



Earnest Defends U.S. Membership in WTO After Trump's Withdrawal Threat

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White House Press Secretary Josh Earnest said Monday that the World Trade Organization has been an “effective venue” for asserting U.S. trade rights, and that withdrawing from the organization, something GOP nominee Donald Trump said he might do if elected, could fracture relationships with other economies.

Earnest said that under President Obama the U.S. has filed more complaints against other countries than any other WTO member nation, including 13 against China, and that the administration has succeeded in all of its complaints that have been decided.

“That’s an indication that the WTO actually does end up being a very effective venue for enforcing the rights of U.S. workers and U.S. companies in a way that has positive consequences for the U.S. economy,” Earnest told reporters during Monday’s press briefing. “I’ll let other candidates make their own case, but I think what has been proven under President Obama’s leadership is that U.S. involvement in the WTO contributes significantly to the overall health of our economy and to our ability to enforce the trade rights of the American people.”

He highlighted the American automobile industry as an example of globalized efforts that a WTO exit would disrupt.

“There are parts for American cars that are made around the world, and many thousands of American jobs would be put at risk if the United States and U.S. automakers were not able to benefit from this global market, both in terms of being able to make their products but also in terms of being able to sell them,” he said. “Withdrawing from the WTO could certainly rupture those relationships in a way that would have starkly negative consequences for the U.S. economy and for American workers.”

Trump told NBC News over the weekend that he would consider pulling the U.S. from the WTO if he’s not successful in his plan to tax the imports of U.S. companies that move jobs out of the U.S.

Simon Lester, a WTO expert and trade policy analyst at the libertarian Cato Institute, told Morning Consult today that Trump’s exit penalty “tax” could violate provisions in the General Agreement on Tariffs and Trade, one of the numerous agreements that governs the WTO.

The GATT limits WTO members from assessing special duties. It also requires members to “administer, in a uniform, impartial and reasonable manner all its laws, regulations decisions and

rulings,” which would call into question the ability to penalize specific companies for leaving the U.S.

The WTO’s dispute settlement mechanism allows members to challenge each other’s regulations if they believe the regulations violate the governing WTO agreements. These disputes, which trade law experts adjudicate, often take years to resolve when appellate and compliance proceedings are taken into account.