Introduction
GATT in World Affairs

No one expected that the end of hostilities in 1945 would automatically mean the return of peace. Officials who thought about the postwar period thought in terms of a peace that had to be won or else it might be lost. They tried to understand the causes of conflict and identify the conditions for stability, security, and well-being so that they could construct a new and viable global order. Their plans brought together rules, norms, nations, and international organizations to manage and contain conflict, and to build a new foundation of understanding and cooperation across people and nations. The United Nations (UN) was at the centre of this reconstructed postwar architecture, but it could not be expected to uphold peace on its own. Wartime blueprints mapped out a host of specialist international organizations that would tackle specific elements of international order and disorder. The planning of these agencies revealed a complex understanding of the causes of conflict and of the necessary ingredients for peace. There was widespread belief that the condition of the world economy, as well as economic relations between states, would be critically important to the postwar order. A peaceful world had to be prosperous; at the very least, economic instability, poverty, and the gap between have and have-not states would have to be alleviated. Officials in the United States and Britain designed three organizations that were intended to stabilize currencies, promote industrial development, and liberalize world trade as interconnected parts of a secure and expanding global economic order: the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (usually referred to as the World Bank), and the International Trade Organization (ITO). The IMF and the World Bank emerged from the Bretton Woods conference of 1944, but negotiations to establish the ITO carried on into the postwar period. The delay proved terminal. Alone among these new international organizations, the ITO was never established. Instead, its role was fulfilled by the General Agreement on Tariffs and Trade (GATT), a contractual agreement negotiated by twenty-three countries in 1947 which bound them to liberalize trade by lowering tariffs. Eric Wyndham White, GATT's first executive

Table 0.1 *Rounds of GATT negotiations*

1947	Geneva round
1949	Annecy round
1950–1951	Torquay round
1956	Geneva round
1960–1961	Dillon round
1964–1967	Kennedy round
1973–1979	Tokyo round
1986–1994	Uruguay round

secretary, described it as the 'Cinderella of international organizations': it arrived late on the scene of postwar global governance and had almost no institutional resources.[1] Although GATT was supposed to be a temporary measure, it oversaw and encouraged trade liberalization for almost half a century through eight rounds of discussion and activity (see Table 0.1). This book tells the institutional and international history of GATT, the least well known of the three international economic organizations.

GATT was one of many international organizations established to restore and maintain order in the postwar era. The prominence and responsibilities of international organizations prompted the establishment of a new journal, *International Organization*, in 1947. The journal's first editor anticipated that international organizations would be 'an increasingly important part of the study and understanding of international relations'.[2] But historians, at least, did not rush to study these organizations. This was partly because diplomatic historians at the time were focused on explaining the start of the Second World War and later the causes of the Cold War. Conflicts, rivalry, and the pursuit of power defined the boundaries of worthwhile subjects for diplomatic historians. International organizations were relegated to a minor role, with the possible exception of the United Nations.[3] Since the end of the Cold War, conceptions of global affairs have changed[4] and the range of historical subjects studied has expanded. International historians are asking

[1] 'The Achievements of the GATT', address by Eric Wyndham White at the Graduate Institute of International Studies, Geneva, December 1956 (Geneva: WTO Archives).
[2] H. Bundy, 'An Introductory Note', *International Organization* 1 (1) (1947), 1.
[3] Even the historical literature on the UN has been slim until recently. The UN Intellectual History Project produced fifteen volumes between 2001 and 2010, although they were not all written by historians. The seventieth anniversary of the UN in 2015 was the theme of numerous conferences which have generated more published studies.
[4] Iriye has been at the forefront of major shifts in the field, including the approach to diplomatic history from the perspective of intercultural relations. He also challenges the logic of the nation-state as the primary actor or framework in which to situate international

new questions and exploring new subjects, including manifestations of internationalist thinking;[5] cooperation at multiple levels; the values, norms, and priorities of the global community; the authority of nation-states; the activities of transnational actors; the rise of experts; and conceptions of world order.[6] This new scholarship also explores the agency and impact of international organizations as creators of norms, intermediaries between nations, and forums that reduced tensions and facilitated cooperation. While our understanding of international organizations is still developing and debates about their agency and autonomy continue, studies

history. See *Global and Transnational History: The Past, Present and Future* (Basingstoke: Palgrave Macmillan, 2013), 2.

