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GATT and the Cold War

Accession Debates, Institutional Development,
and the Western Alliance, 1947–1959

❖ Francine McKenzie

The General Agreement on Tariffs and Trade (GATT) was adopted on 1 January 1948 by nine countries known as the contracting parties. The GATT was initially intended as a provisional agreement that would be superseded by a full-fledged institution called the International Trade Organization (ITO). For complicated reasons, however, the ITO never came into being.¹ That left GATT as the principal arbiter of international commercial relations for almost half a century until it was incorporated into the World Trade Organization in 1995. As such, the GATT strove to define and enforce rules of liberal trade as well as to coordinate negotiations aimed at lowering tariffs and removing other trade barriers. Because the architects of the postwar order assumed a direct connection between peace and freer trade, the work of GATT was thought to be tied to international stability. A British official summed up this view by claiming that without GATT “international trade and commercial behaviour would revert to the unrestricted anarchy of the 1930s.”²

The onset of the Cold War meant that the GATT had to operate in an environment much different from the one imagined by the architects of the postwar order.³ Many scholars have asserted that GATT carried on with trade

1. Kenneth W. Dam, *The GATT: Law and International Economic Organization* (Chicago: University of Chicago Press, 1970), pp. 10–16; and Susan Ariel Aaronson, *Trade and the American Dream: A Social History of Postwar Trade Policy* (Lexington, KY: University Press of Kentucky, 1996).

2. “The Sixth Session and the Future of the General Agreement on Tariffs and Trade (G.A.T.T.) Geneva 1951,” Memorandum by P. Mennell, 25 October 1951, in The National Archives of the United Kingdom (TNAUK), FO371/91962.

3. John Ikenberry claims that the Cold War system was superimposed upon the planned postwar order whose primary characteristic was governance through international institutions. See G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, NJ: Princeton University Press, 2001), pp. 9, 163.

liberalization unaffected by the Cold War and was generally impervious to political pressures.⁴ When looking back at GATT, former trade negotiators also have claimed that Cold War politics did not hinder the organization's efforts to remove trade barriers.⁵ These arguments are not borne out by the evidence, which indicates that GATT could not function in isolation from the pressures and vicissitudes of the Cold War. Judith Goldstein has observed that the GATT "mirrored underlying power relations."⁶ This is an apt observation but does not fully convey the complexity of the relationship between international relations and the GATT, an organization that came to be closely associated with the members and cause of the West. Liberal trade and increased prosperity were seen as ways to protect capitalist democracies against Communist encroachments. As a British official retrospectively noted: "The GATT is written in the language of the free world."⁷ The link between GATT and liberal capitalist democracies gave the GATT's commercial mandate a new meaning. In a Cold War context, peace and prosperity came to be equated with survival and triumph. The GATT as an institution did not passively accept Cold War realities and influence. The first executive secretary of the organization, Eric Wyndham White (1948–1968), responded to and manipulated Cold War circumstances and opportunities to build and strengthen GATT. Institutional development was therefore intimately linked to the Cold War. The close association between the Western alliance and GATT inspired periodic criticisms of the organization, occasionally turning the GATT into a contested political space. An analysis of the organization gives us a better understanding of the workings of a flexibly aligned group of countries whose interests, outlooks, and tactics were far from homogeneous.

The East-West divide and the history of GATT are not usually connected in scholarly accounts. This cleavage has arisen in part because much of the lit-

4. For example, Richard Cooper credits the GATT, the International Monetary Fund, and the World Bank for keeping trade out of the realm of high politics after 1945. See Richard N. Cooper, "Trade Policy Is Foreign Policy," *Foreign Policy*, No. 9 (Winter 1972/3), p. 19. Karin Kock's assertion that "political issues have been carefully avoided in Gatt" is typical, although she concedes that the Cold War had a slight impact. See Karin Kock, *International Trade Policy and the GATT, 1947–1967* (Stockholm: Almqvist & Wiksell, 1969), p. 73. Mark Zacher and Jock Finlayson also claim that the GATT depoliticized international trade. See Jock A. Finlayson and Mark W. Zacher, "The GATT and the Regulation of Trade Barriers: Regime Dynamics and Functions," in Stephen D. Krasner, ed., *International Regimes* (Ithaca: Cornell University Press, 1983), p. 314.

5. Richard Nottage, interview, Wellington, New Zealand, 18 July 2005; Simon Reisman, interview, Ottawa, Canada, 17 May 2005; Jake Warren, interview, Ottawa, 18 May 2005; Julio Lacarte, telephone interview, 20 May 2005.

6. Judith Goldstein, "The United States and World Trade: Hegemony by Proxy?" in Thomas C. Lawton, James N. Rosenau, and Amy C. Verdun, eds., *Strange Power: Shaping the Parameters of International Relations and International Political Economy* (Aldershot, VT: Ashgate, 2000), p. 268.

7. "Poland and Yugoslavia: Proposed Association with the GATT," Draft EPC Paper, October 1958, in TNAUK, BT11/5704.

erature on GATT has been written by lawyers, economists, and political scientists whose work is primarily prescriptive or theoretical.⁸ Even scholars specializing in international relations and international political economy have tended to focus on theoretical issues or adopt a macro-perspective, overlooking the impact of Cold War relations on the quotidian workings of GATT. Political scientists have long pointed out the artificiality of separating economics and politics,⁹ but when addressing questions like the governance, structure, and norms of the international system they have not considered how these have affected the work and evolution of GATT.¹⁰ The few diplomatic historians who have written about GATT have reinforced the separation of its history from the circumstances of postwar international relations. As a result, GATT is barely mentioned in most histories of the Cold War (including even those that focus on its economic dimension¹¹); and the Cold War does not figure in most histories of GATT, with the notable exceptions of works by Thomas Zeiler and Leah Haus.¹² This separation stands in contrast to the way the North-South divide has been brought into studies of GATT. Few scholars of GATT or trade officials would deny that the North-South dynamic influenced the workings and development of GATT even if the de-

8. John Jackson and Kenneth Dam are two legal historians whose work adopts a more synthetic approach that situates legal principles and developments within broad and multilayered contexts.

9. Susan Strange, "International Economics and International Relations: A Case of Mutual Neglect," *International Affairs*, Vol. 46, No. 2 (April 1970), pp. 304–315; and A. Claire Cutler, "Theorizing the 'No-Man's Land' between Politics and Economics," in Lawton et al, eds, *Strange Power*, p. 168.

10. Robert Gilpin's work on the international economy is valuable, although he links the GATT to prevailing ideological currents and paradigms, in particular liberalism and nationalism, without explaining how such ideas affected national policies that were brought to the GATT or the institutional development of the GATT. See Robert Gilpin, *The Political Economy of International Relations* (Princeton, NJ: Princeton University Press, 1987), ch. 5. Finlayson and Zacher, "The GATT and the Regulation of Trade Barriers" is another example of this approach. The authors examine the norms and principles of an international trade regime, to which GATT was central, and make the case that GATT constrained the behavior of its members.

11. Ian Jackson, *The Economic Cold War: America, Britain and East-West Trade, 1948–63* (Houndmills, UK: Palgrave, 2001) claims to write "a comprehensive treatment of Anglo-American economic strategy during the war" (p. 1) but makes only one passing reference to GATT. Shu Guang Zhang, *Economic Cold War: America's Embargo against China and the Sino-Soviet Alliance, 1949–1963* (Washington, DC: Woodrow Wilson Center Press, 2001) makes no mention of GATT. Robert Pollard, *Economic Security and the Origins of the Cold War, 1945–1950* (New York: Columbia University Press, 1985) discusses the International Trade Organization, the stillborn precursor to the GATT, on a handful of occasions and mostly fleetingly. Martin Walker asserts that the economic component of the Cold War was critical, both as a means of waging that conflict and because of the impact of the stand-off on the development of the international economy. But he makes only three passing references to GATT in his *The Cold War: A History* (New York: H. Holt, 1995).

12. Thomas W. Zeiler, *Free Trade, Free World: The Advent of GATT* (Chapel Hill: University of North Carolina Press, 1999); and Leah Haus, *Globalizing the GATT: The Soviet Union's Successor States, Eastern Europe and the International Trading System* (Washington DC: Brookings Institution, 1992).

veloping countries did not succeed in reshaping the organization to their liking.¹³

The cleavage between GATT and the Cold War is also attributable to the understandable tendency among scholars to focus on tariff negotiations. The GATT in its first decade oversaw four rounds of tariff negotiations: Geneva in April–October 1947, Annecy in April–August 1949, Torquay in September 1950–April 1951, and Geneva in January–May 1956. The gains in tariff liberalization after the inaugural round were not impressive. The remarkable liberalization achieved in Geneva in 1947 did not advance significantly until the Kennedy round of the 1960s.¹⁴ The lackluster contribution to liberalization is implied in the relative few scholarly studies of these early rounds, in stark contrast to the vast literature on the four long, acrimonious, and far-reaching rounds of negotiations after 1959: Dillon, 1960–1961; Kennedy, 1964–1967; Tokyo, 1973–1979; and Uruguay, 1986–1994. The second half of GATT's history was dominated by trade negotiations that moved far beyond the initial focus on tariffs, but this was not true of the first four rounds of trade negotiations, which took a total of 21 months to complete. Moreover the tendency to separate GATT and the Cold War obscures the reason that the three rounds after 1947 were held: to allow new members to accede to the organization, something they could do only after they had negotiated tariff reductions to compensate for the benefits they would receive through the Most Favored Nation (MFN) principle (see Table 1). This article brings to the fore the issue of membership, which was crucial to a fledgling organization lacking in credibility and subject to criticism on the grounds that its representation was selective and elitist. What accession debates revealed, in a way that actual tariff negotiations did not, was the impact of the Cold War, both positive and negative, on the institutional development of GATT.

13. Mohammed Ayoob has explained how the admission of Third World states to international organizations disrupted these organizations because they had not been conceived of and established with Third World interests in mind. Yet the ability of Third World countries to have real influence was "dramatically inferior to their level of visibility and audibility inside and outside international forums." This pattern fits the developing countries in GATT. See Mohammed Ayoob, "The Third World in the System of States: Acute Schizophrenia or Growing Pains?" *International Studies Quarterly*, Vol. 33, No. 1 (March 1989), p. 76.

