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Stephen D. Cohen, Joel R. Paul, Robert A. Blecker. *Fundamentals of U.S. Foreign Trade Policy, Second Edition: Economics, Politics, Laws, and Issues.* Boulder, Colo.: Westview Press, 2003. xiv + 360 pp. $42.00 (paper), ISBN 978-0-8133-9845-7; $89.00 (cloth), ISBN 978-0-8133-4027-2.

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During the 2004 U.S. presidential campaign, trade policy may reemerge as a contentious issue. The merchandise trade deficit continues to grow, and the current-account deficit as a share of GDP has reached unsustainable levels. Complaining about cheap Chinese competition, manufacturers continue to close factories and shift blue-collar jobs offshore. Overseas outsourcing of white-collar and professional jobs also has become a hot-button issue as skill-intensive jobs migrate to India, China, and other countries with less expensive engineers, accountants, and information-technology specialists. Meanwhile, the Bush administration slogs ahead with its program of negotiating bilateral free trade agreements, and the World Trade Organization (WTO) struggles to achieve consensus on the agenda for future multilateral negotiations at a ministerial scheduled for Cancun in September 2003.

College instructors planning courses that touch on these issues may wish to consider the second edition of this textbook. It is coauthored by Stephen Cohen, a political scientist; Robert Blecker, an economist; and Peter Whitney, a former foreign-service officer; all of them affiliated with American University. Because Cohen, the lead author, wrote ten of fourteen chapters, and contributed to some others, the book tends to have a focus most suited for political science courses, but other classes in business, economics, and law may benefit. As the authors backgrounds suggest, the book strives to combine insights from several academic disciplines, as well as government service. It also strives to avoid policy advocacy. The authors affirm a "commitment to objectivity throughout the book," and pledge to provide equal treatment to "all the major sides" of particular controversies (p. x).

The new edition updates and expands the original book, published in 1996, and retains the same analytical framework. The authors emphasize the "distinctive theme" that trade policymakers must reconcile four policy components–"domestic and external economics and domestic and external politics–each of which has its own priorities and its own policy agenda" (p. ix). The volume contains fourteen chapters, organized in four sections. Beginning with an "overview" that provides an introduction to content and context issues, and offers a brief historical survey, the book moves to a discussion of economic issues in the next two chapters. In one, Blecker summarizes economic theories of international trade. In another, Cohen and he combine to consider trade balances and trade performance. This chapter offers a useful discussion of trade deficits, foreign investments, and currency adjustments. A third section contains four chapters relating to politics and law. They seek to explain the formulation and administration of U.S. trade policy, decision-making in executive and congressional branches, U.S. legislation regulating imports and exports, and the World Trade Organization (WTO). The WTO chapter, authored by Whitney, is new to the second edition, and presents a succinct introduction to the rules-based trading system, giving some emphasis to dispute-settlement issues and to criticisms of the WTO.

A final section, written largely by Cohen, addresses some major contemporary trade issues–use of trade sanctions, trade relations with Japan and China, European Union issues, and relations with regional free trade blocs. There is also a chapter on the anti-globalization backlash. Finally, in considering the future, Cohen offers the cautious prediction that "evolution, not revolution" will influence American trade policy, as politics continues to shape economic policy. "The allure of moving closer to free trade will continue its uneasy coexistence with the desire of politicians to be reelected" (p. 345). He also observes that aggressive foreign use of WTO dispute settlement panels to overturn U.S. trade remedies, in con-

nection with escape clause and antidumping investigations, will generate pressure for the U.S. government to "reassess its import policy, its trade laws, its association with the WTO, or all the above" (p. 340).

The book's commitment to detachment and balance should ensure classroom adoptions in several teaching areas. But, its strengths–detail, objectivity, and balance–may not be best suited for all undergraduate teaching situations.

Cohen, as the lead author, is to be commended for the breadth of the topics considered, and for focusing on the complexities of the decision-making process. The volume gives appropriate attention to the involvement of lobbyists and special interest groups, and to the interplay of various federal agencies with differing responsibilities. At times the discussion of government decision-making process seems unduly rational, and the authors devote little attention to individuals, or indeed to the important interagency trade-policy committees. On the congressional side, more attention is desirable for key trade authorizing committees, particularly House Ways and Means, and Senate Finance.

Blecker's superb chapter on international trade theories is worth the price of the book alone. He succinctly examines a variety of theories, emphasizes often-ignored exceptions and qualifications, and considers emerging issues. In particular, he notes how flows in foreign direct investment and the global spread of multinational companies to low-wage countries have moved the real world far from the conditions of the simplified models considered in many classroom settings.

There are other dimensions to trade policy that may merit greater attention in future editions. In the last decade, as a result of the Uruguay Round and the globalization process, trade agreements have come to encompass many items quite foreign to the GATT of 1947, which focused narrowly on merchandise trade barriers at the border. The WTO now has responsibilities that extend to intellectual property, a variety of services, and trade-related investments. Bilateral FTAs, such as the ones recently negotiated by the U.S. with Singapore and Chile, seem more oriented to establishing terms for trade in services, investments, and intellectual property, and providing dispute settlement. Indeed, if the Doha multilateral round founders, bilateral and regional agreements may provide the critical legal foundation for conducting international business in the twenty-first century.

Given the rapid pace of change in world trade and trade policy, the authors of this excellent textbook will soon have more writing to do.

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