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TRADE POLICY

A GATT for the Mercantilists?

by Detlef Lorenz, Berlin*

Since the end of the Tokyo Round six years ago, mercantilistic elements have affected an increasing proportion of world trade. Theorists and practitioners alike consider that GATT, as the trade arm of the international economic order, is now in a lamentable condition and is looking increasingly like a "non-system". Professor Detlef Lorenz analyses the problems of the official world trade order against the background of the new GATT round planned for 1986.

The world economy of 1985 unfortunately does not represent the ideal world in which free trade theory and liberalisation policies apply. Free multilateral trade has fallen to well below 50 % of world trade. Cohen reports that as a rough guide 25 % of world trade is governed by quotas and orderly marketing agreements, 25 % is transacted within multinational corporations and 25 % takes the form of countertrade in the widest sense of the word.¹ UNCTAD states that no more than about 20 % of world trade is governed by the fundamental GATT instrument of unconditional most-favoured-nation tariffs.² Although these figures and the broad categories to which they apply should not be treated as gospel truth, the proportions are probably more or less correct. In addition, practically all those concerned with the theory and practice of trade policy agree that the official world trade order within GATT displays serious weaknesses and is in a lamentable state,³ although happily the volume of world trade appears to have been little affected so far, perhaps precisely because of the "managed trade" elements in present day world commerce.

Admittedly, it makes a difference whether one considers the system capable of much-needed revitalization⁴ or, like Susan Strange, would not regard it as exactly a loss if the GATT were to sink into Lake Leman!⁵ Certainly the great Trilateralists (the USA, the EC and Japan) could get along without GATT,⁶ and viewed from the other end of the spectrum the dominance of the major powers has done more harm

than good to the small countries, the politically and economically weak, in particular the developing countries that belong to GATT. But then again, it would make a difference if the USA, chief founder of the GATT, were soon to join the camp of the "developmental states" and begin to defend free trade with the "sword of protectionism", to repay the "rest of the world" in their own coin for unfair competition.

Which country or group of countries would then remain prepared to defend free trade? The Federal Republic of Germany via the EC? Japan and the Asian NICs⁷, supported by other NICs and China or even by

¹ S. Cohen: Aspects of the New Mercantilism: Barter, Countertrade, Buybacks and Offsets. Paper presented at the conference on "Securing National Prosperity in a Changing World Economy" organised by the Friedrich-Ebert-Stiftung, May 1985, (mimeo), p. 1.

² UNCTAD: Trade and Development Report 1984, Part II (provisional edition TDR/4 of 17th July 1984), p. 40.

³ As representative of many other sources, cf. W. Lütkenhorst: GATT: Caught between Self-Destruction and Reform, in: INTERECONOMICS, Vol. 19 (1984), pp. 178-187.

⁴ As does the Trade Policy Research Centre, London, in many of its publications.

⁵ S. Strange: Protectionism and World Politics, in: International Organization, Vol. 39 (1985), pp. 244 and 259.

⁶ "... the present situation is so lamentable that the reasonably satisfactory functioning of the world trade system should be attributed primarily to the dominant position of the EC and the US, and possibly Japan, with GATT as a mutually accepted and mild constraint." J. Peikmans: The Bickering Bigemony: GATT as an Instrument in Atlantic Trade Policy. Revised paper, presented at the Euro-American Colloquium, College of Europe, Bruges, September 1984 (mimeo), pp. 5 and 21. In similar vein, H. G. Malmgren: Threats to the Multilateral System, in: W. R. Cline (ed.): Trade Policy in the 1980s, Washington 1983, pp. 196 f.

⁷ As recommended in Special Report No. 3 (Lydia Dunn Study Group) of the Trade Policy Research Centre, London 1983, Chapter 5.

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the "developmental states" of the entire Third World? What share of the US trade deficit are these countries willing or able to shoulder, given the debt crisis in the Third World? What about the graduation issue of NICs or the "trade pledge", the OECD countries' commitment not to solve balance of payments difficulties at the expense of other member countries? Are there mercantilist limits to the policy of liberalization? Would not the GATT for lack of enough free trade volens volens become a GATT of mercantilists?