14. Douglas A. Irwin, "The GATT in Historical Perspective," *American Economic Review*, Vol. 85, No. 2 (May 1995), p. 325. Irwin notes that the contributions to trade liberalization from the Annecy and Torquay rounds were minimal. The British newsweekly *The Economist* observed in its 26 May 1956 issue (p. 1019) that the 1956 results were more impressive than expected even though they "may appear modest when weighed in terms of the concessions actually exchanged." See also Douglas A. Irwin, "The GATT's Contribution to Economic Recovery in Post-War Western Europe," in Barry Eichengreen, ed., *Europe's Post-War Recovery* (New York: Cambridge University Press, 1995), pp. 137–138.

Table 1: GATT Membership, 1948–1963

	<i>Accession</i>	<i>Withdrawal</i>	<i>Other</i>
1 January 1948	Australia, Belgium, Canada, Cuba, France, Luxembourg, Netherlands, United Kingdom, United States		
Rest of 1948	Brazil, Burma, Ceylon, Chile, China, Czechoslovakia, India, Lebanon, New Zealand, Norway, Pakistan, South Africa, Southern Rhodesia, Syria		
1950	Denmark, Dominican Republic, Finland, Greece, Haiti, Indonesia, Italy, Liberia, Nicaragua, Sweden	China (ROC)	Yugoslavia invited to send an observer.
1951	Austria, Peru, Turkey, West Germany	Lebanon, Syria	
1952			Japan granted observer status and applied for accession. Nicaragua announced intention to withdraw. Libya granted observer status.
1953	Uruguay	Liberia	Nicaragua rescinded notification of withdrawal. Israel sent an observer.
1954			
1955	Japan		
1956			Switzerland requested provisional accession.
1957	Ghana, Malaya		Romania, Poland, Laos, and the League of Arab States granted observer status.

1958		<p>Yemen and Hungary applied for observer status. Hungary subsequently withdrew its application.</p> <p>Cambodia acceded provisionally—<i>de facto</i> application of the agreement but never became a full member; it joined the WTO in 2004.</p> <p>Switzerland provisionally acceded.</p> <p>Yugoslavia and Poland granted associate status.</p> <p>Spain granted observer status.</p> <p>Tunisia provisionally acceded, but requested an extension of this status until 1990.</p> <p>Argentina provisionally acceded.</p> <p>Irish accession postponed until 1964.</p> <p>United Arab Republic granted provisional accession.</p> <p>Yugoslavia provisionally acceded.</p>
1959		
1960	Nigeria	
1961	Sierra Leone, Tanzania	
1962	Israel, Portugal, Trinidad & Tobago, Uganda	
1963	Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Core d'Ivoire, Cyprus, Gabon, Jamaica, Kuwait, Madagascar, Mauritania, Niger, Republic of Congo, Spain	

The Onset of the Cold War and the Early Years of GATT, 1947–1955

Even before the end of World War II could be anticipated or its outcome predicted, officials in Britain and the United States had begun to plan for the reconstruction of the postwar world. The International Monetary Fund (IMF) and World Bank were finalized at Bretton Woods in 1944. However, British and U.S. policymakers had disagreed over several important principles of postwar trade.¹⁵ By the time the commercial discussions resumed, peace was imminent, and officials in charge of trade policy had to take account of the deepening strain within the wartime Grand Alliance. Even though Soviet officials never attended any of the preparatory sessions of the ITO (despite being invited to all of them), U.S. officials did not want to exclude the Soviet Union. The desire to maintain harmonious relations with the Soviet Union partly explains the inclusion of provisions in the ITO draft charter that permit countries with government-controlled economies to become contracting parties. The widespread use of state trading agencies in Canada and Europe also made such a provision necessary.¹⁶

By the time the preparations had reached the point of negotiating lower tariffs—at the trade and employment conference held in Geneva from April to October 1947—the Cold War was unfolding, and the international effort to establish the ITO was caught up in it. Canada's chargé d'affaires in Moscow, R. A. D. Ford, reported that Soviet economists were following the Geneva trade and employment conference because it constituted “a determined effort by the United States to avert the economic crisis which Marxism teaches is inevitable.”¹⁷ According to the Soviet economist Evgenii Varga, the United States was using the Geneva conference to overcome economic prob-

15. For a discussion of Anglo-American wartime negotiations, see Francine McKenzie, *Redefining the Bonds of Commonwealth, 1939–1948: The Politics of Preference* (Houndmills, UK: Palgrave Macmillan, 2002), chs. 3–4; Richard N. 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. 1, *The Post-War Financial Settlement* (London: Her Majesty's Stationery Office, 1986); and Armand van Dormael, *Bretton Woods: Birth of a Monetary System* (London: Macmillan, 1978).

16. Article XVII outlines the parameters in which state trading enterprises are permissible under the GATT: “Each contracting party undertakes that if it establishes or maintains a State enterprise . . . such enterprise shall, in its purchases or sales involving either imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting imports or exports by private traders. . . . [S]uch enterprises . . . shall afford the enterprises of the other contracting parties adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases or sales.” See John H. Jackson, *Restructuring the GATT System* (New York: Council on Foreign Relations, 1990), p. 81; and Dam, *The GATT*, p. 317.

17. Ford to Secretary of State for External Affairs, Letter 275, 28 May 1947, in Library and Archives Canada (LAC), Ottawa, Record Group (RG) 20/Vol. 456/F-11/1947–1948.

lems such as high prices, chronic unemployment, and a productive capacity that outstripped domestic demand. He portrayed U.S. trade policy as exploitatively self-interested: to enrich the United States while keeping “industrially backward, agrarian countries” in a perpetual state of impoverishment.¹⁸ From the outset, the GATT’s work was subjected to ideologically inspired attacks. The force of the Soviet interpretation was amplified because small and weak members of the international community also feared that GATT might facilitate their economic exploitation. Given the Soviet interpretation of the early GATT meetings, it was not surprising that Dana Wilgress, a Canadian official who was deeply involved in the establishment of GATT, feared that Soviet officials might try to sabotage it by joining. “Russia might conceivably someday—perhaps not distant—change her line on specialized agencies and come in, with a view to wrecking or dominating.”¹⁹

Another axis of the Grand Alliance of the Second World War—the United States and Britain—was also strained by disagreements of principle and competition for power and position, all of which revolved around the fate of imperial preferences.²⁰ Imperial preference was the largest discriminatory tariff system in the world, and it had long been at odds with the U.S. commitment to non-discrimination in trade. Imperial preference was also seen as a symbol of the British Empire, which had no durable place in the American conception of the postwar world. Will Clayton, the assistant undersecretary of state for economic affairs who led the American delegation to Geneva, was intent on dismantling the preferential system.²¹ British officials, however, were avidly committed to the preferences as one of the last remaining bonds of the Commonwealth. Moreover, predictions of dire postwar economic conditions enhanced the appeal of preferences to help Britain resume its international trading activities. As a result, the U.S. goal of bringing back “the head of Imperial preference on a charger” met with determined resistance.²²

After high-level appeals to the British foreign secretary and to the president of the board of trade, Clayton returned to Washington to advise Presi-

18. E. Varga, “The Geneva Trade Talks,” *New Times*, No. 20, 16 May 1947. Ford sent a copy of Varga’s article to Ottawa in his communication dated 28 May 1947.

19. Canadian Consulate General, New York to SSEA, Ottawa, Telegraph No. 79, 21 January 1947, in LAC, RG 20/Vol. 456/0-7/1947.

20. For a more detailed discussion of Anglo-American negotiations at the 1947 Geneva conference, see McKenzie, *Redefining the Bonds of Commonwealth*, pp. 199–220.

21. Thomas Zeiler believes that Clayton’s objective was more modest, citing Clayton himself to the effect that he was not “especially interested [in the] complete elimination of Imperial Preference” and would be satisfied with selected cuts. See Thomas Zeiler, “GATT Fifty Years Ago: U.S. Trade Policy and Imperial Tariff Preferences,” *Business and Economic History*, Vol. 26, No. 2, (Winter 1997), p. 712.

22. UK Delegation, Geneva to Foreign Office, Telegraph No. 389, 13 May 1947, in TNAUK, BT11/3649.

dent Harry Truman to walk away from the Geneva conference and the ITO. Despite Clayton's standing and influence on international trade policy, his advice went unheeded. In light of growing antagonism with the Soviet Union, Truman and other senior advisers did not believe that the United States could allow a split with Britain over imperial preference. The president instructed the U.S. delegation to finalize a trade agreement with the British even though the imperial preference system was largely intact.²³ As Thomas Zeiler has observed, "national security officials, not free-trade experts, made the ultimate decisions regarding the Geneva round." National security made "a conciliatory approach" essential.²⁴ The Cold War helped to resolve a seemingly intractable Anglo-American disagreement that otherwise might have blocked the successful conclusion of the Geneva conference. In that sense, the Cold War was a midwife at the birth of the GATT.

The subsequent American attraction to GATT as a forum in which to wage the Cold War is not surprising. Security and prosperity went hand in hand. The values embedded in liberal trade policies were bedrock principles of capitalism. Freer trade, by making national economies more specialized and efficient through access to resources and markets, would make capitalism, in its many variations, stronger globally.²⁵ Fortifying the values and institutions of the West was consistent with George Kennan's advice in his 1946 "Long Telegram" to promote "the health and vigor of our own society" as the best way to stave off Communist advances.²⁶ Moreover, U.S. policymakers believed that improvements of living standards, especially in poor countries, would weaken the appeal of Communism. Will Clayton explained the logic: "If people everywhere are employed, have enough to eat and wear and decent houses in which to live, they are not likely to turn to dangerous totalitarian philosophies and leaders."²⁷ Or as Kennan put it more graphically: "World communism is like [a] malignant parasite which feeds only on diseased tissue." Prosperity would also permit members of the Western alliance to afford

23. Seventy percent of all preferences were untouched, and only five percent were eliminated. See "How British Preference Is Affected by New Pacts," *The Financial Post*, 29 November 1947, pp. 1–2.

24. Zeiler, "GATT Fifty Years Ago," p. 714.

25. Gilpin, *The Political Economy of International Relations*, p. 90. Joan Edelman Spero, *The Politics of International Economic Relations*, 4th ed. (New York: St. Martin's Press, 1990), p. 71. I. M. Destler also acknowledges the connection between diplomatic goals and trade ends. As he explains it, Washington "desired to promote its values abroad, to create a secure international order, and to strengthen political ties with its allies." See I. M. Destler, *American Trade Politics*, 4th ed. (Washington, DC: Institute for International Economics, 2005), p. 7.

