



Written by [Steven J. DuBord](#) on September 10, 2009

## Cheap Chinese Tires Keep Rolling In

As inexpensive Chinese-made automobile tires keep rolling into the United States and U.S. tire manufacturers struggle to stay in business, President Obama will soon have to decide whether or not to impose a tariff on the imports.



The U.S. International Trade Commission, a federal panel that deals with trade-related issues, voted for tariffs back in June, as [The New American](#) reported. The United Steelworkers Union pointed out at the time that 5,100 U.S. workers had already lost their jobs, and 3,000 more were in danger of losing theirs this year. According to the union, Chinese tire imports rose 215 percent from 2004 to 2008, eventually hitting 46 million tires valued at \$1.7 billion in 2008.

The [Washington Post](#) noted on September 8 that the share of the U.S. market held by Chinese tires has risen from five percent to 17 percent. The *Post* specifically mentions a Cooper tire plant in Albany, Georgia, that is being shut down as a result of the influx of Chinese tires. More than 2,000 jobs are being lost in the small town, dealing a devastating blow to the entire community.

President Obama will need to decide by September 17 whether or not to accept the International Trade Commission's recommendation to assess a 55-percent tariff on Chinese tires. Opponents of the tariff claim that U.S. tire makers have intentionally shifted their production of inexpensive tires overseas, allowing the companies to focus on making more expensive tires with higher profit margins here in America. Also, if China's imports are curtailed, other countries with low manufacturing costs will just step in to fill the void.

Fu Ziyang, a deputy commerce minister for China, told a news conference in August that his country hopes "the U.S. government will refrain from taking action, for the long-term healthy and stable development of U.S.-Chinese relations. The case is neither supported by facts nor does it have valid legal grounds."

Others disagree, pointing to China's currency manipulation and track record of protectionist policies as evidence of foul play. The previous Bush administration was asked four times to take steps to protect U.S. industries, but it chose not to do so. Now President Obama will have to decide if he will keep his campaign promise to "work to ensure that China is no longer given a free pass to undermine U.S. workers," as his website stated.

The unemployed workers from the Albany plant provide a case in point to support tariffs. Joseph Roberts was a shift manager in the curing and finishing department, but now, at age 49, he says, "I'm starting all over again." Byron Botdorf, 59, is attending the Albany Technical College to learn welding. "My son got into welding — it's a good trade," Botdorf said. "But here's the thing with this economy:



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Everything nowadays is made in China. Go to Wal-Mart. It's hard to find anything down there that isn't made in China. The last pair of boots I bought were made in China. I don't like buying China stuff — but you kind of have to."

Even the Cooper company is caught somewhat in the middle because they make low-price tires in China and ship them back to the United States. For this reason, apparently, Cooper itself is oddly against imposing a tariff.

Botdorf was somewhat taken aback when he learned that Cooper was opposing the tariff, but he then noted that the company might be more concerned about its shareholders than its employees: "Leaving things as they stand might be the right thing for American companies, but something has to be done for the workers, too. Otherwise we'll become a nation of retailers."

Botdorf's keen observation is an accurate assessment of the so-called free-trade agreements America has entered into with the WTO and the FTAA. These arrangements are letting the air out of America's manufacturing capability. Only by revoking these detrimental pacts and taking care of its own citizens first can the United States re-inflate U.S. industries and get American manufacturers rolling once again.



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