For some time, there have been calls for the GATT of the liberal "organised" international economic order to adopt a higher profile as guardian of the principles of comparative advantage, non-discrimination and free market access. In the six years since the end of the Tokyo Round in 1979 the mercantilistic elements in the world trade order as it is practised have steadily gained ground. GATT tried to fulfil its obligations by painstakingly implementing the codes policy, particularly in the important field of subsidies. There were also attempts to mitigate neo-protectionism by adopting a declared policy of "standstill and roll-back". The GATT Conference of Ministers in November 1982 failed to fulfil the high expectations with which it was approached and produced no steps towards a "new multilateralism" to salvage the system.⁸ Even the experts' report commissioned by GATT on "Trade Policies for a Better Future" (Geneva, 1985) remained conventional, proposing institutional reforms of a technical rather than fundamental nature.

US Forward Strategy

By contrast, the US Administration's forward strategy based on the so-called bicycle theory⁹ proved far more important and interesting; this approach had already been proposed at the Meeting of the Council of Ministers in 1982 but had not won support. Faced with growing pressure from its domestic trade lobby and increasing

international trade conflicts and motivated by strong self-interest, it is once again the USA that is demanding a new round of GATT negotiations, on which a decision is to be taken soon. Four points are high on the agenda: agriculture, North-South trade, services (including direct investment) and the high technology sector. These issues are clearly of vital importance to the USA in particular; equally clearly, their efficient handling in GATT will be problematic.¹⁰

Neither agriculture nor North-South trade are really new issues, but until a few years ago they were passed over almost completely as far as actual activities were concerned. With the growing importance of the world market as a safety valve for farm surpluses from the USA (and the European Community!), the question was bound to lead increasingly to open conflicts and to attempts to remove the "waiver status" accorded to agricultural trade within GATT. However, it appears that only a financial crisis or strong foreign policy pressure hold out the prospect of tangible progress, not consideration for responsibilities towards GATT or its field of competence.

As far as North-South trade is concerned, the remarkable intensification of US foreign trade ties in the last decade and the general trend of North-South relations have produced a particularly marked increase in US exports to developing countries. In the international trade debate, this development found expression in the highly controversial graduation issue. Moreover, it should be borne in mind that it is not only in the agricultural sector that the "vent for surplus"-symptom has become increasingly strong. North-South trade is increasingly dominated by reciprocal but differing problems of market access; the developing countries need the markets in industrial countries for their "simple product-cycle industries" so that they can earn foreign exchange, while the industrial countries must trade with developing countries to exploit overcapacity in their old "basic industries". This will undoubtedly increase the pressure to integrate the developing countries into GATT, a process that has been proceeding very hesitantly so far, mainly through "special relationships" such as the textile agreements. However, there is considerable scepticism whether that particular range of trade issues can be fully and comfortably accommodated within the organisation.¹¹

⁸ M. Camps, W. Diebold Jr.: The New Multilateralism. Can the World Trading System be Saved? Council on Foreign Relations, New York 1983.

⁹ Whereby "trade policy must move ahead or it will topple"; cf. W. R. Cline, op. cit., p. 768.

¹⁰ With regard to the US position cf. J. van Scherpenberg: Die Außenhandelspolitik der USA zwischen Freihandel und Protektionismus, in: Aus Politik und Zeitgeschichte, Vol. 17 (1985), p. 20; see also the closing chapter (chapter 22) in the important collection of essays edited by W. R. Cline, op. cit. and the detailed review article by H. P. Gray in Weltwirtschaftliches Archiv, Vol. 121, 1985, pp. 142-150; for details on the latest situation see C. M. Aho, J. D. Aronson: Trade Talks: Opportunities and Pitfalls. Paper for National Bureau of Economic Research Conference on Current Trade Issues, Cambridge (Mass.), August 1985. The article is based on a book by the same authors to be published shortly under the title: Trade Talks. Getting Ready for the 1990s, New York 1985 (Council on Foreign Relations).

¹¹ It is worth noting in this connection the comments of C. M. Aho and J. D. Aronson (op. cit., pp. 27 f.): "Integrating the LDCs into the GATT... could provide the greatest single boost to world growth... Nonetheless, North-South issues should not be the focus of the round. These issues will not engage the North where they are politically nonstarters." (I)

New Sectors

As far as services and high technology are concerned, which are new sectors for GATT, the United States' interest in fully exploiting its comparative advantages as the leading supplier of services and technology needs no further demonstration. The USA shares this interest with Japan and the industrialised European countries, although at the same time diverging interests and problems of competition in the sense of fair trade are obviously also present here. By contrast, the majority of developing countries, with India and Brazil in the forefront, have strong reservations on well-known grounds of principle about opening up GATT to the rich industrialised countries' new comparative advantages.

