



Written by [Bob Adelman](#) on July 26, 2018

The Trump-Juncker “Deal” Isn’t Such a Great Deal

Following the issuance of the [joint U.S.-EU statement](#) after the meeting on Wednesday between President Trump and European Commission President Jean-Claude Juncker, Juncker (shown, left) was understandably delighted: “When I was invited by the president to the White House, I had one intention: I had the intention to make a deal today. And we made a deal today.”



Except that the deal Juncker was celebrating had little to do with paper promises to cut tariffs and reduce trade barriers, and everything to do with persuading Trump to agree to “reform” the World Trade Organization (WTO). From the joint statement: “We will ... work closely together ... to reform the WTO.”

Juncker has been a totalitarian all of his adult years, representing the Christian Social People’s Party, which was comfortable working with the Luxembourg Socialist Workers’ Party while he was Prime Minister of Luxembourg from 1995 to 2013. In 2014 the European Parliament elected him president after making clear his priorities if he won: the creation of a single digital market, the development of an EU Energy Union, the reform and expansion of the EU’s Economic and Monetary Union, and a promise to try to keep Britain from leaving the EU.

That’s why, according to the official statement issued by the European Commission, Juncker spent most of its verbiage on promises: “We agreed today ... to work together toward zero tariffs, zero non-tariff barriers, and zero subsidies on non-auto industrial goods. We will also work to reduce barriers and increase trade in services, chemical, pharmaceuticals, medical products, as well as soybeans.” He added, “The European Union wants to import more liquefied natural gas [LNG] from the United States to diversify its energy supply.” This was an obvious slap in the face to Russia’s Vladimir Putin, who has been using low-cost LNG as leverage against the European Union. So Juncker killed two birds with one stone: The WTO is back in play, and the Russian Bear has suffered a political setback.

The globalist Council on Foreign Relations (CFR) was delighted with Juncker’s success. Wrote Edward Alden, a trade scholar at the CFR, “This looks like an important truce called at the highest level. It leaves many problems unresolved but launches a negotiating process to try to deal with them,” calling the agreement to “reform” the WTO one that “is long overdue.”

Trump and Juncker agreed “to set up immediately an Executive Working Group of our closest advisors to carry this joint agenda forward.” The carrot that Trump offered was his promise not to inflict any new tariffs on the EU while that working group is hammering out the new agreement. Nothing was said in the statement about the towering \$152 billion trade imbalance between the United States and the EU, nor was anything said about the unfair tariffs currently in play over imports and exports of automobiles. At present, the EU inflicts a 10-percent tariff on all U.S. auto imports into the EU,



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compared to the 2.5-percent tariff the U.S. currently levies on imported passenger vehicles from the EU.

Iain Murray, a senior fellow at the Competitive Enterprise Institute, a so-called libertarian think tank, admitted: “Both sides made concessions today. However, this is far from the immediate reduction in all tariffs that the president requested.... This is the start of a process. It therefore remains to be seen whether this is the beginning of the end of the global trade war, or merely the end of the beginning.”

As the meeting opened, President Trump laid out his agenda: “If we could have no tariffs and no barriers and no subsidies, the United States would be extremely pleased.” If he hadn’t caved on the WTO, more of his supporters would be pleased as well.



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Images

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