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Wyden Statement at Finance Committee Hearing on the World Trade Organization
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This morning, the Finance Committee is going to take a hard look at one of the big issues facing this country with respect to jobs and trade: It is long past time to fix what's wrong with the World Trade Organization.

In my view, that process begins with China. China became a member of the World Trade Organization in December 2001. Based on nearly two decades of evidence, it's clear that the agreements that allowed China to join fell far short.

The rules that underpin the WTO were crafted more than two decades ago, when China was an economic middleweight. At that time, multiple states within the U.S. had economies larger than China's. During the debate on China entering the WTO, many predicted membership would drive China further away from one-party control of government and economics. And China made specific commitments dealing with economic reforms as a precondition of WTO membership. That was the basis on which the Congress granted China normalized trade relations with the U.S., legislation I supported.

Today, China is an economic heavyweight, second only to the U.S. and continuing to grow rapidly. Much of that growth has come at our direct expense -- and in violation of WTO rules and the commitments it made in 2001. Subsidized State-owned enterprises. Intellectual property theft. Forced tech transfers. The Great Internet Firewall. Government-led shakedowns of foreign investors. China uses those schemes and entities to strong-arm American businesses, steal American innovations and rip off American jobs. And particularly under President Xi, the government has tightened its grip on power. For our purposes in today's hearing, the Chinese government identifies weaknesses in the WTO system, and it seizes on them to further its economy's explosive growth.

The U.S. and our economic allies have not done enough to crack down on those abuses. As I said a moment ago, WTO rules date back to a time before the internet was the center of gravity for international commerce, and when smartphones were still science fiction. It shouldn't be any surprise that those rules can't keep up with China's modern-day trade rip-offs.

There is bipartisan interest in addressing that problem, and today's hearing needs to advance real solutions. I'm hopeful that the talks currently happening with respect to digital trade rules will finally drag the WTO into this century. I know Ambassador Lighthizer shares that perspective.

On another topic, I'm also hopeful about reaching an agreement with respect to unfair fishing subsidies. This is a long-running battle at the WTO. Senator Crapo and I held a subcommittee hearing on the issue all the way back in 2010. The bottom line is that an agreement that curbs fishing subsidies will protect jobs in our fisheries and promote sustainable oceans, and accomplishing both of those priorities is vital.

I'll close on this. Workers in Oregon and around the U.S. are justifiably fed up with cheating by China and other countries. And when the WTO proves too slow to stop the cheats, or when it announces decisions that clash with its founding principles and goals, lawmakers aren't just going to grin and bear it.

At the same time, it's important for the U.S. to fight for the economic system that we helped create after World War Two -- one that that built strong democratic alliances, faced down the Soviet Union and helped reduce violent conflict around the world. Sometimes the Trump administration, and particularly the president himself, signal to our allies that they're not interested in defending that system from attackers and cheats.

That's why updating the WTO is an issue where the administration cannot fall short after a lot of tough talk, which has too often been the pattern on trade policy. An effective, fair and enforceable trade system is our best defense against China's often underhanded economic tactics. And there are members on both sides of this committee who are eager to make progress on this issue, so today's hearing is an opportunity to find common ground.

I want to thank Ambassador Lighthizer for being here today. I look forward to working with him on this and more.

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