

# Why Trump Shot the Sheriffs:

## The End of WTO Dispute Settlement 1.0

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### Abstract

As of December 10 2019, the WTO's 25 year old system of resolving disputes has broken down. This paper explains why. It describes the dysfunctional system that preceded the WTO, where the US dealt with politically troublesome imports by using voluntary export restraints, and increasingly resorted to the "aggressively unilateral" Section 301 policy to resolve its trade concerns. The WTO was a compromise between the rest of the world and the United States, whereby the US accepted some constraints with the expectation that the new system of binding dispute settlement would serve its interests. But while the creation of the WTO resolved some concerns about American unilateralism in the short term, its system of handling disputes has turned out to be politically unsustainable.

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