



# ***As Expected, Congress to Address CVD Issue***

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Mar. 1, 2012, 10:54 AM

If you've been wondering when the U.S. Congress was going to act on this countervailing duty matter, [that time is now](#):

Senior US lawmakers plan to legislate to allow anti-subsidy tariffs to be imposed on imports from China, [overriding a federal court](#) which said the practice contravened US trade law.

Dave Camp, chairman of the House of Representatives ways and means committee, which regulates trade, said on Wednesday: "This legislation preserves our ability to fight unfair subsidies granted by countries like China that injure our industries, cost US jobs and distort the market."

[I wrote about this in late December](#) and said that it seemed like there was general agreement in Congress to act on this, and therefore we should not be surprised at swift action. Considering that the holidays took up the rest of that month, the fact that something is happening at the end of February is blindingly quick for those guys.

Unfortunately, if there's one thing that the U.S. government can agree upon, particularly in an election year, it's China trade policy. And this issue is way too complex for most lawmakers to get their heads around, and most of them probably only care about the "optics" of this anyway.

I've noticed that a lot of the journos reporting on this development just kind of take the Washington line for granted. That opinion of course is quite slanted in favor of the imposition of CVDs, with the broader context being at least mild China bashing.

If you're interested in the other side to this argument, I would recommend (as I would with any trade issue) [Dan Ikenson, part of the great trade team at Cato](#). I'm not a huge supporter of that particular think tank, but I do like their trade group and have been reading Dan's great commentary for many years now.

In addition to making a great of sense on this issue, Dan's article is also a very good place to go if you need some background and are struggling with understanding this complex point of trade law.

Here's a taste:

Maybe [passage of the legislation is] not as obvious an example of escalation as Nixon's bombing of Cambodia during the Vietnam War, but it is very likely to accelerate the deterioration of U.S.-

China economic relations. Costs will rise and life will become more difficult for U.S. companies trying to do business in China, as well as for U.S. producers and consumers who rely on imports from China.

Those pushing the legislation don't want the public to understand the issues, which are [highly technical and legalistic](#) (and, quite frankly, too much trouble for our legislators to think through, particularly when there's only political upside in China-bashing). But the consequences will be felt broadly – and there's danger in that – so let me attempt to boil the matter down to a few salient points.

Couldn't say it any better myself, so I won't.