



Trump Threatens to Leave World Trade Organization

The voters of the United Kingdom stood up for British national sovereignty with their recent decision to leave the European Union (EU), and now Republican presidential candidate Donald Trump is suggesting that he might take the lead in the United States leaving the World Trade Organization (WTO).



When NBC's Chuck Todd asked Trump on *Meet the Press* if his punitive tariff plan for businesses that leave the United States could be nixed by the WTO, Trump responded strongly, "It doesn't matter. Then we're going to renegotiate or we're going to pull out. These trade deals are a disaster, Chuck. World Trade Organization is a disaster."

Two issues divide global elites in America and Europe from their average citizens like no others — immigration and so-called free trade deals. Both these issues involve the move toward regional governments, and eventually a world government, and away from national independence. And Trump has taken the side favored by the general population in the United States.

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Trump's comments resulted from a discussion of his plan to place punishing tariffs on businesses that fire all their workers and move their plants to other countries, such as Mexico. He has promised to impose tariffs ranging from 15 to 35 percent on companies that then try to sell their foreign-manufactured products inside the United States. The particular target that has raised Trump's ire is Indiana-based Carrier, which is moving its manufacturing south of the border. "If they're going to fire all their people, move their plant to Mexico, build air conditioners, and think they're going to sell those air conditioners to the United States, there's going to be a tax," Trump vowed.

Of course, Todd cautioned Trump that such a plan would cause economic problems all over the world, giving the British exit from the EU as an example. Trump remained adamant, responding simply, "We're going to do it."

Leaders from both parties took issue with Trump. House Speaker Paul Ryan, the highest-ranking elected Republican in the country, defended the WTO, saying it "plays an important role of ensuring other countries meet their obligations and don't violate agreed upon rules." Kevin Brady (R-Texas), who chairs the House Ways and Means Committee, was quick to disagree with Trump, as well: "While the WTO isn't perfect, our membership in this organization is essential to making American products more competitive and attractive around the world."

Brady carried former President George W. Bush's "free trade" agenda, leading the successful effort to gain passage of the Central America Free Trade Agreement (CAFTA). Brady's voting record is not



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considered particularly conservative, receiving a mere 56 percent Freedom Index score from *The New American* magazine, and an F on the Liberty Index from the *Conservative Review*. The Freedom Index score is determined by the fidelity of a member of Congress to the Constitution when they cast their votes in Congress.

The neoconservative-leaning American Enterprise Institute (AEI) also took issue with Trump. Claude Barfield, a senior fellow with AEI, harshly condemned Trump, asserting, “He clearly popped off without knowing anything about the WTO.”

So, just what is the WTO? And how is Trump’s opposition to it likely to affect the outcome of the presidential election? And finally, would an American exit from the WTO cause economic problems for the United States?

The WTO is the successor to the General Agreement on Tariffs and Trade (GATT), and was created in 1994. The WTO, unlike GATT, was given the power to dictate settlements in trade disputes between nations. America has been sued before the WTO 126 times, including the recent case involving the rules of the U.S. Department of Agriculture, which required country-of-origin labeling (COOL) for beef and pork. When Canada and Mexico challenged these rules at the WTO, Congress meekly repealed the opportunity for U.S. citizens to know what nations their meat came from and make up their own minds as to whether to buy that meat.

This is an example of how the national sovereignty of the United States is diminished by multilateral trade agreements such as the WTO. And this was part of the reason for Brexit — the vast majority of the laws governing Great Britain did not come from the British Parliament, but rather from faceless bureaucrats at EU headquarters in Brussels.

Supporters of the WTO warn that the United States would be punished economically were it to leave the WTO. They argue that tariffs would be hiked on U.S. goods, intellectual property (patents and copyrights) would be stolen by foreigners, and foreign governments would subsidize competitors of American-made goods.

But is this true? After all, how many countries would really want to give up access to the largest market in the world — the United States? And if free trade is truly a win-win, as its proponents often claim, why would they forego buying American-manufactured goods, just to punish the United States?

One must also consider the alternative of remaining in the WTO, and continuing to see our nation’s independent status whittled away over time. In June 1994, Representative Newt Gingrich (R-Ga.) testified before the House Ways and Means Committee, and delivered a summary of the consequences of America joining the WTO:

I am just saying that we need to be honest about the fact that we are transferring from the United States at a practical level significant authority to a new organization. This is a transformational moment.... I agree.... This is very close to Maastricht [the European Union treaty by which the EU member nations surrendered a huge amount of their national sovereignty], and twenty years from now we will look back on this as a very important defining moment. This is not just another trade agreement. This is adopting something which twice, once in the 1940s and once in the 1950s, the U.S. Congress rejected.... I think we have to be very careful, because it is a very big transfer of power.

Unfortunately, Gingrich said he leaned toward joining the WTO, and later, as the soon-to-be speaker of the house, led the lame-duck Congress to approve of American entry into the WTO.



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As *The New American* said in its September 2, 2013, edition, “By approving our nation’s membership in the WTO and approving numerous ‘free trade’ agreements that have followed, Congress has seriously undermined our national independence by unilaterally surrendering its constitutional power to regulate foreign trade to supranational tribunals and organizations.”

Many Americans mistakenly believe that “free trade” agreements have something to do with “free enterprise” or “free market economics.” Actually, these agreements are not “free” trade, but rather “managed” trade — managed by international bodies such as the EU and the WTO. But this mistaken idea that “free trade” is somehow “free enterprise” can fool many otherwise conservative Republicans into supporting these agreements.

If these agreements were truly free market concepts, one would expect liberals to oppose them. However, the elites on the left side of the political spectrum largely support the WTO and other such “free trade” arrangements, as well. For example, Ed Gerwin, a senior fellow at the Progressive Policy Institute, a Democratic think tank, was quick to lambast Trump’s suggestion that the United States leave the WTO. “It’s so incredibly poorly thought out,” Gerwin said, dismissing Trump’s position as “insane.”

Gerwin contended that a U.S. exit would lead to “unprecedented global economic chaos, plunge the U.S. into recession and destroy millions of good jobs. They’d make Brexit look like an English garden party.”

Labor union bosses are struggling with convincing their members that Trump is wrong on trade. Thea Lee, deputy chief of staff at the AFL-CIO, told *Politico*, “If you poke just a little bit below the surface, you find that he offers no solution, no vision of how we ought to be involved in the global economy except that he’s going to put his CEO friends in charge of negotiating better deals.”

“The idea that somehow this man is a champion of fair trade and pro-worker trade policies is absurd,” Lee insisted.

Lee’s caustic comments are yet another illustration of the divide between elites (in this case, the union bosses) and average Americans (in this case the union’s rank-and-file members). The union bosses are concerned that many of their union members agree with Trump, and will vote for him. Trump is counting on the support of union members who like his trade ideas to help him win key industrial states such as Ohio, Pennsylvania, and Michigan in the general election.

Mitt Romney lost all three of those states to Barack Obama in 2012. Had he won them, he would have won the election.

More importantly, the American people will have to decide whether they are going to allow the continued loss of our national sovereignty through these global trade agreements, favored by global elites at the expense of the average American. This will be determined not only by how they mark their presidential ballot, but also their congressional ballot.



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