26. Chargé in the Soviet Union to Secretary of State, 22 February 1946, in National Archives II (NARA), College Park, MD, RG 59, 861.00/2-2246.

27. UN Radio Interview with William L. Clayton, Chief of U.S. Delegation, 26 November 1947 (Press Release ITO/41), in LAC, RG 20/Vol. 358/24581-C, pt. 1.

the large defense budgets needed to deter Communist expansion.²⁸ As a result, GATT was, according to a future trade official, “an arrow in the Western world’s quiver, much like the Marshall Plan became.”²⁹

After the war, the State Department largely controlled U.S. trade policy. The State Department’s interest in trade dated to the 1930s, when Cordell Hull had been secretary of state. Hull fervently subscribed to the classic liberal notion that free trade and a peaceful world went hand in hand. He also concentrated on trade policy because it was an issue on which he could shape the agenda. President Franklin Roosevelt conducted most other foreign policy issues through his own emissaries, effectively sidelining the State Department. Thus, the State Department, and Hull in particular, were determined to put their mark on U.S. trade policy. An implicit agreement between Congress and the executive branch made this relatively easy to accomplish. Despite Congress’s constitutional authority over trade policy, the emergence of a liberal economic consensus in the 1930s resulted in the delegation of responsibility to the executive branch, and the State Department by extension. As a result, U.S. trade policy was only partly defined by domestic and economic pressures and was instead mostly used as a diplomatic tool to advance geopolitical ends, including the creation of “a free world coalition founded on a liberal world economic order.”³⁰ Thus in the early stages of the GATT’s history, the calibration of U.S. trade policy inclined strongly to the political and international.

If GATT fit in easily with the U.S. conception of how best to resist Communism, Washington’s principal allies in the Cold War did not always agree that GATT should be used as an instrument of geopolitics or as a tool of American Cold War diplomacy. Many members of the GATT, who were also American allies, wished to take trade out of geopolitics and geopolitics out of trade. Economic and political interests and aims were, however, embedded in trade policy. As Stephen Cohen, Robert Blecker, and Peter Whitney explain: “In the broadest sense, trade policy is the end product of governmental decisions that need to reconcile economic and political substance while seeking to advance government’s domestic and foreign concerns.”³¹ The balance that was

28. Memorandum from the Secretary of State to the President, 20 November 1950, in U.S. Department of State, *Foreign Relations of the United States*, 1950, Vol. I, p. 782 (hereinafter referred to as *FRUS*, with appropriate year and volume numbers).

29. Alfred E. Eckes, Jr., ed., *Revisiting U.S. Trade Policy: Decisions in Perspective* (Athens, OH: Ohio University Press, 2000), p. 22

30. Destler, *American Trade Politics*, pp. 15–19. Destler on p. 32 calls this the 1934 system and argues that it effectively allowed the president to “treat trade policy as a component of US international leadership.”

31. Stephen D. Cohen, Robert A. Blecker and Peter D. Whitney, *Fundamentals of U.S. Foreign Trade Policy: Economics, Politics, Laws and Issues*, 2nd ed., (Boulder, CO: Westview Press, 2003), p. 3. Spero

struck between economic and political content, and between domestic and international contexts, varied from one GATT member to the next. Regardless of the balance desired, trade policies of the contracting parties invariably had Cold War substance and implications. An analysis of the policies of the contracting parties regarding individual cases of accession reveals underlying attitudes and beliefs about such critical issues as whether to engage or isolate one's enemies, whether it was best to come to terms with the Cold War or fight relentlessly, and whether the commercial and diplomatic sides of trade policy could be compartmentalized and differentiated. These debates provide a glimpse into the workings and dynamics of the Western alliance.

Divergence of opinions and tactics within the GATT became immediately apparent when the United States sponsored the accession of occupied territories, specifically western Germany, southern Korea, and Japan. The United States did so even though prior discussion with GATT allies about extending tariff benefits to occupied territories and bringing them into GATT had met with French and British opposition.³² U.S. officials believed that trade would help in the economic recovery of the occupied states, thereby alleviating the crushing expense for occupation countries. All three entities were seen as crucial but vulnerable allies in the early Cold War. As French officials observed, Washington "attache un prix tout particulier à résoudre cette affaire."³³

The possibility of western Germany's accession to GATT was especially controversial because the fate of Germany, occupied by the United States, Britain, the Soviet Union, and France after the war, was actively contested. In the summer of 1947, British and French officials discouraged their American colleagues from "starting a debate . . . as to who should represent Germany."³⁴ The need for caution was also stressed by Czechoslovakia, which had acceded to GATT shortly before the Communists seized power there in February

also commented on the importance of reconnecting the economic and political dimensions of international relations, arguing that economics and politics affect one another in the international domain in several ways, including when "trade policy is consciously linked with political goals." See Spero, *The Politics of International Economic Relations*, p. 8. Not all historians and trade policy scholars would agree with such a definition. Michael Hart, for example, defines trade policy in strict economic terms: "Trade policy, trade relations, and trade negotiations are thus less about grand ideas and ideologies and more about the pragmatic working out of very specific problems within the contours of existing political and economic realities, informed by the decisions and experiences of the past." See Michael Hart, *A Trading Nation: Canadian Trade Policy from Colonialism to Globalization* (Vancouver: University of British Columbia Press, 2002), pp. 5–6.

32. Secretary of State to Embassy in UK, 24 June 1948, in *FRUS*, 1948, Vol. I, Pt. 2, p. 919.

33. Télégramme au départ pour M. André Philip, a.s. Régime commercial des territoires occupés, 30 August 1948, in Ministère des Affaires Étrangères (MAE), Paris, Affaires Économiques et Financières, Coopération Économique 1945–60, #7.

34. Wilgress, Head of Canadian Delegation, Geneva, to Secretary of State for External Affairs, Telegraph G.4, 10 July 1947, in LAC, RG 20/Vol. 456/0-6/1947.

1948. Czechoslovakia thus was the first, and at the time, the only Communist member of GATT. The Czechoslovak representative to GATT, Zdeněk Augenthaler, skillfully objected to the U.S. proposal for western German membership on the grounds that it was not a fully sovereign state.³⁵ The western zone of Germany, he said, did not have the “autonomy in the conduct of its foreign relations which would give it the necessary capacity to become eligible for accession to the GATT.”³⁶ On another occasion, Augenthaler emphasized that international agreements stipulated that Germany was to be treated as a single economic unit. Therefore western Germany’s admission to GATT would be “contrary to the existing international agreements and might create a situation prejudicial to the final solution of the problem of Germany and specially [*sic*] to its unity.”³⁷ Czechoslovak protests continued throughout the Berlin blockade and the establishment of the Federal Republic of Germany (FRG) in May 1949.

Canada and the Netherlands aligned themselves early on with the U.S. view, but Britain, France, and Belgium took some time before coming around to the American position. French reservations were prompted as much by a desire to remain distant from the United States as by the substance of German membership.³⁸ The British eventually supported the U.S.-backed proposal because western Germany’s membership was “desirable on grounds of general foreign policy.”³⁹ Western Germany’s accession to GATT also made sense in light of the incipient efforts to diminish persistent fears of Germany (memories of the war remained vivid) alongside the necessity to anchor western Germany to the Western alliance. As a U.S. official observed, participation in GATT would have “considerable significance in linking Western Germany more firmly to the Western World.”⁴⁰ Membership in GATT was consistent with the Brussels Treaty of 1948, the creation of NATO in 1949, and the 1950 Schuman Plan to pool the coal and steel resources of Western Europe.

The debate over West German accession to GATT came to a head in

35. Summary Record of the Tenth Meeting, 23 August 1948, GATT/CP.2/SR.10, World Trade Organization (WTO), Geneva. Stanford University has set up a digital archive for the GATT: <http://gatt.stanford.edu/page/home>.

36. General Agreement on Tariffs and Trade Working Party 10, Future Tariff Negotiations: Draft Report of Working Party, 28 September 1959, GATT/CP.3/WP10/2/9, WTO.

37. Summary Record of the Nineteenth Meeting, 6 September 1948, GATT/CP.2/SR.10, WTO.

38. Andre Philip, Délégué de la France à la 2eme session des Parties Contractantes à l’Accord Général sur les tarifs douaniers et le commerce to MAE, Service de Coopération Economique, 25 August 1948, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #7.

39. Trade Negotiating Committee, Proposed Third Round of Tariff Negotiations, Note from the Board of Trade, 19 September 1949, in TNAUK, BT11/4344.

40. Department of State, Press Release no. 895, 1 September 1950, in LAC, RG 25/6511/9100-X-4, pt. 2.2.

1950 when the Czechoslovak representative called for a vote on a motion to reject the FRG's accession. Czechoslovakia was the only contracting party to vote for rejection.⁴¹ In 1951 West Germany became a contracting party even though it was still recovering from the devastation of World War II and therefore had to invoke exceptions to justify nonconformity with GATT rules of trade.

U.S.-Czechoslovak ideological clashes during these early years were not restricted to the question of German membership. Czechoslovakia claimed that the U.S. refusal to grant export licenses on goods of strategic significance violated GATT rules. Many contracting parties agreed. But in a vote on 8 June 1949, only Czechoslovakia voted to censure the United States. Seventeen countries voted to support the U.S. policy as compatible with GATT; three countries abstained (India, Lebanon, and Syria); and two were absent (Burma, Luxembourg).⁴² Decision-making by vote in GATT was not typical at this early stage or later on except for questions of accession. Contracting parties strove for consensus, although unavoidably some members were more satisfied than others. The fact of holding a vote confirmed that this was a different kind of dispute within GATT, a dispute that was politicized and with high stakes. Louis Couillard, a Canadian delegate to GATT, reported that the contracting parties voted along political lines:

The fact remains . . . that in this particular case it was the United States which was under attack and that the political considerations involved were such that no other decision was possible. The vast majority of the Contracting Parties, therefore, gave at least voting support to the United States' position in spite of weakness of that position in certain respects.⁴³

The United States could not expel Czechoslovakia from GATT, but it did move to sever its trade ties with the Communist country and announced that it would revoke all tariff benefits that applied to Czechoslovakia, an act permissible under Article XXV of the GATT. Invocation of this clause was made necessary by an American law that prevented the United States from extending commercial concessions to the Soviet Union or any East-bloc country.⁴⁴

41. Summary Record of the Eleventh Meeting, 2 March 1950, GATT/CP.4/SR.11, WTO.

42. Summary Record of the Twenty-Second Meeting, 8 June 1949, GATT/CP.3/SR.22, WTO.

43. Louis Couillard, Acting Head Canadian Delegation, to Secretary of State for External Affairs, Ottawa, 14 June 1949, in LAC, RG 25/F-6/Vol. 1065/3-0-0.