Irrespective of the stances adopted, a very intense debate on the services sector or the "world information economy" has shown that for various technical reasons there is serious doubt whether this complicated issue has really matured to the point where a new round of GATT negotiations would be rewarding. Furthermore, for obvious reasons a number of other experienced organisations, such as the OECD and UNCTAD, would merit consideration, as would bilateral national arrangements. GATT was unable to hammer out an initiative of its own for the services sector in November 1982, and merely offered to co-ordinate the exchange of information deriving from national studies. The situation has remained unchanged to the present day,¹² no doubt to some extent owing to the very nature of the issue.¹³

There can be no doubt that the services sector and the technology-based "sunrise industries" are crucially important to the USA in particular and the industrial countries in general on employment grounds to compensate for the loss of comparative advantages in basic industries. For the industrial countries, and especially the Trilateralists, any discussion of trade in high-tech products must tackle the delicate and contentious problems of industrial targeting and fair trade in the context of international competition for growth and employment. This theme was already present in the issue of subsidies, which were made subject to a GATT code; the frustrations felt in that context must be expected to be far stronger in the new GATT sectors.¹⁴

Problems of Principle

The intended new sectors of services and technology also raise further problems of principle regarding GATT reform. Should the new sectors rule the GATT trade order at the expense of important existing problems,

such as the codes policy on the one hand or "excluded" sectors on the other, such as agriculture, textiles and clothing and the basic industries that have been removed from the agenda as a result of voluntary restraint agreements? To put it more bluntly, are only the industrial countries' new comparative advantages to be regulated within GATT and not the old ones they have lost?

More specifically, are the old problems perhaps incapable of solution within GATT, or does the new proposal hark back to the previously discussed GATT Plus Plan of creating a GATT for a smaller core community of like-minded members? In view of the trade conflicts generated by the Trilateralists, it would not be so far from the mark to speak of a highly exclusive club of GATT mercantilists. Whether the Trilateralists can achieve such a graduated reform¹⁵ of the GATT or even need it (in competition to the OECD?) must remain an open question, quite apart from the uneasy repercussions it would have on the liberal GATT. Nevertheless, the larger unofficial club of adherents to the codes that sprang from the Tokyo Round already exists. Ultimately, it cannot simply be a question of playing off new sectors against old or reconstituting the GATT merely as a club of rich nations.

With justification, there has been even more frequent and intense discussion of various typical aspects of sectoral protectionism, as the new protectionism has aptly been characterized, in other words the danger that GATT will degenerate further into a series of disparate sectoral regimes.

Overloading GATT

The sector syndrome has in fact become a central problem, in that the GATT order is being overloaded by the "liberalisation-mercantilism" that is being practised.¹⁶ It is not just that problems of the division of labour caused by structural change at a time of very limited world economic growth almost inevitably emerge as sectoral conflicts over market shares; it is more

¹² GATT Activities 1984, Geneva 1985, p. 15.

¹³ Pelkmans states that "The central difficulty with services, rather than products, is that the prior condition of border protection is frequently not fulfilled, and, more importantly, could not effectively or usefully be imposed in certain service sectors. Regulation, sometimes combined with a discretionary system of authorizations, is the instrument of protection. Therefore, the inherent logic of the General Agreement breaks down". Cf. J. Pelkmans, *op. cit.*, p. 24.

¹⁴ On this issue, cf. C. M. Aho, J. D. Aronson, *op. cit.*, pp. 5 f.

¹⁵ Compare the perhaps parallel problems of integration for the EC; E. Grabitz (ed.): *Abgestufte Integration*, Kehl am Rhein 1984.

