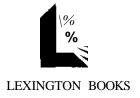


## The Political Economy of International Trade

## U.S. Trade Law, Policy, and Social Cost

Jae Wan Chung



A division of ROWMAN & LITTLEFIELD PUBLISHERS, INC. Lanham • Boulder • New York • Toronto • Oxford

## **Contents**

Lis	t of F	figures	хi	
List of Tables				
Abbreviations				
Preface			xvii	
Acknowledgments				
PA	RT I	: U.S. TRADE LAWS AND INTERNATIONAL TRADE AGREEMENTS \		
1	Con	stitutional Mandate of Trade Policy and Trade Protection	3	
	1.1	Trade Legislation and Trade Policy	4	
	1.2	Procedures for Trade Legislation	5	
	1.3	Causes of Protective Trade Legislation	7	
	1.4	Summary and Conclusions	9	
	Note	· · · · · · · · · · · · · · · · · · ·	10	
2	Primary Trade Laws in the Past		13	
	2.1	The Smoot-Hawley Tariff Act of 1930	14	
	2.2	The Reciprocal Trade Agreements Act of 1934	21	
	2.3	Trade Expansion Act of 1962	23	
	2.4	Trade Reform Act of 1974	24	
	2.5	Trade Agreements Act of 1979	25	
	2.6	Summary and Conclusions	27	
	Note	es	28	

viii Contents

3	Trade Law of the Present Era: An Overview	
	3.1 Background and Purpose of OTCA	33
	3.2 Legislation	35
	3.3 Statutory Composition and Trade Remedy Laws	35
	3.4 Summary and Conclusions	37
	Appendix 3.1: House Votes on H.R. 4848	38
	Appendix 3.2: Senate Votes on H.R. 4848	42
	Notes	43
4	Principal Trade Policy Instruments	
	4.1 Enforcement of U.S. Rights and Responses to Foreign	
	Unfair Trade Practices	47
	4.2 Identification of Trade Liberalization Priorities	49
	4.3 Identification of Intellectual Property Rights Priorities	50
	4.4 Countervailing Duties	51
	4.5 Antidumping Duties	54
	4.6 Safeguard Measure * •	57
	4.7 Antecedents of Trade Remedy Statutes	58
	4.8 Other Provisions	60
	4.9 Summary and Conclusions	61
	Notes	62
5	The World Trade Framework	65
	5.1 Multilateral Agreements	67
	5.2 Regional Agreements	77
	5.3 Bilateral Agreements	82
	5.4 Recent Development of Multilateral Agreements	83
	5.5 Summary and Conclusions	87
	Appendix 5.1: House Roll Call Votes on the Uruguay Round	88
	Appendix 5.2: Senate Roll Call Votes on the Uruguay Round	93
	Appendix 5.3: Highlights of the U.SCanada Trade Pact	94
	Notes	95
D.	ADTH. HE TRADE DOLLOW COCIAL COST	
PA	ART II: U.S. TRADE POLICY, SOCIAL COST, AND POLICY REFORM	
6	Trade Policy Institutions	101
•	6.1 The Legislative Branch	101
	6.2 The Executive Branch	102
	6.3 The International Trade Commission	108
	6.4 Private Sector Advisory Committees	109

Contents ix

	6.5 Policy Implications	109		
	6.6 Summary and Conclusions	110		
	Notes	111		
7	Trade Policy in Action			
	7.1 Trade Policy under Multilateral Agreements	115		
	7.2 Trade Policy under Regional Agreements	116		
	7.3 Bilateral Initiatives	118		
	7.4 Enforcement Activities by Trade Remedy Measures	123		
	7.5 Future Course of U.S. Trade Policy	137		
	7.6 Summary and Conclusions	140		
	Notes	141		
8	Trade Disputes and Settlements			
	8.1 Foreign Trade Barriers	144		
	8.2 Complaints about U.S. Trade Remedy Policy	146		
	8.3 Are the U.S. Trade Remedy Statutes in Accord with			
	Multilateral Agreements?	151		
	8.4 Trade Disputes and Settlements	154		
	8.5 Summary and Conclusions	160		
	Appendix 8.1: Disputes Brought to the WTO by the			
	United States against Foreign Countries	161		
	Appendix 8.2: Disputes Brought to the WTO by Foreign			
	Countries against the United States	166		
	Notes	173		
9	Adjudicatory Behavior of Trade Policy Institutions and			
	Effectiveness of Trade Remedy Policy	175		
	9.1 Determinants of Petition	176		
	9.2 ITC's Decision-Making Behavior	178		
	9.3 Effectiveness of Trade Remedy Policy	180		
	9.4 Trade Remedy Policy and Trade Disparity	182		
	9.5 Summary and Conclusions '	184		
	Notes	185		
10	Fair Trade Policy, Social Cost, and Trade Policy Reform			
	10.1 Legal Perspective on Trade Policy			
	10.2 Economic Perspective on Trade Policy	191		
	10.3 Social Cost of Trade Policy, Optimal Trade Intervention			
	and Trade Policy Reform	194		
	10.4 Summary and Conclusions	196		
	Notes	198		

x Contents

Epilogue				
Appendix  I GATT <sub> 947</sub> : Components  II Uruguay Round Agreements  III NAFTA: Outline	205 : Components 207 209			
Bibliography	215			
Index	229			
About the Author i	245			