[5] Sluga and Clavin write that until recently, 'the theme of internationalism . . . could rarely be heard as more than a whisper in narratives of the past'. G. Sluga and P. Clavin (eds.), *Internationalisms: A Twentieth Century History* (Cambridge: Cambridge University Press, 2017), 3. Also see S. Jackson and A. O'Malley (eds.), *The Institution of International Order: From the League of Nations to the United Nations* (London and New York: Routledge, 2018) for a discussion about the many forms of internationalism.

[6] Recent histories of the League of Nations are evidence of this redirection of historical interest. See P. Clavin, *Securing the World Economy: The Reinvention of the League of Nations, 1920–1946* (Oxford: Oxford University Press, 2013) and S. Pedersen, *The Guardians: The League of Nations and the Crisis of Empire* (New York: Oxford University Press, 2015). Scholars have produced many studies of postwar international organizations over the last twenty years: see A. van Dormael, *Bretton Woods: Birth of a Monetary System* (London: Macmillan, 1978); R. Gardner, *Sterling–Dollar Diplomacy in Current Perspective: The Origins and Prospects of Our International Economic Order* (New York: Columbia University Press, 1980); L. S. Pressnell, *External Economic Policy Since the War, Vol. I: The Post-War Financial Settlement* (London: Her Majesty's Stationery Office, 1986); G. Schild, *Bretton Woods and Dumbarton Oaks: American Economic and Political Postwar Planning in the Summer of 1944* (New York: St. Martin's Press, 1995); T. W. Zeiler, *Free Trade, Free World: The Advent of GATT* (Chapel Hill: University of North Carolina Press, 1999); M. A. Glendon, *A World Made New: Eleanor Roosevelt and the Universal Declaration of Human Rights* (New York: Random House, 2001); P. J. Hearden, *Architects of Globalism: Building a New World Order during World War II* (Fayetteville: University of Arkansas Press, 2002); S. C. Schlesinger, *Act of Creation: The Founding of the United Nations: A Story of Superpowers, Secret Agents, Wartime Allies and Enemies and Their Quest for a Peaceful World* (Boulder, CO: Westview Press, 2003); A. L. S. Sayward, *The Birth of Development: How the World Bank, Food and Agriculture Organization, and World Health Organization Changed the World, 1945–1965* (Kent, OH: Kent State University Press, 2006); D. A. Irwin, P. C. Mavroidis, and A. O. Sykes, *The Genesis of the GATT* (New York and Cambridge: Cambridge University Press, 2008); G. Sluga, 'UNESCO and the (One) World of Julian Huxley, *Journal of World History*, 21 (3) (September 2010), 393–418; D. Mackenzie, *ICAO: A History of the International Civil Aviation Organization* (Toronto: University of Toronto Press, 2010); J. Reinisch, 'Internationalism in Relief: The Birth (and Death) of UNRRA', *Past & Present*, 201 (6) (January 2011), 258–289; B. Steil, *The Battle of Bretton Woods: John Maynard Keynes, Harry Dexter White, and the Making of a New World Order* (Princeton and Oxford: Princeton University Press, 2013); S. Kott, 'Fighting the War or Preparing for Peace? The ILO During the Second World War', *Journal of Modern European History* 12 (3) (August 2014), 359–376; O. Rosenboim, *The Emergence of Globalism: Visions of World Order in Britain and the United States, 1939–1950* (Princeton: Princeton University Press, 2017); A. L. Sayward, *The United Nations in International History* (London and New York: Bloomsbury, 2017).

of the international community and international relations that exclude international organizations are at best incomplete and at worst misleading.

