

In summary, the "trade policy system" is the complex of international agreements governing transactions in traded goods, primarily those agreements involving obligations of governments; it is convenient to assimilate to the "system" the corresponding domestic legislation and the related structure of private rights.

### A Complex System

Another characteristic of the "trade policy system", if we look only at the international agreements, is that it is a very complex system, or rather, a complex set of systems and sub-systems. It is important to understand that the post-war arrangements (and the surviving components from the pre-war period) have been built up slowly, often using or adapting long-established treaty concepts, in an ad-hoc fashion; it has become, in its rather ram-shackle and accidental fashion, an extraordinarily detailed structure. Of course, the main element in the structure is the General Agreement, which can be thought of a multilateralized, and therefore partially standardized, trade agreement drafted in fairly conventional terms. Close study of the GATT articles as compared with the provisions of the pre-war "system of treaties" will show that the two important differences between the GATT and the pre-war system are first, the formal multilateralization of obligations with regard to tariff levels (as made clear by the provisions of Article XXVIII on renegotiation of tariff levels) and second, the procedural obligations, particularly those of Article XXIII (nullification and impairment), out of which the dispute settlement mechanisms, such as they are, have developed.

When we look at the post-war arrangements, it can be argued that, in terms of institutional structure and of substantive, operational features, the International Monetary Fund and the World Bank were major innovations; by contrast the GATT was a modest codification and tidying up of the pre-war "system of treaties" which had been linked in application by the unconditional most-favoured nation clause.

Around the GATT there is a range of subordinate and more limited agreements and understandings. There are, for example, the Protocols of Accession or Association of a number of countries (for example, certain non-market economies) which cannot or will not adhere to all the GATT articles. Imports into market economy countries from non-market economies give rise to some difficult issues and some contrived measures in regard to assumed dumping or assumed subsidization. There is the Multi-Fibre Arrangement, which provides part of the system of rules for international trade in textiles and textile products; this is a sector which a number of governments continue to prefer to deal with in part outside the GATT articles. The MFA, which provides rules endorsing or regulating discriminatory limits on imports, reflects a collective decision by governments to adapt an essentially competition-limiting sectoral trade policy. There are, too, the various arrangements for tariff preferences: the General System, under the U.N., the various regional and sectoral schemes (such as the Canada-U.S. Automotive Products Agreement). Some of these schemes obviously fall short of the criteria specified for customs-unions and free-trade areas in GATT Article XXIV. There are also a variety of bilateral arrangements between GATT signatories and non-signatories, such as the agreements with the U.S.S.R., China and Mexico (these two latter countries have