we want to see those charged with enforcing our laws have the procedures and tools they need to stop trade cheats," he said.

Officials representing the Customs agency and Commerce Department admitted shortcomings, some of which they attributed to roadblocks put up by China during investigations.

But in questioning them sharply, Wyden blamed the failure on their lack of urgency and policy decisions to focus on other matters.

Wyden observed that **U.S. Immigration and Customs Enforcement**, known as ICE, has been aggressive in seizing more than 100 web sites trafficking in pirated films while doing little to stop trade law violations harming tens of thousands of American workers.

"American manufacturers look out and see these slow investigations and agencies that don't get back to them at all, yet the government is responsive to the movie industry," he said.