¹⁶ Cf. D. Lorenz: *Ursachen und Konsequenzen des Neomerkantilismus*, in: A. Woll (ed.): *Internationale Anpassungsprozesse*, Berlin 1981, pp. 15 ff.

important to realise that the GATT and the "negative" liberalisation policy were never prepared for this.¹⁷ The legalistic Anglo-Saxon conception of the GATT, which has often been criticised in various quarters, has had a negative impact in particular on the GATT "safety net" in that it has proved very limited in scope and cumbersome to operate. The exhaustive and controversial discussion of Article 19 and the wording of Articles 23 and 28 provide ample support for this assertion,¹⁸ as do the even more far-reaching reform demands entailing, for example, the adoption of the "positive" adjustment policy developed by the OECD or the United States' trade adjustment assistance policy.¹⁹ Those who founded the GATT community after the breakdown of the Havana Charter certainly did not visualise the consequences of an unrestricted process of dynamic worldwide structural change on an unprecedented scale. Their successors are still finding it difficult to come to terms with it. Hence, the failure to manage the liberalisation policy efficiently and with foresight is one explanation why GATT is becoming increasingly involved in ad hoc management of neo-protectionism.

One way that is advocated to reverse this unwelcome drift towards compartmentalisation is to eliminate the separate sectors or control them by reincorporating

them into the GATT. Hitherto, this has not seemed a particularly promising course because of the very limited effectiveness of the GATT's own safety net and the differing national and international interests. On the other hand, it is still not clear what may transpire if the reform of GATT leads to a collection of "sectoral regimes" in view of the growing tendency for sectoral negotiations and inclinations, not least in the new sectors. Whether sectoral negotiations prove to be less restrictive for the sunrise industries than those for sunset industries have been seems doubtful, particularly if the use of a "strategy of aggressive reciprocity" is not ruled out.²⁰

Arbitrary Comparative Advantages

"Sectoral reciprocity" becomes several degrees more complex if two further aspects are also considered.

¹⁷ Cf. D. Lorenz: On the Crisis of the "Liberalization Policy" in the Economics of Interdependence in: *INTERECONOMICS*, Vol. 13 (1978), pp. 169 ff.; and E. Minx: Von der Liberalisierungs- zur Wettbewerbspolitik, Berlin 1980, Chapters I and III.

¹⁸ With regard to Articles 23 and 28 see W. R. Cline, op. cit., pp. 149 f.

¹⁹ See the paper by J. D. Richardson, in: W. R. Cline (ed.), op. cit., pp. 393 ff.; and H. P. Gray, op. cit., pp. 147-148.

²⁰ W. R. Cline (ed.), op. cit., pp. 148 and 151.

PUBLICATIONS OF THE HWWA-INSTITUT FÜR WIRTSCHAFTSFORSCHUNG-HAMBURG

Axel Borrmann, Christine Borrmann, Christian Langer, Karl Wolfgang Menck

THE SIGNIFICANCE OF THE EEC's GENERALISED SYSTEM OF PREFERENCES

— Trade Effects and Links with other Community Aid Policies —

This study, which was conducted for the EC Commission, undertakes a detailed analysis of the significance for foreign trade of the EC's Generalised System of Preferences (GSP), both from the point of view of the Community and from that of the beneficiary developing countries. It focuses on examining of contribution of the GSP to the liberalisation of trade and on estimating the trade effects of preferences and their repercussions within the EC with the aid of a gravity model. The study also demonstrates relationships between the GSP and the EC's other development policy instruments such as export promotion measures and industrial cooperation. (In English.)

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V E R L A G W E L T A R C H I V G M B H — H A M B U R G

First, the danger of escalation from sectoral protectionism to reciprocal mercantilism at sectoral, branch and product levels,²¹ in other words the negotiation of bilateral and conditional trade agreements that conflict with the GATT principles of multilateralism and unconditional most-favoured-nation treatment. This strategy, which runs the risk of trade wars, losses for all concerned and increased trade uncertainty, has been prevalent for several years in the many reciprocity proposals debated in the US Congress. Hitherto, the US Government has only brandished the reciprocity weapon as a threat²² and has used the "protectionist sword" as a means to an end, namely to defend free trade and strengthen the GATT. How long and how far this motivation would continue to apply is uncertain, quite apart from its chances of success.

