Politics vs Economics in World Steel Trade

Kent Jones

Assistant Professor of Economics Babson College, Massachusetts

London.
ALLEN & UNWIN

Boston

Sydney

Contents

	litor's Foreword	page	
	Author's Preface		ix Xii
	List of Figures		xii
List of Abbreviations List of Tables			xiii
Li	st of Tables		XIII
1	Steel Trade and National Welfare		1
	Introduction		1
	Steel protectionism: arguments and legal channels		3
	The political logic of trade restraints		11
	Notes		12
2	Steel Protectionism in Historical Perspective		13
	The early years of steel trade		13
	Increasing instability and protectionism after the		
	First World War		20
	The postwar period		25
	Summary: steel and chronic protectionism		27
3	The Battle Lines of Steel Protectionism		29
	Introduction		29
	The competitive shock from abroad		30
	The generation of steel protectionism		39
	A perspective of the protectionist policymaking process		46
4	The World Steel Market in Transition		49
•	Import penetration and protectionist response		49
	The sources of competitive decline		50
	The question of government subsidies to steel		73
	Summary		80
5	Steel Trade Policy in Crisis		83
	Steel and the State: the early postwar years		84
	Origins of the first crisis		91
	Policy children of the VRAs		104
	Summary: policy implications of the first VRAs		107
	Notes		108

vi POLITICS VS ECONOMICS IN WORLD STEEL TRADE

6	The Crisis Renewed: Towards Binding Voluntary Restraint	110
	Recession, competition and the import problem	110
	Antidumping and trigger prices in the United States	119
	Policy rebound in the European Community	126
	Notes	131
7	The Collapse of the TPM and the Establishment of	
	Comprehensive Steel Pacts	132
	Continued crisis and the decline of the TPM	133
	Advent of the steel pacts	138
	Summary	154
	Notes	155
	140162	133
8	Conclusions and Outlook: The Implications of Non-adjustment	157
	Resistance to adjustment	157
	The cost of protection and the steel trade policy crisis	160
	A framework for resolving the policy crisis	164
Bi	ibliography	168
	Index	