Situating GATT in the international community and within the global governance structure is a challenge. There is a vast literature on GATT written by economists, lawyers, political scientists, historians, policy-makers, GATT officials, and activists. Scholars have written extensively about rounds of trade negotiations because they were GATT's raison d'être. Such accounts usually focus on the Kennedy round (1964–1967) and the Uruguay round (1986–1994), arguably the two most important rounds of negotiations. Studies have also examined specific sectors of trade (for example, agriculture or intellectual property), trade practices (such as anti-dumping), or cross-cutting issues with links to trade (including the environment and sovereignty). Some scholars have written about GATT in relation to a single country's overall trade policy. But it is not clear what these various aspects of GATT add up to. The variety of ways in which scholars characterize GATT has occluded our understanding of what it was, how it functioned, and what effect it had: it has been defined as a regime, a contract, an inter-governmental treaty, a body of law, a legal framework, a set of guidelines, a club, a forum, an instrument of US interests, or, more broadly, the interests of industrial countries, a consumers' union, and a political agency. Those scholars who identify it as an international organization variously describe it as a de facto organization, an obscure organization, an informal organization, and an organization lacking both muscle and universality. Characterizations such as these reinforce the view of GATT as improvisational, incomplete, ineffective, and unknown.

While most studies of GATT adopt a technical approach and focus on specific rounds of trade negotiations or specific trade practices, this study considers international trade as an essential component of global politics. GATT's history is an ideal venue to explore quotidian international relations and to re-examine our understanding of the nature, dynamics, drivers, and priorities of post-1945 international relations and the liberal international order. This study also unpacks the many ways in which trade was politicized. Trade policies, trade negotiations, and disputes about trade communicate ideas, hopes, and fears that are linked to larger questions of identity, sovereignty, and status. This study shows how economic and political factors and goals are integrated into foreign policy, how trade is instrumentalized in the service of particular policies or relations, and how it is a distinct aspect of international relations. As Richard Cooper put it many years ago, 'trade policy *is* foreign policy'.[7]

[7] R. N. Cooper, 'Trade Policy is Foreign Policy', *Foreign Policy* 9 (1972/73), 18–36. Italics added.

The history of GATT can also help us refine our understanding of the nature of international organizations. When national representatives convened in GATT, an international space was created where national trade goals were promoted in a dynamic that was competitive and cooperative. But this study shows that GATT was more than a meeting point for national representatives. It had its own normative authority and agency. Its authority initially stemmed from the Depression and the Second World War, events which gave rise to the institutional internationalism of GATT. Its internationalism was communicated through the promotion of trade liberalization: lower tariffs (and later the removal of other kinds of trade barriers) and open markets – which would, in theory, make all countries more prosperous and the world more stable, possibly even more peaceful – and adherence to rules in defining trade policies and practices. GATT's secretariat actively upheld its internationalist philosophy by promoting ever more liberalization, although it sometimes obscured its activism and influence to pre-empt concerns about encroachment on the sovereign authority of governments over trade policy. As members participated in rounds of negotiations and held national trade policies to the standard of GATT rules and sanctioned practices, the internationalist contributions and soundness of those members were assessed in an international forum. However, the secretariat did not single out members when they deviated from GATT rules and norms. Political realities meant that compromise and flexibility were needed to keep members committed to a common cause even though they all strayed from the liberalization path some of the time. The need for diplomatic deftness and the search for compromise was also made necessary by concerns about institutional survival. Pushed too far, members might quit. Many threatened to withdraw; few followed through. In fact, GATT membership increased steadily, with a flood of new applicants in the 1990s, which reinforced its normative authority – although that still had to be discharged carefully.

Close study of GATT's operations raises questions about the workings of the liberal international order, starting with claims about US leadership and hegemony. Although GATT members (properly called contracting parties, but I usually refer to them as members) often complained about the absence of US leadership, the history of the organization reveals multilateralism in action, with opportunities for many nations to advance new ideas and priorities. While concerns about power and security run through the book, by bringing such topics as agriculture and protectionism to the fore this study redraws conventional international fault lines and revises our understanding of global priorities. Most importantly, a history of GATT demonstrates the

presence of competing and co-existing conceptions of world order in which rules, power, and individual and collective interests were valued and observed to different degrees. It also exposes unspoken assumptions, unacknowledged goals, and (perhaps) unintended consequences that force a rethinking of the liberal international project. Today many scholars endorse the liberal order that succeeded the Second World War because it has sustained security, stability, and prosperity. They warn that its destruction will lead to chaos.[8] Some question whether this confidence is misplaced. The liberal order may not have been 'the nirvana that people now suggest', and faith in its merits and achievements may be a result of nostalgia and dubious historical reasoning.[9] This study produces fine-grained historical evidence about how GATT worked, who benefited from it, who supported it and why, what faults its critics identified, and whether the organization could adapt to new conditions; all of these questions should inform discussions about the past, present, and future of the global order.