However, it is not just a question of an innocent party's annoyance (the USA facing a huge trade deficit) at actual or supposed unfair trading by some (or many?) partner countries. The second point to note is that there is also a theoretical problem involved here that must be taken seriously, namely the phenomenon of "arbitrary" comparative advantages.²³ In view of the growing importance of corporate strategy, industrial targeting and a universal increase in government intervention in economic activity, conventional natural advantages based on production factors are being steadily overshadowed by "artificial" advantages. It is no coincidence that strategic variables have formed the theoretical foundations of trade policy of late.²⁴ The practical significance of this emerges fully from the following assessment: "Precisely because of its practical relevance for legitimising state interference in international trade to drive home one's own "genuine" comparative advantages or to offset the "artificial" advantages of other countries, this distinction

endangers the entire traditional concept of free trade and the GATT system based upon it."²⁵

This many-faceted subject cannot be examined in greater detail here; it has been discussed more fully elsewhere.²⁶ Instead, a number of over-riding questions will be addressed to remind readers of the importance of issue linkages for maintaining real economic interdependence within the world economy and to set the GATT debate in a wider context than the narrow perspective of mercantilism.

Interdependence

There is universal agreement about the close theoretical and practical link between international trade policy and exchange rate policy. The corresponding international organisations of the western economic order after 1945, GATT and the IMF, were planned to operate in tandem. Regrettably, they have developed few activities in common, and those they have developed are in fields of secondary importance. In reality, the old international economic order is still dominated by fragmentation, not co-ordination. Nevertheless, a highly problematic unplanned interdependence has developed between trade and exchange rate or financial policy. In short, as long as the world economy could obtain abundant finance from several alternative sources, the expansion in trade flows was sometimes boosted excessively and life was made too easy for liberalisation policy.

However, ever since capital accounts and exchange rates ceased to obey the laws of trade theory and responded instead to mainly macroeconomic and free market influences (which are not identical), there has been serious monetary protectionism induced by exchange rate policy.²⁷ In addition, balance of payments difficulties are leading increasingly to a revival of countertrade. Both of these factors make it more difficult for liberalisation policy à la GATT to overcome neo-protectionism and undoubtedly encourage neo-mercantilism. The significant influence of monetary protectionism based primarily on the dollar can no longer be denied. Cohen vividly characterises the

²¹ If at all, "... sectoral reciprocity makes sense only where there is two-way intraindustry trade"! Cf. W. R. Cline: "Reciprocity": A New Approach to World Trade Policy?, in: W. R. Cline (ed.), op. cit., p. 147. A far more positive assessment is to be found in J. L. Goldstein, S. D. Krasner: "... the United States, too, may need to rely on "less-than-liberal" solutions to American trade problems ... In sum, the United States should learn from the manner in which other nations have undercut American economic supremacy", in: *Unfair Trade Practices: The Case for a Differential Response*, in: *American Economic Review, Papers and Proceedings*, Vol. 74 (1984), p. 287.

²² Emphasised again recently by President Reagan; cf. *Frankfurter Allgemeine Zeitung* of 9th September 1985.

²³ W. R. Cline, op. cit., pp. 155 ff.

²⁴ For example, G. M. Grossman, J. D. Richardson: *Strategic Trade Policy: A Survey of Issues and Early Analysis*, Princeton 1985, and P. R. Krugman: *The US Response to Foreign Industrial Targeting*, in: *Economic Activity*, The Brookings Institution, No. 1, 1984, pp. 97-105.

²⁵ J. van Scherpenberg, op. cit., pp. 26-27.

²⁶ D. Lorenz: *Liberaler Handelspolitik vs. Protektionismus – Das Schutzzargument im Lichte neuerer Entwicklungen der Außenhandels-theorie*, in: *Neuer Protektionismus in der Weltwirtschaft und EG-Handelspolitik. Jahrescolloquium 1984 des Arbeitskreises Europäische Integration e. V.*, Baden-Baden 1985, pp. 19-25.

²⁷ With regard to various aspects see, for example, UNCTAD, op. cit., pp. 41 ff.; F. Bergsten, J. Williamson, in: W. R. Cline (ed.), op. cit., pp. 99 ff.; S. Strange, op. cit., pp. 239 f. and her thesis that "... the only really serious disorders in the system result from ten years' mismanagement of money and credit and to some extent from an international instability in the world oil market" (pp. 233 f.).

remarkable and more far-reaching interdependence created by countertrade; apart from effects on competitiveness, "a mini-version of the Third World debt crisis may be preparing itself, as unknown but substantial quantities of countertrade obligations pile up on the books of major industrial companies".²⁸

