The Post's View Opinion

Trump thinks the WTO is sabotaging U.S. trade. In this case, the system is working.



U.S. Trade Representative Robert E. Lighthizer.

By Editorial Board

REALITY, AND reality as presented in President Trump's tweets, are often two very different things. That can even be the case when Mr. Trump purports to be describing the actions of his own administration.

Consider his comment early on the morning of April 9: "The World Trade Organization finds that the European Union subsidies to Airbus has adversely impacted the United States, which will now put Tariffs on \$11 Billion of EU products! The EU has taken advantage of the U.S. on trade for many years. It will soon stop!" While it is true that the WTO had issued such a ruling, all the United States was actually doing was preparing a list of potential tariffs, pending a final assessment by the WTO of how much the United States would be entitled to impose as retaliation for the E.U.'s alleged rule-breaking — as U.S. Trade Representative Robert E. Lighthizer clarified. This was not yet another example of Mr. Trump engaging in unilateral tariff warfare, nor are consumers likely to face higher costs for olive oil and cheese from across the Atlantic anytime soon.

What's actually going on is that the global system for international trade dispute resolution is functioning, to the benefit of the United States – contrary to so much rhetoric from Mr. Trump about how it is rigged against this country. The United States and the E.U. have been fighting – peacefully, through their lawyers – over aircraft subsidies for about 15 years, with Washington claiming that Brussels violates WTO rules by underwriting Airbus production and Brussels claiming that the Pentagon (through defense contracts) and the states (through tax breaks) do the same for Boeing. To cut a long story short, the WTO's answer to the parties has been that they're both right, and both entitled to retaliate. But the magnitude of the E.U. subsidies to Boeing. Hence, U.S. retaliation – including, the administration warned, tariffs on airplanes from Europe – would probably dwarf measures the Europeans say they might be allowed to levy against this country, and which they are preparing.

This could give the United States leverage in a wasteful, time-consuming dispute both sides should be eager to settle without further litigation. Fortunately, both say they do want to settle it, so as not to burden global growth, which is already hampered by the transatlantic struggle that Mr. Trump started by imposing tariffs on European steel. "I don't think we can afford to have a trade conflict, even if only on the specific issues of the aircraft industry in the United States and Europe," French Finance Minister Bruno Le Maire said. For his part, Mr. Lighthizer spoke of an "ultimate goal," which would be a U.S.-E.U. "agreement with the EU to end all WTOinconsistent subsidies to large civil aircraft." That is indeed the right objective, and it should be cause for reflection at Mr. Trump's White House that the institution it has so often reviled, the WTO, may be helping the two sides to achieve it.