My approach is historical, synthetic, and empirical. To explain GATT's evolution and operations as well as relations among its members requires detailed information about daily activities, from multiple perspectives, and on many issues. I include rounds of trade negotiations, but they are not as central here as they are in other studies. Instead, I devote more space to exploring what happened between rounds of negotiations; the activities and initiatives of the secretariat, particularly the directors-general; and the formulation of trade policies in national capitals. Recent developments in international history[10] and new historical studies of international organizations have informed my methodology, including

[8] Petition: Preserving Alliances, https://docs.google.com/forms/d/e/1FAIpQLSesHdZWxpp13plS4nkLOSMHv4Dg1jaksBrCC6kWv6OfVAmO5g/viewform. The petition appeared in the *New York Times* on 27 July 2018. The arguments behind support for the postwar order are developed more fully in D. Deudney and G. J. Ikenberry, 'Liberal World: The Resilient Order', *Foreign Affairs* 97 (4) (July/August 2018), 16–24. For a recent collection of essays that consider Trump's impact on the liberal order, see R. Jervis et al. (eds.), *Chaos in the Liberal Order: The Trump Presidency and International Politics in the Twenty-First Century* (New York: Columbia University Press, 2018).

[9] S. M. Walt, 'Why I Didn't Sign Up to Defend the International Order', *Foreign Policy* (1 August 2018), https://foreignpolicy.com/2018/08/01/why-i-didnt-sign-up-to-defend-the-international-order/. See also G. Allison, 'The Myth of the Liberal Order: From Historical Accident to Conventional Wisdom', *Foreign Affairs* 97 (4) (July/August 2018), 124–133; S. Wertheim, 'Paeans to the "Postwar Order" Won't Save Us' (6 August 2018), War on the Rocks website, https://warontherocks.com/2018/08/paeans-to-the-postwar-order-wont-save-us/.

[10] Finney observes that international history is a moving target, continually expanding and redefining itself. Nonetheless, he notes that there is a common interest in 'profound structural forces, the formulation as well as the execution of policy, a wider range of actors and a host of new thematic concerns'. P. Finney, *Palgrave Advances in International History* (Basingstoke and New York: Palgrave Macmillan, 2005), 7.

multinational archival research; attention to ideas and motivations behind policies, interests, and objectives; examination of state and non-state actors; and a focus on attempts to cooperate. National actors and the pursuit of power and security also figure prominently. The result is a series of detailed thematic chapters that explain how GATT functioned over almost fifty years.

I have been working on the history of GATT for a long time. When I began this research, I needed to explain and justify why I was adopting an institutional and politico-diplomatic approach. Today, when long-standing international trade agreements are being jettisoned and relations between states are thus being destabilized, when trade policy is openly used to promote national power, when the usefulness and legitimacy of the World Trade Organization (WTO) are called into question, and when many of the so-called architects of the liberal trade order reject its premises and purposes in favour of mercantilist reasoning, this approach seems self-evident. In fact, it would always have made sense. Many current trends are consistent with the longer history of trade policies and practices rather than a sudden departure or an unprecedented challenge. The belief in liberal trade as a condition of a stable and prosperous world was questioned and challenged throughout the twentieth century, but it now seems more tenuous than ever. The history of GATT shows how a balance was struck between individual and collective interests, between short- and long-term thinking, and between adherence to rules and the flexing of national muscle. GATT's history should reinforce confidence about the resilience of the global trade order; it has survived many assaults and challenges. But there is also cause for concern because the default internationalism that restrained members from sabotaging the organization seems sorely lacking today.

Trade, International Politics, and Global Order

Trade has long been one of the main forms of contact between peoples and nations.[11] According to Robert Gilpin, trade is 'the oldest and most important nexus among nations . . . trade along with war has been central to the evolution of international relations'.[12] It seems axiomatic that GATT should be historically examined as a site of international contact where conflicts emerged and where efforts to cooperate were pursued. The challenge in connecting what happened in GATT with relations

[11] K. Pomeranz and S. Topik, *The World that Trade Created: Society, Culture, and the World Economy, 1400 to the Present* (Armonk and London: M. E. Sharpe, 1999).
[12] R. Gilpin, *The Political Economy of International Relations* (Princeton: Princeton University Press, 1990), 171.

