


~~should be consistent with competition policy.~~ Administrators of trade policy administer that branch of economic policy without regard for competition policy objectives because the legislation almost always precludes them considering such objectives. To answer "how and why" we would have to make a detailed study, in regard to one legislature or another, of the process of trade policy legislating: what interest groups have made what proposals, what proposals have been submitted by government for enactment. Fairly obviously, any such study would show that most trade policy legislative activity focusses on what producer groups will gain by reduction or increase in what particular trade barrier.

In order to come to grips with the issues; a number of working assumptions must be stated; these are by no means uncontentious.

The Trade Policy System

First, we should define key terms. By the term "trade policy system" or "trade relations system" we mean the complex of international agreements between governments which provide an international legal framework for international trade in goods. (There has been discussion as to the possibility of extending the trade policy system to trade in services, but for the present the trade policy system is largely about goods.)³ Part of this legal framework, while negotiated between governments, is primarily the concern of the private sector. In the U.N. system, such issues as arbitration conventions and the international convention on contracts for sales are dealt with by the U.N. Commission on International Trade Law.⁴ In the ordinary daily business of trade policy officials, such matters are not considered central to trade policy, which is directed at such actions of governments as tariffs, import quotas, special duties (anti-dumping duties and countervailing duties), voluntary export restraints. In regard to such measures, governments undertake obligations to each other and governments are actively involved in the administration of the measures concerned. These points of definition are obvious enough; they are stated here because it is important that we should not take the dividing line between private international trade law and the public or government trade law area as being fixed; we should ask, for example, why it is that governments involve themselves so much in the prosecution of charges of price discrimination in import trade (dumping) rather than leaving such issues to be settled by civil suits before the courts, like alleged patent infringement.



The trade policy system includes more than the international agreements themselves; there is the corresponding domestic legislation, some of it extremely complicated. For some countries (e.g. the EEC) the legislation may be very much the same as the international agreement; this reflects, in part, the fact the legislation in European countries is drafted in less precise, less detailed manner than is now the practice in the USA and Canada. It is obvious that for there to be international agreements as to levels of tariffs for particular goods when imported into given countries there must be domestic legislation spelling out the description of goods, the rates of duty, the valuation practices, and the administrative provisions. What is more interesting is the development of very detailed legislation governing administrative procedures for the invoking of such measures as countervailing duties and anti-dumping duties. Such legislation is sanctioned by, even required by, the international agreements covering such measures; but, of course, the legislated administrative framework was developed