

# Trump said he would strike one-on-one Trade deals. That's not happening.

By John Wagner and David J. Lynch

As he traveled across Asia, President Trump touted a flurry of multibillion-dollar military sales and one-off business deals with nations he visited. Upon his return to the White House this week, he is pledging to unveil more, boasting that his handiwork is “far bigger than anything you know.”

But the 12-day trip also underscored how little progress Trump has made on a far more sweeping pledge central to his “America first” vision: replacing multilateral trade agreements — which he has long railed against but every U.S. president since Harry S. Truman has embraced — with one-on-one deals more “fair” to the United States.

“None of the trading partners, particularly in Asia, seem to be enthused about such a prospect,” said Wendy Cutler, a longtime U.S. trade official who now serves as vice president of the Asia Society Policy Institute.

The most pointed evidence of that came during Trump’s visit to Vietnam, where news broke that the remaining 11 nations involved in the Trans-Pacific Partnership, including Japan, were moving on without the United States.

Trump, on his third day in office, signed an executive memorandum withdrawing the United States from the 12-nation pact that had been painstakingly negotiated over a decade by two of his White House predecessors.

The remaining nations are “all very much focused on that” rather than brokering separate agreements with the United States, said Harry Kazianis, an Asia scholar at the Center for the National Interest. “They’re focused on the deal closest to the table.”

In some cases, politics at home make it difficult to move forward independently with the United States, experts say.

In crafting the TPP, for example, Japanese Prime Minister Shinzo Abe spent considerable political capital with the powerful farming lobby in his country to open its agricultural market.

“They’re not going to give more ground to Trump than they have already,” Kazianis said.

Following Trump’s departure from Japan last week, Japanese Finance Minister Taro Aso said that his nation had no intention of signing a bilateral agreement with the United States and would work to bring down the U.S. trade deficit with Japan via more modest steps.

Cutler said that nations in Asia have watched with puzzlement as Trump seeks to renegotiate NAFTA with two close U.S. allies — Canada and Mexico — and seeks to renegotiate a separate trade deal with South Korea amid a nuclear crisis in the region.

“My sense is everyone would prefer to wait to see what happens” in those negotiations before moving forward, Cutler said.

Trump boosters say that it’s unrealistic to expect his tough talk on trade to translate immediately into new agreements — and that it’s not necessarily advantageous to move quickly.

“Trump is a negotiator,” said Heritage Foundation fellow Stephen Moore, who advised Trump on economic issues during last year’s campaign. “All of these countries need to trade with the United States more than we need to trade with them. Why not use that as a bargaining chip? Trump is playing coy with some of these countries. He doesn’t have to be in a huge hurry to get this done.”

**As he prepared to return home, Trump took to Twitter to make the case that his meetings with Asian leaders marked a start toward more trade deals “unlike the horror shows from past Administrations.”**

**“After my tour of Asia, all Countries dealing with us on TRADE know that the rules have changed,” Trump tweeted Monday. “The United States has to be treated fairly and in a reciprocal fashion. The massive TRADE deficits must go down quickly!”**

**On the trip, Trump’s announcements were plentiful but limited to military sales and individual business deals rather than larger trading frameworks. And it wasn’t clear that everything announced would come to fruition.**

**In China, for example, the largest project unveiled was a plan by China Energy Investment Corp. to invest \$83.7 billion in power generation, chemical manufacturing and underground storage of natural gas liquids and derivatives in West Virginia. But the two sides signed only a memorandum of understanding, not a contract, and the eye-popping figure covers a 20-year period, the state said.**

**“One of the notable aspects of this trip is the paucity of outcomes it produced,” said Ryan Haas, an Asia expert on the National Security Council staff in the Obama administration who is now at the Brookings Institution. “It appears Donald Trump invested a lot of energy into developing good chemistry with other leaders, but we haven’t yet seen that translate into good outcomes for U.S. citizens.”**

**Haas also said that the administration’s stance doesn’t reflect modern trade patterns. Smartphones may have components from Japan, South Korea and Taiwan, shipped through China, and exported to Europe and the United States, he said.**

**Patrick Cronin, an Asia expert at the Center for a New American Security, said even bilateral deals can take time to develop and that Trump administration is “trying to walk a tightrope.”**

On the one hand, it's staying faithful to the "America first" rhetoric of a Trump campaign that appealed to voters who have felt left behind by globalization. On the other hand, the administration doesn't want to exit the system altogether.