44. The law was the Trade Agreements Extension Act of 1951. "Termination of Obligations between the United States and Czechoslovakia under the Agreement: Statement by the United States," 10 August 1951, GATT/CP.6/5, GATT/CP.6/1-56/DR.1-27, WTO. Article XXV stipulated, "In exceptional circumstances not elsewhere provided for in this Agreement, the contracting parties may waive an obligation imposed upon a contracting party by this Agreement; Provided that any such decision shall be approved by a two-thirds majority of the votes cast and that such majority shall comprise more than half of the contracting parties."

Willard Thorp, the U.S. assistant secretary of state for economic affairs, admitted to the contracting parties that his government's decision was based on fundamental political considerations: From the time of the 1947 Geneva conference, he said, "relations between the two Governments had steadily deteriorated and had by now fallen below the minimum degree of tolerance and respect which was essential to the effective discharge of the obligations of the Agreement."⁴⁵ The Czechoslovak spokesman insisted that the termination of benefits and privileges was "illegal and contrary to all the principles of international law and to the letter and spirit of the Agreement." He alleged that U.S. allies' endorsement of the action was the "result of pressure exercised by the United States"—an allegation that the contracting parties sharply denied.⁴⁶ The Czechoslovak government argued that the United States was "brutally pursuing its own selfish aims, which it places above the law and above the international co-operation it pledged itself not only under the General Agreement but also under the United Nations Charter." Czechoslovakia retaliated by revoking all tariff benefits that it extended to U.S. exports, and the Czechoslovak envoy to GATT drew an explicit connection between this dispute and "the policy of violence and the so-called 'cold war' pursued by the United States."⁴⁷

Certainly U.S. officials understood the result in terms of a zero-sum geopolitical score sheet that characterized Cold War thinking. Assistant Secretary Thorp warned that if the United States did not have the necessary support (a two-thirds majority, or sixteen votes) to abrogate its commercial relationship with Czechoslovakia, it "would be a sharp victory for the Soviet bloc."⁴⁸ Although the U.S. government could have acted unilaterally, it wanted GATT approval because it would mean that the U.S. position was condoned by international law, whereas action outside GATT "presupposes US entirely in wrong on this question."⁴⁹ As a result, U.S. officials lobbied the contracting parties vigorously. Britain and Luxembourg were unenthusiastic about U.S. intentions, and France, Italy, and the Netherlands wavered until

45. Summary Record of the Twelfth Meeting, 26 September 1951, GATT/CP.6/SR.12, WTO.

46. Summary Record of the Fourteenth Meeting, 27 September 1951, GATT/CP.6/SR.14, WTO.

47. Memorandum by the Delegation of Czechoslovakia Concerning the Declaration of the Contracting Parties on the Suspension of the Obligations of the United States under the Agreement with Respect to Czechoslovakia, 24 October 1951, GATT/CP.6/49, WTO; and Summary Record of the Twenty-Sixth Meeting, 26 October 1951, GATT/CP.6/SR.26, WTO.

48. Memorandum from the Assistant Secretary of State for Economic Affairs (Thorp) to the Secretary of State, 11 September 1951, in *FRUS*, 1951, Vol. I, p. 1405. For more details of American lobbying, see "Section IV: Termination of Obligations between the United States and Czechoslovakia under GATT" in *FRUS*, 1951, Vol. I, pp. 1381–1424.

49. The Acting Secretary of State to the Embassy in the Netherlands, 31 August 1951, in *FRUS*, 1951, Vol. I, p. 1394.

the last minute. When the vote was taken, 24 contracting parties backed the U.S. position with only four abstentions (Burma, Denmark, Finland, and Indonesia), plus one vote against from Czechoslovakia.⁵⁰ Though a defeat for liberal trade, the outcome revealed GATT's flexibility and resilience: The organization could adapt to international political pressures without being derailed. The vote also reinforced the connection between GATT and the geopolitical aims of the Western alliance.

Although early U.S. clashes with Czechoslovakia in GATT brought Cold War tensions to the fore, the presence of Czechoslovakia did not continue to polarize GATT, in contrast to the United Nations (UN), which was deadlocked by the Cold War standoff. Czechoslovakia was seen by many as "the lonely outpost of Iron Curtain countries among the Contracting Parties."⁵¹ After 1951 Czechoslovakia rarely acted as the stalking horse for the Communist world within GATT councils, and trade negotiators recall Czechoslovakia as either quietly committed to GATT or a nominal member.⁵²

Alongside these efforts to include valued allies and isolate Communist opponents in GATT, the United States tried to prevent the People's Republic of China (PRC) from taking its seat in Geneva. Like Czechoslovakia, China was a founding member of GATT. After Mao Zedong and the Chinese Communist Party (CCP) seized power in China in 1949, the United States sought to bar the mainland from all international organizations, including GATT. The U.S. government accepted the 1950 decision by the Republic of China (Taiwan) to terminate China's membership in GATT. But the PRC authorities contested the validity of Taiwan's withdrawal, insisting that only Beijing spoke for the Chinese people. Official recognition of the PRC by Britain and other countries strengthened Beijing's claim. Even though not all U.S. allies supported the strategy of isolating the PRC they did not want this disagreement brought out into the open.⁵³ After additional discussion of Chinese membership in GATT, the United States achieved the desired result: The PRC did not attempt to send representatives to GATT meetings, and China's withdrawal from GATT was accepted by the organization.⁵⁴ GATT was thus

50. The United States (GATT) Delegation to the Secretary of State, 28 September 1951, in *FRUS*, 1951, Vol. I, p. 1421.

51. R. J. Shackle to O. C. Morland, 14 September 1949, in TNAUK, BT11/4344.

52. Warren, interview; and Lacarte, interview. Lacarte did suggest that Czechoslovakia was under some pressure from Moscow, but he did not know how that was worked out.

53. The British had no desire to highlight their difference of opinion with the United States and therefore opted "to take as inconspicuous a part in the discussions as possible." Minute Sheet, UE166/3, Tench's Minute, 29 August 1951, in TNAUK, FO371/91999.

54. Report of the United Kingdom Delegation, Torquay Conference 1950/1, January 1952, in TNAUK, BT11/4520.

able to sidestep the potentially divisive question of who represented the people of China, although the organization thereby became even more closely identified with the Western camp.

The CCP takeover in China, the Sino-Soviet alliance, and the Korean War reversed U.S. thinking about Japan. U.S. policymakers increasingly saw Japan as a bastion against Communism in Asia and believed that the sooner Japan could transcend its pariah status in the international community the more likely it was to become an effective ally of the West.⁵⁵ Membership in GATT was one way to demonstrate that Japan was rehabilitated and trusted by the democratic capitalist countries of the world. From an economic perspective, the application of MFN treatment to Japanese exports by the contracting parties of GATT would accelerate Japan's economic recovery, which, U.S. officials believed, was essential to keep Japan on a democratic path.⁵⁶ Japan's accession was even more urgent because ten contracting parties to GATT discriminated against Japanese exports. State Department officials warned that ongoing discrimination would "create the basis for highly dangerous economic and political frictions in the future," possibly alienating Japan as an ally of the West.⁵⁷ Officials in Washington hoped that Japan's entry into GATT would bring an end to such discrimination and provide more accessible markets for Japanese exports in the non-Communist world.

The problem with the American proposal was that some U.S. allies did not trust Japan as a commercial competitor and therefore opposed admitting it into GATT. Memories of the Second World War, as well as Japanese trade competition before the war, offset the diplomatic rationale for admitting Japan into GATT. The likelihood that Japan would emerge as an aggressive trade competitor after the war reinforced commercial apprehensions.⁵⁸ Australia in particular objected to dealing with Japan before a peace treaty had been finalized. Australia's representative warned that Canberra might quit GATT if pressured to support Japanese accession.⁵⁹ Confronted with stiff resistance, the United States relaxed its lobbying.

55. John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (Oxford, UK: Clarendon Press; New York: Oxford University Press, 1997), pp. 199–200.

56. Secretary of State to Certain Diplomatic Missions, 11 February 1949, in *FRUS*, 1949, Vol. I, p. 657; and Aaron Forsberg, "The Politics of GATT Expansion: Japanese Accession and the Domestic Political Context in Japan and the United States, 1948–1955," *Business and Economic History*, Vol. 27, No. 1 (Fall 1998), p. 185.

57. The Department of State to the British Embassy, Attachment, The Acting Secretary of State to the Embassy in the United Kingdom, 16 June 1949, in *FRUS*, 1949, Vol. I, p. 694.

58. Gardner Patterson, *Discrimination in International Trade, The Policy Issues 1945–1965* (Princeton, NJ: Princeton University Press, 1966), p. 275.

59. Note relative à la 4ème session des parties contractantes à l'accord générale sur les tarifs douaniers et le commerce, 19 April 1950, in Historical Archives of the European Union (HAEU), Florence, Italy, MAEF00067, Reel 157, Olivier Wormser Papers.

Japan, however, did not let the matter drop. Soon after the final peace treaty was signed in 1951, the new government in Tokyo requested observer status in GATT, the preliminary step to full membership. U.S. officials tried to persuade the Japanese government to postpone the application until after the 1952 U.S. presidential election.⁶⁰ But Japan was adamant, and the United States subsequently came out “openly and strongly in favour of Japanese application.”⁶¹ The United States pressed its GATT allies to view the Japanese application in the present international geopolitical context. Not only was continued Japanese exclusion “no longer fair, practical or wise,”⁶² but U.S. diplomats also feared that if Japan were excluded from GATT and prevented from selling goods in the markets of the contracting parties, then the Japanese might be compelled to “re-orient their trade toward Communist China and the Soviet bloc.”⁶³ Because trade contact was seen as a potential inducement to political alignment, Japanese trade with Communist countries might even lead to a wholesale turn to the Communist camp.

