

Made in the USA Reports

A Publication of the Made in the USA Foundation

Vol. 27 No. 9 © Made in the USA Foundation--September, 2015

California Governor Signs New Made in the USA Law

On September 15, 2015 Governor Jerry Brown signed SB 633 into law, reducing California's 100% requirement for products to have a "made in the USA" label. Now California allows products with 10% imported content to have a "Made in the USA" label. The 100% requirement was obsolete. Nearly every product made contains some foreign content. The old California law became a lawyer's protection law by allowing lawsuits against a company where one screw was imported.

The U.S. Federal Trade Commission is much more lenient. It allows up to 25% foreign content. Compared to our international competition, however, California and the United States are strict. Switzerland has the next-toughest standard: 60%. For a Swiss watch to carry the "Made in Switzerland" label, it only needs to have 60% Swiss content. In the rest of Europe, 45% domestic content is generally the rule.

Foundation Files FDA Freedom of Information Act Request

The U.S. Food and Drug Administration has been testing thousands of generic drugs for quality for the past several years. We are told that many drugs have failed these tests, but the results have not been made public. In addition, 80 percent of these generic pills are imported from India and China where quality is often questionable. The Made in the USA Foundation submitted a formal Freedom of Information Act request for the test results of all generic drugs that failed tests conducted by the Food and Drug Administration during the past three

years. We will make those results public when the FDA provides documentation to the Foundation.

Trumpmania

By Joel D. Joseph, Chairman, Made in the USA Foundation

Donald Trump has certainly stirred up the Republican campaign. As I write this article, Wisconsin Governor Scott Walker and Texas Governor Rick Perry have already given up the fight having fallen to the mighty media machine of Donald Trump.

The good thing is that The Donald has raised some serious issues, particularly with regard to our failed trade policies. Repeatedly he has stated that he would not allow Ford to gain from building a \$2.5 billion factory in Mexico and has proposed putting a 35% tariff on automobiles built in Mexico. This may be a reasonable position, but it is prohibited by the North American Free Trade Agreement (NAFTA).

Trump, as president, could get the United States out of NAFTA but he would have to do this before asking Congress to impose 35% tariffs. Only Congress, not the president, has the power to impose tariffs (Article I, Section 8 of the U.S. Constitution). NAFTA allows the United States to get out of the agreement by giving the other nation, or nations, six months' written notice (Article 2205). Mr. Trump should be familiar with similar written notice provisions in his lease agreements in the Trump Tower.

NAFTA provides: "A Party (United States, Canada or Mexico) may withdraw from this Agreement six months after it provides written notice of withdrawal to the other Parties." Mr. Trump, or whomever is elected president in 2016, could simply send a letter to his counterparts in Canada and Mexico that we are giving notice that the United States is withdrawing from NAFTA, and six months later, we are out of NAFTA.

NAFTA has failed in many ways. Before NAFTA we had a modest trade surplus with Mexico. Today we have a massive trade deficit of \$54 billion per year. This represents a loss of two million good-paying jobs.

“Judge me by my Actions,” Not my Words

George Gordon Byron, commonly known as Lord Byron, wrote nearly two hundred years ago that men should be judged by their actions, not their words. Mr. Trump’s actions need a lot of explaining. Mr. Trump has never been a real manufacturer; he puts his name on things. He has authorized the use of his name on buildings, suits, shirts and ties. Most of the products labeled with the Trump name on them are imported from China.

Trump blames the U.S. government for, in essence, “forcing” him to go to China to buy his shirts and ties, but the blame lies squarely on Donald Trump’s shoulders. Scores of companies make excellent quality menswear in the United States. The President of the United States wears Hart Schaffner and Marx suits that are made in Chicago. Bill O’Reilly proudly wears American-made Hickey Freeman suits that are made in Rochester, New York. Robert Talbott makes ties in California, Gitman Brothers makes excellent shirts in Pennsylvania. Brooks Brothers makes many of its suits, shirts and ties in the United States. If Trump really cared about creating and keeping American jobs he would have had his menswear made in the United States. Yes, he may have saved a few bucks by having his clothing his clothing made in China, but I’ve heard that he’s really, really rich and does not need the extra money.

Born in the USA

The Donald wants to get rid of “anchor babies.” Trump argues that the Fourteenth Amendment allows a federal law restricting citizenship to babies born to non-Americans in the United States. For a long time Mr. Trump claimed that President Obama was not born in the United States. Trump never mentions that his fellow Republican candidate, Ted Cruz, is not a natural born U.S. citizen. Cruz admits to the fact that he was born in Canada to a U.S. mother and a Cuban father.

Article II, Section 1 of the Constitution provides “No person except a natural born citizen . . . shall be eligible to the office of President.” This happens to be the same constitutional requirement that Trump claimed President Obama failed to meet. In fact, Senator Cruz is not a natural born citizen of the United States and is thus ineligible to be president of the United States.

When Mr. Trump calls out Senator Cruz as an illegal candidate for president, a “foreign anchor baby” so to speak, and takes the blame for outsourcing jobs of the Trump menswear brand, then and only then should we take him seriously as a presidential candidate.