between peoples, governments, and countries is that there was an unspoken agreement that politics should not enter into GATT's business or at least not be openly acknowledged as influencing trade liberalization. It is no surprise that some officials who represented their countries in GATT admitted to being unaware of international political forces and foreign policy objectives and goals, although others acknowledged these openly.[13] Perhaps because of the convention of talking about trade as a technical subject, some scholars assert that GATT was largely impervious to political pressures and interests.[14] For example, Gerard and Victoria Curzon describe GATT's history as politically 'uneventful' because members were like-minded and kept political issues outside of GATT.[15] Many presume this depoliticization was a virtue.

This study treats trade practices – such as preferential tariffs, dumping, import quotas, and voluntary export restraints – and economic debates, such as whether or not regional trade blocs are trade creating or trade diverting, as fundamentally political activities. Both domestic and international political interests and goals have informed trade policy. Decisions about the substance of trade negotiations, in particular what sectors could be liberalized and which ones required protection, have prioritized competing domestic interests and have meant weighing domestic and international priorities against one another. As Gilbert Winham puts it, political leaders decide 'what *can* be done' and technical experts determine 'what *will* be done'.[16] States have also used trade policy to serve specific political purposes, although they have not always acknowledged this. Lucia Coppolaro makes this point in her recent study of the European Economic Community (EEC) during the Kennedy round. As she explains in relation to a dispute over chickens

[13] Author interview with Richard Nottage, Wellington, New Zealand, 18 July 2005; author interview with Simon Reisman, Ottawa, Canada, 17 May 2005; author interview with Jake Warren, Ottawa, 18 May 2005; author interview with Julio Lacarte, 20 May 2005.

[14] Kock concedes that the effects of the Cold War could not be entirely avoided. K. Kock, *International Trade Policy and the GATT, 1947–1967* (Stockholm: Almqvist and Wiksell, 1969), 73. Preeg also notes that GATT members were mostly like-minded and therefore they avoided 'serious political frictions'. E. H. Preeg, *Traders and Diplomats: An Analysis of the Kennedy Round of Negotiations under the General Agreement on Tariffs and Trade* (Washington, DC: Brookings Institution, 1970), 24. Zacher and Finlayson also claim the GATT depoliticized international trade; J. A. Finlayson and M. W. Zacher, 'The GATT and the Regulation of Trade Barriers: Regime Dynamics and Functions' in S. D. Krasner (ed.), *International Regimes* (Ithaca, NY: Cornell University Press, 1983), 314.

[15] G. Curzon and V. Curzon, 'GATT: A Trader's Club' in R. W. Cox and H. K. Jacobson (eds.), *The Anatomy of Influence: Decision Making in International Organization* (New Haven,CT, and London: Yale University Press, 1974), 328.

[16] G. R. Winham, *International Trade and the Tokyo Round Negotiation* (Princeton: Princeton University Press, 1986), 377.

(but which is generally applicable), 'behind an apparently minor and arcane issue lay important political and commercial questions'.[17] The instrumentalization of trade gave new meaning to trade practices and trade negotiations. Political motivations and decisions became more conspicuous as trade moved from the low to high policy realm in the 1960s, when trade came under the watch of senior political figures and became a dominant issue in relations between states. Discussions of trade policies and practices in GATT should not be understood primarily as a debate about economic doctrine. Paul Krugman explains that the logic behind GATT – which he labels 'GATT-think' – is 'a simple set of principles that are entirely consistent . . . but makes no sense in terms of economics'. He concludes that GATT was 'not built on a foundation laid by economic theory'. But he also acknowledges that the legal-political process resulted in more trade liberalization than could ever have been achieved by 'the lecturing of economists on the virtues of free trade'.[18]

Even more startling than Krugman's claim that the work of GATT makes no sense as applied economics is Susan Strange's assertion that GATT was largely irrelevant to the growth of global trade. In 1985, by which time the organization had existed for almost forty years, she wrote that 'the overnight disappearance of the GATT beneath the waters of Lac Leman would hardly be noticed in the world of commerce'.[19] Strange is not alone in denying or downplaying GATT's relevance to the growth of global trade. Andrew Rose finds that membership in GATT and the WTO did not affect the volume or flow of trade.[20] Soo Yeon Kim

[17] L. Coppolaro, *The Making of a World Trading Power: The European Economic Community (EEC) in the GATT Kennedy Round Negotiations (1963–67)* (Farnham: Ashgate, 2013), 86. P. Low states that we cannot fully understand GATT unless we take into account the 'political realities that intervene to shape the system', although the point about rules is to make the system less susceptible to political forces. P. Low, *Trading Free: The GATT and US Trade Policy* (New York: Twentieth Century Fund Press, 1993), 21–22.

