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Fact Checker: Trump's claim that China 'will enter' the TPP 'at a later date'

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"China will enter the TPP through the back door at a later date. They are watching, they are studying. They are not in it now, but are going to be in it. If it is good, they will be there. By the way, if it is no good, they'll pass. It's the same way, always is."

-- Donald Trump, trade and economy speech in Pennsylvania, June 28, 2016

Many readers requested The Fact Checker to look into Trump's speech on trade and the economy, the first time he unveiled his trade policy proposals. Still, as Washington Post opinion writer Greg Sargent pointed out, Trump has been hit from the right and the left for his speech, "because it showed that Trump is trying to stake out positions on trade and wages that are to the left not just of GOP economic orthodoxy, but perhaps even to the left of Hillary Clinton and Democrats."

Several claims by the presumptive Republican presidential candidate were ones we had fact-checked previously, though some of them were slightly tweaked. For example, Trump said the United States is "one of the highest-taxed nations in the world," which is similar to a claim we have written about several times in the past. (https://www.washingtonpost.com/news/fact-checker/wp/2016/06/23/fact-checking-donald-trumps-attack-on-hillary-clinton/?tid=a_inl)

One statement that stood out was a revised version of his bungled claim during a November 2015 Republican primary debate about China and the Trans-Pacific Partnership. To our delight, Trump's campaign has begun releasing back-up materials (hello, footnotes!) to his major speeches, so we were able to get a sense of what he may be referring to this time. We took a look and found his point was still problematic, but just shy of a total whopper.

During that primary debate, Trump said: "The TPP is horrible deal. It is a deal that is going to lead to nothing but trouble. It's a deal that was designed for China to come in, as they always do, through the back door and totally take advantage of everyone." Our friends at PolitiFact rated this claim Pants on Fire, their worst rating saved for the most egregious falsehoods. Not only was China not a part of negotiating the deal, it is highly unlikely for China to "take advantage of" the 12 TPP countries.

Trump then clarified his opinion, but as PolitiFact noted, he offered little details:

"Well, I know that China is not in the deal," Trump said. "And if they look at speeches they will see I talk about it all the time, this deal is going to be a great deal for China. It is going to be unbelievable because China is going to come in through the backdoor, and that is what I said. They are going to come in later through the backdoor and they will take advantage of what all of these other people were negotiating, and the Wall Street Journal does a big editorial that I didn't know about China."

It's still not clear what Trump means when he says "back door." There's really one "door" for China to join the TPP, and there are steps that China would have to go through to enter it. More on that later.

The footnotes in the prepared speech text appear to reference a technical aspect of trade law called the "rules of origin." Not all articles used to back up his claim actually relate to his argument, but some of them focus on indirect benefits that China might reap through the TPP due to rules of origin. Two of the articles specifically reference the impact of TPP's rules of origin on the auto industry.

This refers to rules set within a trade agreement, such as TPP, that require a certain percentage of products "originate" from TPP countries in order to be exempt from trade tariffs. So for a product out of Japan to be labeled "Made in Japan," a certain amount of its content by value needs to be from Japan.

TPP critics say that the rules of origin in TPP are not strong enough to keep China from providing some of the materials that later would be deemed "originating" from the TPP countries.

Thea Lee, deputy chief of staff of AFL-CIO which has been critical of the trade accord, said she would not consider the rules of origin as a "back door" into the deal, but that they represent a weakness that could allow non-TPP countries to circumvent tariff restrictions. She said: "Without ever joining TPP, without ever committing itself to market access, intellectual property protections, China will be able to get a lot of TPP because of the weak auto rule of origin."

But experts say that the TPP's rules of origin don't necessarily mean there's an immediate boon to China. In fact, many experts said, China would experience a net negative impact.

"Technically, yes, some Chinese products will have better access to the U.S. market [through rules of origin]. But by enabling more liberalized rules of origin, the benefits of the agreement are greater [for TPP countries] because producers are not limited to fewer supply chain options," said Dan Ikenson, director of the Libertarian think tank Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies.

"By and large, China will be really hampered by its exclusion from the TPP, because what TPP has done is to cause new supply chains to emerge . . . [and has led some non-TPP countries] to engage in all sorts of reforms so they can accede to the TPP really soon," Ikenson said.

There is an accession process through which countries can enter the TPP. But this is an actual, formal way to enter -- "front door," if you will -- rather than a "back door," as Trump says. Trump's campaign did not respond when we asked for further clarification.

Trump says China is monitoring the deal to see if they should enter. That's correct.

Erin Ennis, the U.S.-China Business Council's senior vice president, has said China is "examining what it would take to join the Trans-Pacific Partnership even though the country is not yet able to comply with the agreement's commitments, and she called for more openness on the U.S. side to the possibility of China joining the deal," according to a report in an industry publication. As Slate noted, President Obama also has said that the Chinese have "already started putting out feelers about the possibilities of them participating at some point" in TPP.

But it still doesn't mean that Trump could declare with such absolute certainty that China "will enter TPP." It would take a long time for that to happen, and China already is negotiating a separate trade agreement comprising 10 countries in the Asia-Pacific region. Even if China ultimately decides to enter, the country will need to make major changes to its economy, international diplomacy and attitude toward free trade, said Mary Lovely, Syracuse University professor and international trade expert.

"Are they watching and studying? Well, I would hope so. Aren't we watching and studying them?" Lovely said. "But there's no formal back door into the agreement."

From a fact-checking perspective, it is a step toward the right direction for the Trump campaign to offer some back-up materials for his speeches. Now, if the campaign can provide footnotes that relate to his specific claim, it'd be even better for voters.

It's still not clear what Trump is referring to when he talks about a "back door" into TPP that China allegedly will use. We consulted a wide range of experts who support and oppose the trade accord, but they said there is no formal "back door" into the deal; rather, any non-TPP countries looking to enter would need to go through a formal accession process.

According to the vague references provided in the speech footnotes, Trump may be referring to a technical aspect of trade law called the "rules of origin." If so, he really needs to make that clear, and provide more evidence as to how this provision constitutes a "back door." This statement by Trump is problematic; immediately after saying China "will enter" TPP, he contradicts himself by saying China is watching and studying and will enter "if it is good," and "if it is no good, they'll pass."