The U.S. stance on Japanese accession assumed that geopolitical and economic considerations could not be separated. The British viewed things differently. Officials in London were worried about price-cutting and low labor costs, especially with regard to Britain’s textile industry at home and abroad. But British officials understood that their economic policy could have detrimental political consequences such as the possible collapse of the first post-occupation government in Japan, a development that officials expected might also usher in “a return to the former evils of cut throat competition and other malpractices.”⁶⁴ French anxiety about Japanese admission stemmed from similar economic concerns.⁶⁵ Japanese-made products would be highly competitive in France’s overseas territories as well as in France itself because of the low living standards and low wages of Japanese workers: “elle repose sur des bases malsaines, elle résulte de la misère d’un peuple et non d’une meilleure productivité.” The French played up the supposedly disastrous implications of Japa-

60. Tokyo to Foreign Office, Telegraph No. 1079, 26 February 1952, in TNAUK, FO371/98985.

61. Washington to Foreign Office, tel. 1491, 6 August 1952, in TNAUK, FO371/98985; and Draft Memorandum, “Japan and the G.A.T.T.,” January 1953, in TNAUK, FO371/105031.

62. Summary Record of the Sixth Meeting, 23 September 1953, S.R.8/6, WTO.

63. Memorandum by the Chairman of the Interdepartmental Committee on Trade Agreements (Corse) to the President, 20 August 1952, in *FRUS*, 1952–1954, Vol. I, p. 116; and Aide-mémoire, Embassy of the United States in Paris, 1 July 1954, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #16. This message conveyed the importance of Japan’s economic welfare to the stability of the Western alliance in the Cold War.

64. Tokyo to Foreign Office, tel. 89, 27 January 1953, in TNAUK, FO371/105031.

65. Patterson nicely sets out the economic arguments that contracting parties made for and against Japan’s accession in *Discrimination*, pp. 272–281. He also suggests that many of these arguments were specious.

nese admission. If France had to impose restrictions on Japanese imports, such measures would have to apply to all contracting parties in order to uphold the principle of non-discrimination. All of the contracting parties would then be entitled to implement retaliatory measures against France. This was a rigid interpretation of GATT's rules and their application, but it justified the French stance. French indifference to the U.S. reaction made this stance easier to embrace.⁶⁶

Countries like Belgium and the Netherlands also had concerns about Japanese export competition and commercial practices, but they supported the application. As Belgian policymakers saw it, the "continued exclusion of Japan would be bad propaganda and contrary to policy of her reintegration in free world."⁶⁷ Other contracting parties such as Indonesia and Chile understood the British and French reservations but denied that it would be acceptable "for the protection of their interests to endeavour to keep an important trading nation outside rather than inside the General Agreement."⁶⁸

British opposition slowly softened as a Conservative government led by an aged Winston Churchill set foreign policy considerations, especially the health of the Anglo-American relationship, on a par with domestic economic issues.⁶⁹ A balanced approach to policymaking was made explicit when a group of Conservative MPs from Lancashire lobbied Peter Thorneycroft, the president of the board of trade, to enforce British discrimination against Japan. Thorneycroft pointed out that he had to take account not only of domestic considerations but also of international factors "such as the desirability of keeping Japan out of the Soviet orbit."⁷⁰ The chancellor of the exchequer agreed that "it is essential that Japan should remain in the Western camp. We can hardly therefore seek to delay her accession to GATT indefinitely, and

66. Note: "Accession du Japon au Gatt," 22 October 1954, in HAEU, MAEF000068, Reel 158, Wormser Papers; and Note a.s. Admission du Japon au G.A.T.T., 7 July 1954, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #16.

67. Canadian Ambassador, Brussels, to Secretary of State for External Affairs, Telegraph No. 222, 11 September 1953, in LAC, RG 25/Vol. 6511/9100-P-10-40, pt. 2.1. The Canadian chargé d'affaires in The Hague reported that the Netherlands would have preferred to keep Japan out of GATT but gave in because Dutch leaders understood that the question was primarily political. Moreover the Dutch believed that Japan would gain entry into GATT regardless of whether the Netherlands opposed it; "so we do not see the point in making much of a fuss about it." See Canadian chargé d'affaires A.I., The Hague, Netherlands, to Secretary of State for External Affairs, "Dutch Views on Japan's Admission to G.A.T.T.," 31 August 1953, in LAC, RG 25/Vol. 6511/9100-P-10-40, pt. 2.1.

68. Summary Record of the Sixth Meeting, 23 September 1953.

69. Frank Lee, Board of Trade, to Sir Edward Bridges, Treasury, "Japan and the G.A.T.T.," 16 December 1954, in TNAUK, CAB21/3850.

70. "The Cotton Industry and Japan and India," Note of a Meeting, 29 July 1954, in TNAUK, BT64/4929. Thorneycroft was also skeptical of the economic rationale presented by the lobby: "So many people were doing so well that he found it difficult to know where the shoe pinched—if it pinched at all."

there seems no point in trying to put it off for another year.”⁷¹ The French ambassador in London concurred that the British now gave chief emphasis to Cold War considerations, specifically the concern that the loss of Japan to the Communist orbit would be on a par with the loss of West Germany.⁷²

In 1955 Japan joined GATT with the unanimous support of GATT members. However, Britain, France, and twelve other contracting parties invoked Article XXXV, the non-application provision, which permitted them to withhold MFN treatment.⁷³ Thus Japan did not immediately receive the full array of commercial benefits that usually went along with GATT membership. This was an unprecedented form of accession and it came as a great disappointment to the Japanese, for whom export markets were more important than reintegration into the international community.⁷⁴ Even so, Japan’s entry into GATT helped the United States to achieve a national security aim of tying Japan more securely to the Western alliance. Although Japan’s economic suitability had not figured prominently in the discussions about its accession, the expectation was that Japan, once inside GATT, would adhere to the guidelines. However, like West Germany, Japan did not immediately contribute significantly to the removal of obstacles to world trade. Both countries subsequently came under much criticism—particularly from their original sponsor, the United States—for failing to uphold the principles and purpose of GATT.

The GATT in the Post-Stalin Thaw, 1955–1959

In the first phase of the Cold War, the U.S. stance had been to isolate and contain its Communist foes. As the U.S. chargé d’affaires in Moscow put it in

71. “Review of the General Agreement on Tariffs and Trade,” Memorandum by the Chancellor of the Exchequer, July 1954, in TNAUK, CAB21/3850. The British Embassy in Paris made the same case, noting that “the broad considerations of foreign policy which make it urgent that Japan should be admitted to the G.A.T.T. and should not be opposed in this by any major trading nation of the West are too obvious to need emphasizing.” See Japanese Accession to G.A.T.T. British Embassy, Paris, 24 August 1954, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #16.

72. French ambassador in Great Britain to S. E. M. Mendes-France, président du conseil, Ministre des Affaires Etrangères, a.s. Le problème japonais vu de Londres, 10 November 1954, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #17.

73. Article XXXV reads, “This Agreement . . . shall not apply as between any contracting party and any other contracting party if: a) the two contracting parties have not entered into tariff negotiations with each other, and b) either of the contracting parties, at the time either becomes a contracting party, does not consent to such application.”

74. Haruhito Takeda, “Attainment of Economic Self-Support,” in Mikio Sumiya, ed., *A History of Japanese Trade and Industry Policy* (Oxford, UK: Oxford University Press, 2000), Pt. III, p. 345. Takeda explains, “In the face of rough going in trade agreement negotiations with many countries, Japan viewed GATT membership more as a necessary step towards realizing the goal of export promotion

1949, the bloc countries were “lost to [the] west,” and any proposal to wrest them from Soviet control was just “wishful thinking.”⁷⁵ But neither the tactics nor the outlook of the United States was fixed. The administration of Dwight Eisenhower, elected in 1952, was well aware of the strategic dimension of foreign economic policy. In addition to bolstering American economic strength, trade policy could fortify the economic health of the democratic capitalist world and reinforce the political and military pillars of the Western alliance.⁷⁶ President Eisenhower also hoped that commercial contacts with Soviet satellites would help them to “break their economic dependency on Moscow and enjoy the fruits of the international economy.”⁷⁷ The possible geopolitical re-orientation of the bloc members seemed much less far-fetched after the death of the Soviet dictator Josif Stalin in 1953 and the ascendancy of Nikita Khrushchev to the highest post in Moscow. In 1956 Khrushchev denounced Stalin’s brutal leadership. Khrushchev’s proposal to relax Soviet control was intended to put relations between Moscow and its East European satellites on a sounder footing by eschewing the heavy-handed coercion of the Stalin era. But his speech sparked restiveness in most of the satellites, and the underpinnings of the Eastern alliance seemed suddenly looser and shakier.⁷⁸ Consequently, the desirability of keeping Communist countries out of GATT became a more complex and pressing question in the late 1950s when Poland, Romania, Hungary, and Yugoslavia all applied to join.

The possible accession of Poland, Hungary, and Romania was especially politicized because all were founding members of the Council for Mutual Economic Assistance (CMEA), established by Stalin in 1949 to tighten Soviet control over the satellites. Early U.S. assessments had predicted that “jolting” the CMEA would weaken Soviet dominance and that “the repercussions are bound to be felt in the political, military and cultural spheres.”⁷⁹ The admission of East-bloc countries into GATT just might jolt the CMEA. Yugoslavia, as a non-aligned Communist country, was in a different position, although geopolitical considerations also obtained. At one level the contracting parties

than as the fulfillment of the admittedly important goal of being recognized as a formal member of the international economic community.”

75. The chargé in the Soviet Union (Kohler) to Secretary of State, 27 January 1949, in *FRUS*, 1949, Vol. V, p. 3.

76. “Foreign Economic Policy and the Trade Agreements Program,” September 1957, in *FRUS*, 1955–1957, Vol. IX, p. 61.

77. Jackson, *Economic Cold War*, p. 115.

78. David S. Painter, *The Cold War: An International History* (London: Routledge, 1999), p. 37; and Mark Kramer, “The Soviet Union and Eastern Europe: Spheres of Influence,” in Ngaire Woods, ed., *Explaining International Relations since 1945* (New York: Oxford University Press, 1996), pp. 101–102.

