

- the primary regulator of trade should be the highly visible mechanism of the tariff, a mechanism that affects prices, rather than other mechanisms such as quantitative restrictions;
- tariffs and other barriers to trade should be progressively reduced so that the gains from trade can be realized and economic welfare increased;
- trade results largely from the activity of private entrepreneurs rather than governments;
- governments should be allowed to impose barriers against dumped or subsidized or otherwise politically intolerable levels of imports; and
- disputes between members should be resolved through a process of consultation and negotiation; retaliation and counter-retaliation should be avoided.

Over the years, the system became increasingly complex in order to compensate for the failure of the more ambitious International Trade Organization (ITO) to come into being. Despite these difficulties, the cumulative impact of the GATT—and now the WTO—was significant. Merchandise trade was liberalized, particularly among the advanced industrial economies; tariffs were cut; old-fashioned discriminatory quantitative restrictions were eliminated; and many potentially harmful practices were restrained by its rules¹³.

¹³ Its impact was much more limited in curbing the protectionist instincts of developing country governments. As a result, their participation in the benefits of international trade was much more limited, a reality that is only now beginning to be addressed by some developing countries through unilateral measures and bilateral arrangements. We explore the perverse impact of special and differential treatment for developing countries and their governments' approach to multilateral negotiations in "Special and Differential Treatment and the Doha 'Development' Round," *Journal of World Trade* 37:2 (April 2003). Gary Hufbauer sarcastically points out, "everyone 'knows' that trade ministers representing poor countries can't be asked to dismantle their barriers because ... well, because they like to use muddled infant industry arguments to confer favours on well-connected constituents." "Inconsistency between Diagnosis and Treatment," *Journal of International Economic Law*, 8:2 (June 2005), p. 293.