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U.S. to Comply with WTO Order; Bush Retracting Steel Tariffs Early Shows Americans that WTO is Boss

Statement of Lori M. Wallach, Director of Public Citizen's Global Trade Watch

At least people will drop the canard about the World Trade Organization (WTO) having no power after witnessing the president of the world's most powerful country being forced to reverse his policy and eliminate steel tariffs even when it puts him in a political bind.

U.S. trade safeguard laws have been challenged at the WTO 11 times to date, with the U.S. losing nine of the cases. Today's rollback of the steel safeguards - in addition to WTO rulings in the other cases and the WTO's orders against the Foreign Sales Corporation tax program, the Clean Air Act, the Endangered Species Act and other U.S. policies - should be a wake-up call to Congress about the WTO's erosion of democratic decision-making.

When Congress approved U.S. accession to the WTO, U.S. trade safeguard laws had to be rewritten to conform to the WTO's terms. The changes - mainly regarding timelines and the damage calculations rather than substantive requirements for initial determinations - were extremely controversial with manufacturing and agricultural interests as well as with many members of Congress who were otherwise supportive of the WTO. Yet now the WTO has ruled that use of even the modified Section 201 Safeguards Policy violates WTO requirements.

After the WTO ruled that U.S. trade law violated WTO rules, President Bush had an opportunity to stand up for the superiority of U.S. law over WTO dictates. The European Union has refused to implement a WTO ruling that European countries must accept imports of beef grown with artificial hormones. But unlike the EU, the White House bowed to the power of the WTO.

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