79. “United States Policy toward the Soviet Satellite States in Eastern Europe,” Report to the President by the National Security Council, 8 December 1949, in *FRUS*, 1949, Vol. V, p. 53.

considered these applications in terms of commercial compatibility with the GATT. How could countries without a tariff structure or a free market join GATT? How could they participate in trade negotiations that had hitherto primarily involved the lowering of tariff barriers? Making a decision about their admissibility based on GATT rules alone would have led to a fairly straightforward refusal despite GATT provisions for state trading countries.

Nonetheless, economic considerations were not the only factor shaping the positions of the contracting parties. Cold War considerations also factored into their decisions, introducing both pros and cons from economic and strategic points of view.⁸⁰ Even though the CMEA had been idle under Stalin, trade connections among the bloc countries were overwhelmingly with the Soviet Union and other bloc markets.⁸¹ Under Khrushchev, Soviet interest in CMEA increased in the hope that stronger economic links, and mutually beneficial ones, between the Soviet Union and its bloc partners would shore up the Communist world. In 1957 at a CMEA plenary meeting in Moscow, long-term plans for economic activity and development were laid out that would increase specialization and technological expertise and deepen the East Europeans' economic dependence on the Soviet Union.⁸² Trade had obvious tactical functions and strategic implications, of which the United States and its Cold War allies, as well as the Soviet Union and its allies, tried to make use.⁸³

The GATT secretariat, sensing the opportunities created by changes in the Communist world, pushed for the admission of Communist countries. The secretariat's stance was primarily defensive. At a meeting of the UN's Economic and Social Council (ECOSOC) in 1956, the Soviet Union had denounced GATT as an elite club of rich, industrialized countries who selfishly

80. Leah Haus, who examined the eventual accession of East-bloc countries to the GATT in the 1960s and 1970s, observed that geopolitical considerations influenced the way contracting parties considered the accession of Communist states. As she noted, GATT members were interested in "containing Soviet power and encouraging diversity in the East in order to reduce Soviet influence in that region." Haus, *Globalizing the GATT*, p. 6.

81. Kramer, "The Soviet Union and Eastern Europe," pp. 111–114. In the 1950s, approximately 60 percent of Hungary's exports flowed to five main Communist-bloc trading partners: Czechoslovakia, East Germany, Poland, Romania, and the Soviet Union. Of the five, exports to the Soviet Union far outweighed those to the other Communist markets. Hungary had a small amount of foreign trade with some Western countries, especially West Germany and Austria. Poland had a more diversified foreign trade structure, consistently selling approximately 10 percent of its exports to Britain and the United States. However, these Western markets did not increase in relative importance for Communist-state exports over the next decade. B. R. Mitchell, *International Historical Statistics: Europe 1750–1988* (New York: Stockton Press, 1992).

82. Zbigniew Brzezinski, *The Soviet Bloc: Unity and Conflict*, rev. and enlarged ed. (New York: Praeger, 1967), pp. 286–288; and Zbigniew M. Fallenbuchl, "The Council for Mutual Economic Assistance and Eastern Europe," *International Journal*, Vol. 43, No. 1 (Winter 1987–1988), p. 108.

83. In the late 1950s the Soviet Union began to use trade and aid more aggressively to win allies among Third World states.

pursued their commercial interests without regard for less well-off countries. Soviet representatives went so far as to call for the establishment of a new international trade organization that would be open to all UN members—an obvious attack on GATT.⁸⁴ The Soviet Union was essentially trying to revive the concept of the stillborn International Trade Organization, which would have had a universal membership accommodating a variety of economic systems and structures.⁸⁵ GATT had a more uniform membership, reinforced by subsequent decisions about which countries to let in and which to keep out, with most contracting parties wedded to market economics and liberal trade practices. The ensuing ECOSOC debate provided a forum for GATT's many detractors. Typical of the discussion was the Yugoslav envoy's remark that GATT, though not "worthless," was certainly "inadequate."⁸⁶ The debate ended with a widely endorsed resolution calling for further study of international trade cooperation. Representatives from east and west, north and south—Argentina, Brazil, Czechoslovakia, France, the Soviet Union, and Yugoslavia—all sponsored the resolution in a show of far-reaching dissatisfaction with, and even hostility toward, GATT.⁸⁷

Eric Wyndham White, executive secretary of GATT, had long been concerned about GATT's institutional vulnerability. His pragmatism and ingenuity were essential to GATT's early successes as well as its transformation from a provisional agreement into a properly constituted international organization.⁸⁸ Wyndham White's determination to protect and develop GATT increased as a result of Soviet attacks that struck a chord far beyond the Communist bloc. As British officials observed, the GATT executive secretary was "much influenced by the Russian initiative and by the prospect of continued efforts to establish something in the nature of a rival organization within the U.N. orbit."⁸⁹ In a pessimistic evaluation written the same day that the Soviet Union proposed forming a universal trade organization, Wyndham White noted that GATT's inability to include trade between Communist and non-

84. "Measure for the Development of Trade Co-operation," Draft Resolution by USSR, 18 July 1956, E/C. 734, United Nations (UN).

85. Jackson, *Restructuring the GATT System*, pp. 81–82.

86. Summary Record of 206th Meeting of the Economic Committee, ECOSOC, 30 July 1956, E/AC.6/SR. 206, UN.

87. "World Economic Situation: Measures for the Development of Trade Co-operation," 28 July 1956, 22nd Session, E/AC.6/L.160, UN.

88. Lacarte, interview; Warren, interview; and Reisman, interview. Kenneth Dam was also full of praise for Wyndham White. "At every major turning point and in every major success in GATT history has figured an imaginative compromise, an unexpected initiative, or a face-saving formula originated by Wyndham White." See Dam, *The GATT*, pp. 339–340.

89. Trade Negotiating Committee, General Agreement on Tariffs and Trade, Association of Third Countries with the Contracting Parties to GATT, 9 September 1957, T.N. (57) 16, in TNAUK, BT11/5628.

Communist states was a serious failing of the organization. Problems in East-West trade, he said, “could hardly be ignored by an organization with any serious claim to be considered as responsible for initiating consultations on international trade problems and international negotiations on trade matters.”⁹⁰ He explained to Olivier Wormser, the head of the Direction des Relations Economiques Extérieures (DREE) in Paris, that GATT’s selective membership was an easy target for critics.

L’un des principaux obstacles auxquels se heurte le GATT dans l’affirmation de son rôle comme centre principal de discussion des questions relatives aux échanges est sa composition restreinte. . . . La limitation de l’aire géographique à laquelle s’applique l’Accord général est une cible fréquente au Conseil économique et social, et il est certain que le GATT est vulnérable à de telles attaques.⁹¹

Wyndham White believed that the remedy was for GATT to come to terms with state-trading Communist countries, even though they did not easily conform to GATT standards and expectations. He put the issue at the top of GATT’s agenda when the secretariat unilaterally granted Poland and Romania observer status in 1957.⁹² The contracting parties did not initially react with great enthusiasm to the prospect of Polish membership, but they did acknowledge the potential geopolitical dividends alongside the economic difficulties.⁹³ Poland at the time was seeking to develop a national form of socialism that would enhance local authority and state autonomy. This effort caused anxiety in Moscow, but Khrushchev was willing to allow some decentralization of authority and national autonomy because Poland promised to remain a member of the Warsaw Pact. Even so, Poland’s Eastern alignment seemed fluid. As a U.S. report noted, membership in GATT might “provide a bridge to facilitate the western orientation of iron-curtain countries.”⁹⁴ Polish officials encouraged this line of thinking, arguing that “the main significance of her joining was political as would be the significance of her being refused

90. Executive Secretary of the General Agreement on Tariffs and Trade (White) to John M. Leddy, 18 July 1956, in *FRUS*, 1955–1957, Vol. IX, p. 201.

91. Eric Wyndham White to Wormser, 2 August 1957, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–1960, #24.

92. T.N. (57) 23, Trade Negotiations Committee, Request for Association with the G.A.T.T.: Poland, 2 October 1957, in TNAUK, BT11/5628.

93. For example, the instructions to the Canadian delegation to the 13th session of GATT in 1959 acknowledged the need to weigh economic and political factors. See Instructions for the Canadian Delegation to the 13th Session of GATT, 16 September 1959, in LAC, RG 20/Vol. 1922/20–28, pt. 7.

94. “Significance of the GATT Intersessional Committee Meeting, April 14–May 2, 1958,” in NARA, RG59, Lot File: Records of Component Offices of the Bureau of Economic Affairs, 1941–1963/Box 4, File 4.3: Common Market-GATT Intersessional (Incoming Telegrams)(1958).

admission.”⁹⁵ But the British and French governments were worried that Polish membership might set a precedent for the admission of other Communist countries, even the Soviet Union.⁹⁶ More East-bloc members might transform GATT’s “relatively practical discussions about the administration of the provisions of an international treaty” into “polemical debates.”⁹⁷ The NATO secretariat, which Wyndham White consulted about Polish accession, shared this concern, even though Czechoslovakia had not tried to promote its own ideological agenda in GATT after the early standoff with the United States over West Germany. The fear, however, was that two Communist contracting parties might constitute a critical mass of obstructiveness and “take a different attitude in the future.”⁹⁸

Trade considerations were also problematic, a point that British representatives raised most consistently and forcefully. Poland could not make meaningful contributions to the trade liberalization program beyond guaranteed import quotas for Western products. The GATT practice was for new members to make concessions as a sort of entrance fee in exchange for the commercial benefits that would flow to them as soon as their MFN status came into effect. Guaranteeing import quotas was not a significant concession. Moreover, Poland had no intention of reforming its economy to cohere better with GATT.⁹⁹ Accordingly, some observers feared that Polish membership would undermine GATT and be unfair to the contracting parties that were trying to adhere to GATT standards.¹⁰⁰ This objection, however, was often exaggerated. Some contracting parties, such as Canada, already extended MFN treatment to Poland, and therefore access to GATT would not necessitate any drastic change in treatment.¹⁰¹ Other members, including Britain, also had trade agreements with Poland.

Wyndham White believed that the U.S. stance on Poland would be deci-

95. Minute Sheet, R. B. Tippets, 21 May 1958, in TNAUK, BT11/5628.

96. “Proposal for the Accession of Poland to the GATT,” Draft Brief, 14 April 1958, in TNAUK, TN (58) 10, BT11/5628; Minute Sheet, C. W. Jardine, 11 June 1958, in TNAUK, BT11/5628; and Note introductive: Admission de la Pologne au GATT—Attitude Coordinée des Six, 25 July 1959, in HAEU, BAC26/1969-510/1.