[18] P. Krugman, 'Does the New Trade Theory Require a New Trade Policy?' *World Economy* 15 (4) (July 1992), 429–430. Krugman defines GATT-think as a form of 'enlightened mercantilism' in which exports are good and imports are bad. He asserts that the logic is wrong, but the results are 'mostly right'.

[19] S. Strange, 'Protectionism and World Politics', *International Organization* 39 (2) (Spring 1985), 259. Strange stresses the importance of the security and monetary/credit systems to the growth of trade, although she asserts that GATT and its rules had the effect of increasing confidence, which, combined with other factors, did contribute to the growth of trade.

[20] A. K. Rose, 'Do We Really Know that the WTO Increases Trade?' *American Economic Review* 94 (1) (March 2004), 98–114. His analysis provoked a reaction and a correction, although Rose was not persuaded that his analysis was wrong. See M. Tomz, J. L. Goldstein, and D. Rivers, 'Do We Really Know that the WTO Increases Trade? Comment', *American Economic Review* 97 (5) (December 2007), 2005–2018, and A. K. Rose, 'Do We Really Know that the WTO Increases Trade? A Reply', *American Economic Review* 97 (5) (December 2007), 2019–2025.

calculates that GATT had a 'large, positive, and significant impact' for only five of GATT's members, among the largest and most developed: Britain, the USA, Canada, France, and Germany.[21] Douglas Irwin demonstrates that the average tariff rate in the United States fell by roughly two-thirds between 1945 and 1967 and inflation was responsible for three-quarters of the drop; tariff negotiations were not primarily responsible for lowering tariff rates.[22] Many scholars do credit GATT and trade liberalization as causes for the expansion of trade. It makes sense that lowering tariffs, and later removing other kinds of barriers, would increase global trade. Certainly, the value of world trade grew almost every year between 1948 and 1994. But when one considers that many areas of trade lay outside GATT's purview, including arms and oil; that other areas such as agriculture and textiles – two of the largest sectors of global trade – were protected despite GATT's efforts to liberalize these areas; and that as tariff barriers were incrementally lowered, new forms of restriction were introduced; then the sceptics' interpretation has merit. If GATT *had*, however, been swallowed up by Lac Leman, it *would* have been noticed in the world of global governance.

This book is a work of international history that borrows from political science without being committed to a single theory. The goals of theorists – in service to paradigms that can predictably explain types of events – derive from generalizations with which historians often find fault.[23] The aims of political scientists and historians might be complementary, but their methodologies are distinct: classification as opposed to causation; patterns and predictability versus individual meaning. As Miriam Fendius Elman explains, a historical case study might substantiate a theory after the fact, but 'the forces allegedly driving the events that political scientists see as inevitable may not have been those that mattered to the decision-makers involved'.[24] Nonetheless, the work of political scientists in four areas – leadership and hegemony, the impact of trade interdependence on inter-state relations, the overlap between domestic and international spheres, and the function of international

[21] S. Y. Kim, *Power and the Governance of Global Trade: From the GATT to the WTO* (Ithaca, NY: Cornell University Press, 2010), 88.
[22] D. A. Irwin, *Clashing over Commerce: A History of US Trade Policy* (Chicago: University of Chicago Press, 2017), 484–486. He points out that the data isn't available for other countries and GATT never made such calculations.
[23] P. W. Schroeder, 'International History: Why Historians Do It Differently than Political Scientists' in D. Wetzel, R. Jervis, and J. S. Levy (eds.), *Systems, Stability and Statecraft: Essays on the International History of Modern Europe* (Basingstoke and New York: Palgrave Macmillan, 2004), 287–289.
[24] M. Fendius Elman, 'International Relations Theories and Methods' in P. Finney (ed.), *Palgrave Advances*, 145.