



# Senators Outraged U.S. Borrowing Big From China While Also Giving It Aid

By Jim Angle

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[China](#) is one of the biggest economies in the world and grew at more than 9 percent over the last year. It also has loaned more than \$1 trillion to the U.S. to fund its deficit-spending.

But at the same time, the U.S. sends foreign aid to China, which lawmakers of all stripes say is just plain nuts.

"Why in the world would we be borrowing money and then turn around and giving it back to the countries that we're borrowing it from?" Republican Sen. [Tom Coburn](#) of Oklahoma said. "If they have enough of a surplus to loan us money, they have enough of a surplus to take care of their own needs."

Democratic Sen. [Jim Webb](#) of Virginia asked the same question in a recent appearance on Fox News: "Hey, in the crisis that we're in right now, should we really be continuing to send American taxpayer dollars over to China for these purposes?"

It isn't a lot of aid -- tens of millions in bilateral aid, much more through international institutions to which the U.S. contributes.

But the question is why a nation that's competing with the U.S. economically and politically in every corner of the globe should get any money from the U.S.

"I think the Chinese are just laughing whenever they receive a check," said Dan Ikenson, a trade economist at the CATO Institute. "How silly this is of the [United States](#) to be subsidizing the faster-growing, second-largest economy in the world."

So why'd we start giving aid in the first place? "The hope and the operating assumption is that to the extent that we engage them in a variety of ways, that we can stay influential. And we can influence them," Dan Runde of the Center for Strategic and International Studies said.

But Runde notes China's record of flaunting trade rules -- violating intellectual property laws, including multiple openings of fake Apple stores there recently, as well as patent infringements. He suggests the aid has had little positive impact.

The whole matter leaves Coburn completely disgusted. "You know, it's stupidity. There's no other explanation for it, other than we're stupid in Washington to continue to do that."

The Senate recently passed a bill to punish Chinese currency manipulation, while the House is about to examine Chinese trade policy across the board.

But as lawmakers debate those more complicated issues, some are asking a simpler question -- why keep sending money to a country trying to undercut the U.S. seemingly at every turn?