97. “Proposal for the Accession of Poland to the G.A.T.T.,” Draft Brief, 14 April 1958, in TNAUK, T.N. (58) 10, BT11/5628.

98. Committee of Political Advisers Approach by Poland to Become Member of GATT, 4 August 1958, in NATO Confidential W.P., AC/119-WP (58) 64, in LAC, RG 20, Series A-3, Vol. 1922/20–28, pt. 7.

99. Haus, *Globalizing the GATT*, p. 27.

100. Minute Sheet, C. W. Jardine, 11 June 1958.

101. Instructions to Canadian Delegation to 14th Session of GATT, 30 April 1959, in LAC, RG 20/ Vol. 1922/20–28, pt. 7.

sive. The problem, however, was that American leadership in GATT was at a low point (a judgment shared by the British and Canadian governments as well as the GATT secretariat) and that sentiment in the U.S. Congress regarding Poland's bid to join GATT was "chilly."¹⁰² As Douglas LePan of Canada explained in a discussion with Wyndham White: "The virtue of U.S. influence seemed to have gone out of the field of trade."¹⁰³ The British also complained about not being able to count on U.S. leadership "either in excluding the Poles or insisting on some form of second-class membership." Although one might have expected Czechoslovakia to back Poland's application, no such support materialized.¹⁰⁴

Poland continued to enjoy Wyndham White's backing and advice, even though by 1958 he was deeply pessimistic about the future of GATT as well as Polish membership. He had privately warned Canadian officials that "the multilateral trading system . . . is disintegrating."¹⁰⁵ The limited results of the three previous rounds of tariff negotiations, and the signs of resurgent protectionist sentiment and policies, more than justified his concerns. Against this pessimistic backdrop, Wyndham White cautioned the Poles that full membership was unlikely "because of the fundamental differences between the economic system of Poland and that of other GATT members."¹⁰⁶ He advised the Polish government to avoid a formal application for membership until it could be sure of a positive outcome, and he also lobbied the other side, encouraging contracting parties to see the possible strategic benefits of Polish entry. In 1958, for example, Wyndham White told British officials that Polish membership could encourage "greater independence of the Soviet Union and . . . new ties with the West."¹⁰⁷ His willingness to link GATT to the Western cause in the Cold War confirmed the inescapable and sometimes useful impact of the international environment on the development of the GATT. A Canadian diplomat accurately discerned that although Wyndham White did

102. Brussels to External, 11 April 1958, in LAC, RG 25/Vol. 7976/14051-1-40, pt. 1.1.

103. Meeting of the Interdepartmental Committee on External Trade Policy, 21 March 1958, in LAC, RG 25/Vol. 7978/248/140510-1-40, pt. 1.1.

104. "Attitudes of Other Governments to Polish Accession," August 1958, in TNAUK, BT11/5628. Some speculated that Czechoslovakia was overly protective of its special status as the only Communist contracting party and did not want "other Iron Curtain countries to come in on easy terms." T.N. (G)(57), 15th Meeting, 12th Session, 9 November 1957, Extract, TNAUK, BT11/5628.

105. Wyndham White was also discouraged by the refusal of the newly established European Economic Community to conform more closely to GATT rules or to seek waivers for those practices that deviated from GATT norms. The admission of Third World countries was another source of strain. Canadian Permanent Mission Geneva to External, 3 March 1958, in LAC, RG 25/Vol. 7976/14051-1-40, pt 1.1.

106. Gatdel Geneva to External, 26 November 1958, in LAC, RG 25/Vol. 7978/248/14051-4-40, pt. 1.1.

107. Note of a Meeting with Eric Wyndham White, Executive Secretary of the G.A.T.T., n.d. [1958], in TNAUK, BT11/5628.

not want GATT to be defined as a NATO-type organization, he nonetheless “hopes that NATO countries would look at the GATT program against a broader background of East-West relations.”¹⁰⁸

In Britain, however, officials were skeptical that trade ties could facilitate a diplomatic realignment, particularly because Khrushchev’s intention to use CMEA to create “an integrated economic empire” was moving forward and Poland’s “freedom of manoeuvre” seemed restricted because it now required CMEA’s permission to import Western products.¹⁰⁹ In sharp contrast, the six members of the newly formed European Economic Community (EEC) were reluctant to deny Poland admission lest they reinforce the image of the GATT as an exclusive club, giving more credibility to the Soviet Union’s call for an inclusive international trade entity.¹¹⁰ The French also wanted Poland to be admitted to make the GATT seem a more flexible and adaptive organization, a position influenced by the French government’s desire to ensure that GATT could accommodate the EEC.¹¹¹ Because the U.S. stance was noncommittal and the other contracting parties espoused a variety of positions (some were in favor, but others were opposed lest Poland be a stalking horse for the Soviet Union), a compromise along the lines favored by Britain was endorsed, neither shutting Poland out nor letting it in. The contracting parties created a new category of “associate state” for Poland, with partial access to GATT forums but without commercial privileges. This in-between stage reflected different Western views about whether isolation and containment were more effective than contact and engagement as tactics to bring about the defeat of Communism.

In 1958 Yugoslavia applied for associate membership. After Yugoslav leader Josip Broz Tito broke away from Stalin’s control in 1948, Yugoslavia had occupied a unique position in the Cold War as a non-aligned Communist country. The United States was eager to nurture ties with Belgrade, and indeed had provided financial and military assistance. In Washington’s view, Yugoslav membership in GATT would be another useful way for the West to establish ties with an important non-aligned country.¹¹² Yugoslavia had sig-

108. Geneva to Department of External Affairs, 12 February 1959, in LAC, RG 25/Vol. 7978/14051-4-40, pt. 1.1.

109. “Proposal for Polish Accession to G.A.T.T.,” 26 June 1958, in TNAUK, BT11/5628.

110. Comité des Représentants Permanents: Note du Secretariat, “Problèmes concernant l’admission éventuelle de la Pologne au GATT,” 9 July 1958, in HAEU, BAC026/1969-510/1; Note d’information: “Problèmes concernant l’admission de la Pologne au GATT,” 6 April 1959, in HAEU, BAC026/1969-510/1; and Note introductive: “Admission de la Pologne au GATT—Attitude Coordonnée des Six,” in HAEU, BAC026/1969-510/1.

111. Instructions pour la Délégation Française à la Treizième session du G.A.T.T., octobre 1958, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #27.

112. “Request for Approval of Proposed Position on Yugoslav Request for Association Participation in

nificant trade relationships with Britain, the United States, Italy, and West Germany, but Yugoslavia's trade links with Communist countries also increased during the 1950s, reversing the near-total break of trade ties after the Soviet-Yugoslav split. By 1959 Czechoslovakia, East Germany, and the Soviet Union were all important markets for Yugoslav exports.¹¹³ The British government, after weighing the pros and cons, decided to oppose Yugoslavia's application. For the British, economic and diplomatic costs and benefits were evenly balanced, and the underlying assumption was that economic decisions need not have geopolitical implications. The British stance also reflected the belief that Poland and Yugoslavia could not be treated separately and that one would set a precedent for the other. Because Britain wanted to keep Poland out, it also opposed the admission of Yugoslavia.¹¹⁴ France's preference was to grant an intermediate status akin to that of Poland but to state explicitly that this was a step toward full accession.¹¹⁵ Britain recruited the Netherlands, West Germany, South Africa, and Norway to oppose the idea and hoped to win more allies from the Commonwealth and Scandinavia, in which case "the U.S. will be pretty isolated and one may yet hope for a sensible outcome."¹¹⁶ Yugoslav officials expressed their disappointment, but the British government insisted its opposition "has nothing whatever to do with our political like or dislike of the country."¹¹⁷ In 1959, Yugoslavia was granted provisional associate status along slightly more promising lines than Poland. One British commentator differentiated between the two cases: Poland enjoyed "glorified observer status not looking forward to ultimate accession" whereas Yugoslavia enjoyed "glorified observer status looking forward to accession as a possibility."¹¹⁸

The British and U.S. positions were furthest apart over Hungary, which

GATT," 16 February 1959, in NARA, RG 59, Office of the Assistant Legal Advisor for Economic Affairs: Records Relating to GATT 1947–66/Box 23/Yugoslavia—GATT; and Draft Position Paper of United States Delegation to Meeting of Working Party on Relations with Yugoslavia, March 16–20, 1959, 11 February 1959, in NARA, RG 59, Office of the Assistant Legal Advisor for Economic Affairs: Records Relating to GATT 1947–66/Box 23/Yugoslavia—GATT.

113. In 1959 the total value of Yugoslav exports to Czechoslovakia, East Germany, and the Soviet Union was 27,072 million dinars compared to 50,313 million dinars worth of goods sold in West Germany, Italy, Britain, and the United States. See Mitchell, *International Historical Statistics*.

114. Wyndham White to Sanders, Board of Trade, 8 April 1959, in TNAUK, BT11/5704.

115. Note pour la service des tarifs a.s La XXXeme session du GATT, 14 November 1958, in MAE, Affaires Economiques et Financières, Coopération Economique 1945–60, #27.

116. C. W. Sanders, Board of Trade, to D. Royce, Foreign Office, 4 March 1959, in TNAUK, FO371/141146.

117. Minute Sheet, C. W. Sanders, 11 February 1959, in TNAUK, BT11/5704.

118. Sanders to Wilkes, 16 March 1959, in TNAUK, BT11/5704. Unlike the Polish agreement, the Yugoslavian agreement stipulated that there would be annual meetings at which the possibility of full membership would be considered. See Haus, *Globalizing the GATT*, pp. 104–105.

applied for observer status in 1958, only two years after Soviet tanks had crushed the Hungarian revolution and installed a new pro-Soviet regime. The Eisenhower administration was unwilling to extend any benefits or recognition to the new Communist regime in power in Budapest. Hungary's application required delicate handling because GATT had never before declined a request for observer status. Moreover, Yemen had made a similar request, which was expected to win approval even though Yemen was not in an economic position to implement all GATT principles.¹¹⁹ Turning Hungary away would confirm that GATT discriminated against Communist countries and would thus undermine the organization's ability to counter Soviet calls for a new, all-inclusive world trade organization. As a British official observed, the UN had recently rejected the Soviet proposal on the grounds that "the GATT was open to all prepared to accept the obligations of membership. This needs living up to."¹²⁰ The British Foreign Office favored granting the Hungarian request through a diplomatic sleight of hand: A credentials committee would review the Hungarian request, and in the meantime Hungary would sit in on GATT sessions as a *de facto* observer. Once the session was over the credentials committee would announce its decision to reject Hungary's request. But the United States was uninterested in softening the blow. The British Foreign Office concluded that "the Americans . . . wish to continue to express their disapproval of the Hungarian Government in every way possible, and regard that consideration as overriding."¹²¹ Confronted with firm U.S. opposition, Hungary withdrew its application and complained publicly that GATT was not an organization "open to all."¹²² By this point, Romania, discouraged by the unenthusiastic response to Communist states, had withdrawn its application.

