

{U6017} International Trade Law and Policy
Fall 2004
Saturday, 2:00pm – 4:00pm

Instructor: Eliza Patterson

E-mail: ep2120@columbia.edu Phone: 202-667-3281

REQUIRED COURSE TEXTS:

Trebilcock and Howse, The Regulation of International Trade, 2nd edition. Routledge Press.

Distributed Materials from International Economic Relations, 4th ed Jackson, Davey, Sykes- available from Debra Carter

RECOMMENDED COURSE TEXTS:

Caves, Frankel, and Jones, World Trade and Payments, 9th edition. Addison Wesley.

Additional materials may also be distributed over the course of the semester.

REQUIREMENTS:

A take home mid-term will be given during week 6 or 7.

A final 5 page paper will be due at the end of the semester. Students will be given a list of several topics from which to select.

GRADING:

Grades will be computed as follows: Mid-term 25%; Final 50%; Class Participation 25%.

COURSE SCHEDULE:

(The pace of the course may vary slightly depending on class discussion. Additional topics may be added if events warrant.)

Weeks 1-2

The Economics of Trade

These sessions will cover the basic economic principles relating to international trade.

The following topics will be covered:

1. Mercantilism

2. Comparative advantage and gains from trade
3. Factor endowments and trade patterns
4. Qualifications to the case for free trade: reciprocity, the optimal tariff, infant industries, strategic trade theory, revenue-raising considerations, and national security considerations.
5. Objections to free trade: job displacement and wage depression; race-to-the-bottom/ lowest common denominator effects on domestic social policies; cultural homogenization; loss of domestic political sovereignty.

Required Reading:

Trebilcock and Howse, The Regulation of International Trade. 2nd edition. Routledge Press, pp. 1-17

Xeroxed materials to be distributed (*Jackson, Davey, and Sykes, International Economic Relations. 4th edition. West Group, pp. 7-21*)

Recommended Reading:

Caves, Frankel, and Jones, World Trade and Payments. Chapter 7

Week 3

A. The Evolution of the International Trading System.

This session will cover (1) The formation and evolution of the GATT from the initial 1947 concept through eight negotiating rounds and the creation of the WTO. (2) The rise of regional trading blocks and free trade areas (FTAs)- the EU, NAFTA, the proliferation of bilateral free trade areas.

Required Reading:

Trebilcock and Howse, The Regulation of International Trade. 2nd edition. Routledge Press, pp. 21-24

Xeroxed materials to be distributed (*Jackson, Davey, and Sykes, International Economic Relations. 4th edition. West Group, pp. 208-216; 226-231*)

B. The US Constitution and US Regulation of International Economic Affairs.

This session will discuss the inherent and delegated powers of the president and the Congress in the conduct of international economic relations; the domestic legal effect of international agreements, and the respective roles of the States and the Federal Government.

Required Reading:

Xeroxed materials to be distributed (*Jackson, Davey, and Sykes, International Economic Relations. 4th edition. West Group, pp. 56-62; 72-78; 96-102; 116-119; 123-127*)

Week 5

The US Trade Policy Formation Process

This class will discuss the complex process by which the US government's trade policies and laws are developed. We will examine, with the use of case studies, the roles played by the various executive branch agencies; the US trade representative, NGOs, the private sector and the Congress in crafting US policy.

Required Reading:

Xeroxed materials to be distributed (*Jackson, Davey, and Sykes, International Economic Relations*. 4th edition. West Group, pp. 88-90; 137-139)

Week 6-7

Fundamentals of the WTO legal regime

These sessions will cover the following topics:

- Non-discrimination: MFN and National Treatment
- Tariffs
- Unfair trade laws
- Safeguards
- Article XX:General Exceptions to GATT rules
- Dispute settlement.

Required Reading:

Trebilcock and Howse, The Regulation of International Trade. 2nd edition. Routledge Press, pp. 25-38; 51-80; 167-172; 190-198; 205-214; 226-239; 245-251;

Week 8

Developing nations in the WTO

-The discussion will cover the evolution of theory and policy stances relating to the relationship between trade and development and the related evolution of the multilateral rules governing trade between developed and developing nations.

- We also will discuss current disputes between developing and developed nations over the agenda and goals of the on-going Doha Round of trade negotiations. This will include a discussion of rules related to agricultural policies, services, intellectual property and investment.

Required Reading:

Trebilcock and Howse, The Regulation of International Trade, 2nd edition. pp.367-394

Week 9

US Unilateralism- Section 301

This session will examine what is arguably the single most important piece of US trade legislation insofar as relations between the US and the WTO are concerned- Section 301. This law provides the Administration with the authority to retaliate against a host of foreign practices otherwise outside the reach of US trade laws. It is also a means by which the private sector can access the WTO dispute settlement system.

Required Reading:

Xeroxed materials to be distributed on October 16, 2004 (*Bayard and Elliot* [1994], Reciprocity and Retaliation in US Trade Policy, IIE, pp. 52-56; 68-77)

Xeroxed materials to be distributed (*Jackson, Davey, and Sykes*, International Economic Relations, 4th edition, West Group, pp. 317-319; 332-335)

Recommended Reading:

Trading Free; the GATT and US Trade Policy, Patrick Low, 20th Century Fund, pp. 56-64; 87-91; 94-96

Weeks 10-12

Current Issues confronting the US and the multilateral trading system.

Topics covered include:

- 1-The escalation of US FTAs as the tool of preference for US liberalization and the threat regionalism poses to the multilateral system.
2. Managing the interface between trade liberalization and the domestic regulatory state. We will examine the on-going debate over the extent to which international trade regimes should regulate domestic, or so-called “with-in border”, regulatory measures in the areas of consumer health and safety, labor rights, environmental protection, and competition policy.
3. Investment. We will discuss the WTO TRIMs agreement, NAFTA chapter 11 and the failed MAI.
4. The role of NGOs in shaping globalization

Required Reading:

Trebilcock and Howse, The Regulation of International Trade, 2nd edition, Routledge Press, pp. 335-347; 351-366; 395-440; 134-147; 152-165; 519-522

Xeroxed material from: Trade and Labor Standards, A strategy for developing Countries, Carnegie Endowment for International Peace.