"It's trying to color outside the lines but not tear up the whole book," Cronin said.

**Trump's disdain for multinational deals was highlighted throughout his five-nation swing.**

"I will make bilateral trade agreements with any Indo-Pacific nation that wants to be our partner and that will abide by the principles of fair and reciprocal trade," the president said at the Asia-Pacific Economic Cooperation summit in Danang, Vietnam. "What we will no longer do is enter into large agreements that tie our hands, surrender our sovereignty, and make meaningful enforcement practically impossible."

The remarks represent Trump's long-standing world view. In March, less than six weeks into his presidency, he told Congress that boosting jobs and economic growth in the United States required "focusing on bilateral negotiations rather than multilateral negotiations — and by renegotiating and revising trade agreements when our goals are not being met."

The president also promised to "aggressively defend American sovereignty over trade policy," a jab at the 164-nation World Trade Organization, which was established in 1995 with U.S. support. The global trading body administers the arcane rules that govern cross-border commerce, mediates disputes between member nations and presides over negotiations aimed at further trade liberalization.

Its role as a dispute forum has irked Trump, who sees the rulings of a Geneva-based group of experts as an infringement upon U.S. authority. Though the United States has won the overwhelming majority of cases it has filed over other nations' trade policies, it has lost a similar share of the complaints filed against it. "Simply put, we have not been treated fairly by the World Trade Organization," the president said in Danang.

That view is disputed by many corporate executives and other trade professionals. "The multilateral approach is ultimately the best way forward," said Alan Wolff, deputy director

general of the World Trade Organization, who said in Washington this week that the administration had abandoned 70 years of U.S. leadership.

**One indication that the United States needs the WTO: Washington lacks bilateral free-trade agreements with seven trading partners out of its top 10.**

**If the president follows through on his threats to withdraw from NAFTA, European and Asian exporters might soon enjoy preferential access to the Canadian market that U.S. companies would lack, said Rufus Yerxa, president of the industry-backed National Foreign Trade Council.**

**The administration's critics fear a return to the sort of tit-for-tat trade wars that strangled two-thirds of global trade in the 1930s.**

**Yerxa, speaking at the Center for Strategic and International Studies, called the administration's go-it-alone instinct "a signal that the U.S. is moving in reverse on trade just at a time when the rest of the world is moving on fast forward."**

**The president's populist stance has opened an unusual gap between a Republican White House and the business community. Neither Trump's preference for bilateral deals nor some of his specific goals in the NAFTA renegotiation — including a "sunset clause" that would kill the treaty every five years unless it were renewed — are shared by the corporate world.**

**"What's the endgame here? If we do undermine the WTO, if we do call into question the rules-based trading system, what's the better system?" Sarah Thorn, senior director for government relations at Walmart, asked at the CSIS earlier this week.**

**As it turns away from multilateral arrangements, the administration may be preparing to impose punitive unilateral trade measures.** The Commerce Department has been mulling a recommendation for new limits on imports of Chinese steel, citing a threat to national security. And in August, Trump ordered his trade representative to open an investigation of China's alleged widespread theft of U.S. intellectual property, which could ultimately lead to U.S. tariffs on Chinese goods.

**“We are in the midst of a transition from a strategy based on consultation and dialogue with the Chinese to one based on unilateral pressure,” said Scott Kennedy, an expert on the Chinese economy for the CSIS.**