

# Issues in World Trade Policy

*GATT at the Crossroads*

*Papers presented at a conference of the  
Centre of Policy Studies, Monash University, Australia*

Edited by

**R. H. Snape**

*Department of Economics and Centre of Policy Studies  
Monash University*

**M**  
MACMILLAN  
PRESS

# Contents

<i>Editor's Note</i>	vii
<i>List of the Contributors</i>	viii
<b>PART I INTRODUCTION</b>	
1 Introduction <i>R. H. Snape</i>	3
<b>PART II DECLINE OF THE GATT SYSTEM</b>	
2 The Decay of the Trade Relations System <i>Rodney de C. Grey</i> Comment <i>Fred H. Gruen</i>	17 30
3 Should Unconditional MFN Be Revived, Retired or Recast? <i>Gary C. Hufbauer</i> Comment <i>John McDonnell</i>	32 55
<b>PART III INDUSTRIES OUTSIDE GENERAL GATT RULES</b>	
4 Market Disturbances and the Multifibre Arrangement <i>Gary P. Sampson</i> Comment <i>Graeme A. Thomson</i>	61 88
5 International Effects of Agricultural Policies <i>Kym Anderson and Rodney Tyers</i> Comment <i>George Fane</i>	93 115
<b>PART IV WHAT INSTRUMENTS FOR ASSISTANCE?</b>	
6 Policies Towards Market Disturbance <i>W. Max Corden</i>	121

7	Free Trade Zones and Their Relation to GATT <i>Herbert G. Grubel</i>	140
8	The Choice of Instrument for Industry Protection <i>Peter J. Lloyd and Rodney E. Falvey</i>	152
	Comment <i>Dietrich Fausten</i>	171
9	Protection Through Government Procurement <i>Peter G. Warr and Brian R. Parmenter</i>	175
PART V POLITICS, ECONOMICS, LAW		
10	The Interplay of Law and Economics in International Trade Regulation <i>Andrew Farran</i>	193
	Comment <i>Colin Phegan</i>	218
11	The Political Economy of Protection in Eleven Industrial Countries <i>Helen Hughes</i>	222
12	Why Have US Tariffs Fallen Since 1930? <i>J. J. Pincus</i>	238
	Comment <i>Rodney E. Falvey</i>	254
13	Ideas Count, Words Inform <i>J. Michael Finger</i>	257
PART VI SUMMARY		
14	Summary <i>Anne O. Krueger</i>	283
	<i>Index</i>	291