

Concluding Comments

The question of domestic adjustment and cartelization will fill any space available; let us try to sum up what we can say about the interface between "safeguards" policy and competition policy. It appears that four rather negative points should be made.

- First: the Havana Charter/GATT system with regard to the use of Article XIX — the "escape clause" — has virtually collapsed. Rather than institute non-discriminatory import restricting measures many countries have recourse to various "surrogate" measures. These measures frequently involve either exporters, or their government, agreeing to limit exports, that is, to take a measure which is, on the face of it, in contradiction with competition policy considerations and with the stated rationale of the post-war trade policy system embodied in the GATT. Nothing is more important in trade policy than that governments should try to give up this use of measures outside the GATT framework of rules.
- Second: the issues with regard to Article XIX are whether or not discrimination, the hall-mark of "surrogate" measures, should or should not be taken into Article XIX,³⁶ and the instituting of more effective international scrutiny of escape clause actions, including scrutiny of "surrogate" measures that is looking at Article XIX in terms of trade policy.
- From a competition policy point of view, the issue is why competition policy considerations are not more fully reflected in the safeguard system (Article XIX plus surrogates). It is only in the United States that the legislation on Article XIX measures refers explicitly (though only briefly) to the state of competition.
- There would be nothing illogical in the application of competition policy considerations in the use of safeguards. All that is at issue is political will, coupled with a recognition that imports are competition, with all the economic benefits that competition entails, and that restricting that competition involves the same sort of costs as restricting competition in the domestic market.