

US Challenges WTO, Rejects Obligations In China Dispute

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The Trump administration cast doubt on the authority of the World Trade Organization Friday, a move that has become routine for Washington since President Donald Trump took office in January 2017.

In a report that defends Washington's use of tariffs to exert pressure on China and other trade partners, the White House said it would continue to use the WTO to challenge what it sees as unfair practices against American trade interests.

"We will not allow the WTO Appellate Body and dispute settlement system to force the United States into a straitjacket of obligations to which we never agreed," the report said.

Ironically, the report was published a day after a WTO adjudication panel handed Washington an important victory over China, ruling that Beijing's price subsidies for Chinese wheat and rice constituted a violation of WTO rules.

The U.S. government has delivered a number of hard blows to the international body under Trump's leadership. Veteran policy experts have begun to worry that the U.S. president appears prepared to disregard decades of hard work that American policymakers put behind the WTO. The U.S. was among the nations that spearheaded the establishment of the WTO's charter in 1995, creating the body on a system of rules accepted unanimously by all member nations.

In an effort to force what it claims are much-needed reforms on the trade organization, Washington has repeatedly blocked the appointment of judges to the WTO Appellate Body. Experts have warned that the U.S. strategy might render the body useless by December, when terms end for two of the international body's three remaining judges.

While a handful of WTO members agree with some of Trump's positions on trade, most believe that blocking new appointments risks crippling an important custodian of international law.

Simon Lester, associate director of the Cato Institute's Herbert A. Steifel Center for Trade Policy, told Politico last year that the White House's tactics are dangerous. "Going back to a system without an appeals process would mean uncertainty," he said.

The World Trade Organization (WTO) headquarters are seen in Geneva on April 12, 2018. Experts have warned against the U.S. strategy of undermining the trade body as trade tensions between the US and China ratchet up.

The U.S.-China trade war has served to complicate the situation even further. The U.S. government has imposed tariffs on \$250 billion worth of Chinese imports.

The White House report upholds Washington's tariffs on Chinese steel and aluminum on grounds of U.S. national security, saying that the WTO has long recognized national security exceptions to its free trade policies.

Unilateral trade moves by the U.S. allow China the political elbow room to act correspondingly and refuse to abide by trade agreements when doing so serves Beijing's interests. The WTO's rules often do not fit China's economic policies. If the U.S. weakens the WTO, China may step in to reshape the organization according to its own agenda.