

INTERNATIONAL TRADE IN THE 1990s THE PROBLEMATIC JOURNEY

One of the most hotly debated issues in the global community is the future of international trade. Many countries are banking their economic futures on the gains from trade in products and services. As can be witnessed in the United States, especially in times of economic downturn, exports continue to provide growth opportunities for national economies. However, it is clear that the simplistic paradigm of free exchange based on comparative advantage does not exist today, and despite the earnest efforts of the GATT and other international forums to liberalize the world economy, the future of world trade remains uncertain.

For this edition of the *Forum*, the staff solicited articles from experts with diverse backgrounds to provide us with both selective regional- and issue-specific perspectives. In his article, Professor Reinaldo Gonçalves offers a cautionary view of the recent regional integration attempts in the western hemisphere. In particular, he is critical of the Bush administration's "New Enterprise for the America's Initiative," claiming that effective integration will entail overcoming significant complexities including environmental considerations, foreign investment, and external debt. Another potentially problematic trend is the rising protectionism in the western industrialized countries. This phenomenon is explored in greater detail by Professor Kent Jones in an article on the growing use of nontariff barriers and unfair trade laws that protect domestic producers.

Ambassador Peter C.V. King, chief trade representative for Jamaica, gives us the perspective of a smaller, developing nation that has benefitted from structural trade in certain areas, such as textiles. This is a concern for many small developing nations that have much to lose if markets are fully liberalized.

Touching on what is one of the most important new areas of discussion in the GATT, service sector negotiations, Professor Vinod K. Aggarwal outlines the current inconsistencies in the positions held by the United States, European Community, and developing countries. To round out this edition, J. Patrick Adcock and Judith T. Kildow have outlined the issue of environmental sustainability and trade expansion—what they call the most important trade issue of the 1990s.

We hope this provides you with a better understanding of the aspect of the world economic system which, if reconciled with the problems addressed herein, could hold the key to greater prosperity for all.

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