Enough complaints have already been heard about GATT deficits in North-South trade. The industrialised countries' half-hearted attitude seems to be changing as a result of their need to gain market access and of the probably better prospects for faster growth in the South than in the North. However, the change also seems to be strengthening mercantilistic "vent for surplus" – tendencies – in other words, policies to safeguard or achieve surpluses in trade in industrial goods with developing countries – against the background of the developing countries' transfer obligations arising from borrowing since the mid seventies! For that reason, the graduation tactic obviously also arouses permanent scepticism on the part of the developing countries. More important, commodity problems (including petroleum) and terms of trade problems remain outside the GATT sphere. The analysis of North-South trade flows concentrates one-sidedly on the new substitutional division of labour, one of the effects of which was to deny the trade policy significance of the enormous purchasing power potential generated by OPEC and to leave it to the forces of the free international financial markets rather than the IMF.²⁹

The admonition that neo-protectionism is not only an anachronism in a worldwide market economy but greatly impedes measures to alleviate the debt crisis has been heard increasingly in recent months. However, which of the many organisations of our organised world economic order has actually given any thought to the level of debts for the promotion of industrial countries' exports (as well as imports of OPEC oil) which would not only be beneficial to developing countries but could also be handled via commercial retransfers? The exchange rate can surely no longer be trusted to restore equilibrium between exports and imports. Price flexibility in the terms of trade sense can undoubtedly achieve much where substitutional trade flows are concerned, but it can also provoke adjustment dilemmas that are barely addressed by the GATT Secretariat's diagnosis of the industrial countries'

refusal to adjust.³⁰ Much useful information about the unwelcome link between excess capacity and weak demand could undoubtedly be discovered by re-reading the earlier monetary (!) theories of business cycles; free trade theory and the fashionable "political economy of protectionism" sometimes fall short when it comes to the appropriate dimensions and timing horizons of real transfers in connection with the international division of labour.³¹ Finally, the industrialised countries must also show sufficient willingness to co-operate among themselves and to stand by one another, for example with regard to "positive" adjustment policy.

Lack of Co-operation

In such an "alarmingly" interdependent world, there is an ever greater need for international co-operation and solidarity to solve the increasingly difficult problems of the international division of labour; the fact that they are practised less and less is a canker of the world economic system. If the supersession of the Pax Americana merely leads to a plurality of nations exercising benign neglect or taking free-rider positions, a "GATT" for mercantilists will soon appear to be consistent with the system. Yet, trade policy (and exchange rate policy) may merely be the secondary arena in which wars are waged by proxy. The central problem of the Bretton Woods era has never really been solved, namely the difficulty of reducing national and international interests to a truly worldwide common denominator in a context of free markets.³² This is true of the macroeconomic spheres of fiscal, monetary, cyclical and growth policy even more than trade, exchange rate and industrial policy. This may be regarded as an overstatement, but does not, for example, a fiscal policy that has not been co-ordinated at international level (remember the US budget deficit) have an unduly strong impact on the future fortunes of GATT via the dollar exchange rate and monetary protectionism?

Did the meeting of finance ministers and central bank governors of the five leading industrial nations in New York on 22nd September 1985 make the Trilateralists begin to realise that the "system" of liberalisation-mercantilism incorporates world economic realities?

²⁸ Cf. S. Cohen, *op. cit.*, pp. 21 f. and 24. Cf. also D. B. Yoffie: Profiting from Countertrade, in: Harvard Business Review, Vol. 62 (1984), pp. 8ff.; and Countertrade: An Illusory Solution, in: OECD Observer, No. 134 (1985), pp. 24 ff.

²⁹ On this subject see D. Lorenz: Liberale Handelspolitik etc., *op. cit.*, pp. 28 ff.

³⁰ GATT: Studies in International Trade, No. 5, Geneva 1977, pp. 44 ff.

³¹ With regard to the causation and appropriate analysis of the adjustment problem in particular, see H. P. Gray: Free Trade or Protection: A Pragmatic Analysis, London 1985; and D. Lorenz: Ursachen und Konsequenzen etc., *op. cit.*

³² For an update on these problems, see E. Thiel: Industrieländerkooperation in Konfliktsituationen. Stiftung Wissenschaft und Politik, Ebenhausen, November 1983; and on the failure of summit diplomacy J. Pelkmans: Collective Management and Economic Cooperation, in: C. Merlini (ed.): Economic Summits and Western Decision-Making, London 1984, pp. 89 ff.