Conclusion

An international relations approach to the history of the GATT differs from most studies of the organization and yields some fresh insights. Scholars from different disciplinary backgrounds acknowledge the link between economics

119. UK Delegation, Geneva to Foreign Office, Telegraph No. 514, 16 October 1958, in TNAUK, FO371/133207.

120. "Application by Hungary for Observer Status at G.A.T.T.," Brief Prepared by the Northern Department, 20 October 1958, in TNAUK, FO371/133207.

121. *Ibid.*

122. Memo by the Executive Secretary, GATT, to Leaders of Delegation to the Thirteenth Session of the Contracting Parties, 24 October 1958, in TNAUK, FO371/133207.

and politics, but this connection has not been studied in the context of the GATT aside from fleeting observations. Instead, the scope of most GATT studies has been defined by economic and legal considerations. In contrast, historical analyses of national trade policies, whether focused on the United States, Britain, Japan, or other democratic capitalist states, generally acknowledge the balancing act between the domestic and international spheres, as well as between economic and political interests. But as policies moved from national capitals to Geneva, the balance seems to have fallen away, with economic priorities narrowly prevailing, at least so historical accounts suggest even if the historical record does not. The understandable focus of scholars on actual tariff negotiations in the first decade of the GATT's existence has further obscured angles other than the economic one. The attention to tariff negotiations portrays a GATT whose efforts to promote freer world trade were frustrated almost from the outset. But that does not convey the whole story of the GATT's early history and institutional development, as a study of membership reveals.

From 1949 to 1959, eighteen countries acceded, four quit, and several others gained partial or provisional association or sent observers to GATT meetings. In some cases, especially with the former colonies of contracting parties, accession was straightforward. In other cases, such as Switzerland, prolonged discussion ensued. Switzerland first applied to join in 1956 but was not given entry until ten years later. The cases examined in this article were subject to a particular layer of complexity linked to diplomatic considerations associated with the Cold War. The impact of the Cold War on GATT was far-reaching but hardly uniform. The Cold War at times helped to overcome differences, such as those between the United States and Britain in 1947 at GATT's inception. Cold War considerations facilitated the accession of some countries, such as Japan, and hastened the accession of others, notably West Germany. Wyndham White, the guardian of GATT for its first twenty years, used the Cold War to realize his own goal of making GATT more secure. In other instances, however, the Cold War strained relations among GATT's members (even between close allies like the United States and Britain), complicated GATT's institutional challenge to achieve global relevance and even universal membership, and led to the admission of some countries that made little contribution to the liberalizing mandate of GATT. The Cold War also recast the meaning of the GATT. During World War II, those who planned for the formation of the ITO/GATT conceived of it as a liberal trade organization. After the Cold War polarized all aspects of international relations, GATT turned into a forum and pillar of the "free world" (despite a few Communist members in its ranks) rather than the universal movement that had

originally been envisioned.¹²³ Subsequent decisions about which countries could accede and which could not reinforced the connection between the GATT and the Western alliance. But if the Cold War was inescapable, it also had limits. The Cold War did not sidetrack the pragmatic attempts to lower tariffs. Nor, for that matter, could Cold War priorities stave off the growing force of protectionism that threatened to undermine the *raison d'être* of the GATT.

The complex of factors that influenced national positions on accession highlights the many functions of trade policy and commercial diplomacy. Trade could be an expression and instrument of national foreign policy, as well as a category of international contact in its own right.¹²⁴ The connection in the United States was especially pronounced in the 1950s, when the State Department was the main agency responsible for trade policy. A State Department memorandum in 1957 acknowledged that “foreign policy today is pervaded by economics.”¹²⁵ But the relationship worked the other way too: external economic policy was formulated with Cold War aims in mind.¹²⁶ In Washington, accession to and exclusion from the GATT were seen as closely tied to the applicant state’s role in the East-West standoff. Membership was held out as a reward or enticement to countries that the United States was intent on anchoring to the Western alliance, such as West Germany. Exclusion from GATT was intended to weaken enemies such as Communist China and Hungary. The State Department also used trade policy in more nuanced ways, as when it sought to bring Poland and Yugoslavia into GATT in order to attenuate their connections to the USSR. Whether offering, refusing, or reserving membership, the United States was pursuing the same aim—to contain and ultimately prevail over the Soviet Union. This conception of GATT underscored the centrality of alliances and multilateralism more generally in U.S. strategic thinking during the Cold War.¹²⁷

Trade was not just an instrument of foreign policy; it was also its expression. The State Department in the 1950s viewed trade policy through an

123. Richard Toye, “Developing Multilateralism: The Havana Charter and the Fight for the International Trade Organization, 1947–1948,” *International History Review*, Vol. 25, No. 2 (June 2003), p. 284.

124. Diane Kunz has discussed how economic policies and diplomatic aims intersect. See Diane Kunz, “When Money Counts and Doesn’t: Economic Power and Diplomatic Objectives,” *Diplomatic History*, Vol. 18, No. 4 (Fall 1994), pp. 451–452.

125. “Foreign Economic Policy and the Trade Agreements Program,” September 1957, p. 62.

126. Kunz, “When Money Counts and Doesn’t,” p. 457.

127. Jackson notes that Secretary of State Dean Acheson and other senior officials in the Truman administration believed that “the creation of a strong, unified Western alliance was the bedrock of American national security.” See Jackson, *Economic Cold War*, p. 49.

ideological prism. Policy toward GATT took on a heightened significance associated with the goal of winning the Cold War. Other policymaking agencies in the United States objected to the emphasis on geopolitics and called for a narrower economic set of criteria. The State Department's lead role in trade policy persisted until 1962 when responsibility was transferred to the office of the Special Representative for Trade Negotiations.¹²⁸ Until then the United States connected the economic and political elements of commercial diplomacy in a more pronounced fashion than did other Western countries such as Britain, which gave economic and security considerations more equal weighting and generally viewed the two branches of external policy as discrete. The difference can be accounted for in part by the fact that Britain depended much more heavily than the United States on foreign trade.¹²⁹ The French also treated economic and political interests more evenly than the United States did. When political factors came up in French policy, they had less to do with the Cold War than with European integration and France's effort to distance itself from the United States and pursue a different geopolitical agenda. Other countries, like Japan, invoked diplomatic consequences—for instance, if they were denied membership—to achieve their main aim: access to markets. The relationship between the economic and political content of trade policy varied across GATT members, although there was a sharp awareness of geopolitical angles in both Paris and London. The United States was not the only country that combined international political aims with trade policy.

The accession debates in GATT revealed the multi-centered dynamic of the Western alliance during the Cold War.¹³⁰ The literature on GATT, like the literature on the Cold War, has tended to position the United States at the center. For example, Judith Goldstein has asserted that GATT was “the creation of the United States.”¹³¹ Without a doubt, GATT never would have been set up without the support of the United States, and U.S. involvement remained indispensable to GATT thereafter. But GATT was not solely the creature of the United States, even if it had an American imprimatur on its rules and goals. Rather, it was an organization with several centers that frequently disagreed with U.S. tactics and priorities.¹³² The outcomes of acces-

128. Spero notes the executive branch's tendency to link trade policy to international policies. See Spero, *The Politics of International Economic Relations*, p. 67.

129. The value of British international trade ranged from 35 to 40 percent of gross national product in the 1950s compared to roughly 7 percent for the United States.

130. S. J. Ball highlights tensions within the Western alliance. See S. J. Ball, *The Cold War: An International History 1947–1991* (London: Arnold, 1998).

131. Goldstein, “The United States and World Trade,” p. 255.

132. Ann Capling asserts that Australia's influence in GATT was disproportionate to the country's size

sion applications during the organization's first decade confirm this dynamic. The United States got its way on some issues, such as West German accession, but faced stiff resistance on others, notably the cases of Japan and Yugoslavia. Accession debates revealed that Britain was another center of power in GATT. Although Britain did not necessarily rival the United States—that was not its goal—it could effectively oppose the United States and temper the excesses of U.S. foreign policy. Amy Porges, a U.S. trade official, observed that “the GATT started out as a bipolar arena,” by which she meant Britain and the United States.¹³³ The early history of GATT, as well as the early history of the Cold War, needs to take British leadership and influence into account alongside that of the United States.¹³⁴ The accession of Third World countries and the emergence of the EEC further challenged U.S. leadership, as was evident in the changing and ever more complex GATT dynamic. An international relations history of the GATT in the 1960s therefore also promises to deepen and refine our understanding of global geopolitics and of the multilayered uses and meanings of international trade.

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and power and that the U.S. scholarly literature on GATT exaggerates American involvement and minimizes that of smaller powers. See Ann Capling, *Australia and the Global Trade System: From Havana to Seattle* (New York: Cambridge University Press, 2001), pp. 3–4. John Lewis Gaddis makes a similar point about a comparable organization, NATO. Gaddis argues that the United States, despite its preponderant role in NATO, did not usually impose its will on the organization and instead worked tirelessly to convince its allies to support U.S. positions. In practice, this meant that the United States frequently accommodated and deferred to the interests and views of other members, allowing all members to influence the work and development of NATO. See Gaddis, *We Now Know*, pp. 200–201. This same pattern applies to GATT.

133. Eckes, *Revisiting U.S. Trade Policy*, p. 20.

134. Sean Greenwood makes this point in his study of Britain's role in the Cold War. Although Greenwood acknowledges that the United States and Soviet Union were the key figures after 1955, he argues that Britain until then both shaped and galvanized the Cold War. See Sean Greenwood, *Britain and the Cold War 1945–1991* (Houndmills, UK: Macmillan; New York: St. Martin's Press, 2000), p. 3.