



Oracle of the Oval

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A pullout from the World Trade Organization may be a self-fulfilling prophecy for Donald Trump. The president put the United States in the unusual position of being a big target at the world body, with about 70 percent of cases filed this year disputing new U.S. tariffs. The White House also isn't strongly pursuing pending disputes. Tilting America's winning record to losses would bolster WTO rancor.

Trump has been outspoken about his disdain for the WTO, and other so-called multilateral organizations. On Monday, he said America has been treated "very badly" by the WTO and would be "doing something" if that didn't change. He has discussed pulling out of the WTO with aides and ordered a bill flouting its rules, according to Axios. It was named the "United States Fair and Reciprocal Tariff Act," dubbed the FART Act by critics.

America has a pretty good track record at the WTO. It has won in 91 percent of the cases it has brought and lost in about 89 percent of the cases brought against it, according to a study by Dan Ikenson of the Cato Institute. It's better than the average performance. Complainants usually win WTO cases because, given the time and effort, disputes are traditionally only brought when a country has a strong argument.

The United States won each of the 16 cases it brought against China under Barack Obama. But complaints against Beijing filed toward the end of Obama's term on aluminum subsidies, rice tariff quotas and other issues have mostly languished under Trump.

Instead, countries have turned against the United States. From 2011 to 2016, the United States and China were each targeted in about 20 percent of WTO cases and each represented about 11 percent of global trade, according to a study by the Center for Strategic and International Studies.

On Monday, Russia joined six other countries in bringing a WTO complaint against U.S. steel and aluminum tariffs. China filed a case against proposed U.S. levies on \$50 billion worth of Chinese exports. This year, only about 11 percent of WTO cases filed target Beijing.

The jump in cases against the United States increases the chances it will post more losses than wins. While Congress could block a WTO withdrawal, trade advocates have yet to come up with a political message that can effectively counter Trump. It boosts the prospect of the president moving to advance his prophecy.