

Carleton University**Department of Law****Course Outline**

COURSE: LAWS 3208 A – International Trade Regulation

TERM: Winter 2008/09

PREREQUISITES: LAWS 2003 or LAWS 2005, or BUSI 2601

CLASS: **Day & Time:** Fridays - 11:35 am - 2:25 pm
 Room: A720 LA (Loeb)

INSTRUCTOR: **Professor Paul Davidson**

CONTACT: **Office:** D590 LA (Loeb)
 Office Hrs: Friday – 2:30-5:00 pm
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“Students with documented disabilities requiring academic accommodations in this course must register with the Paul Menton Centre for Students with Disabilities (PMC) for a formal evaluation of disability-related needs. Documented disabilities include physical, mental, and learning disabilities, mental disorders, hearing or vision disabilities, epilepsy, drug and alcohol dependencies, environmental sensitivities, as well as other conditions. Registered PMC students are required to contact the PMC at 613-520-6608, early each term to ensure that your Instructor receives your Letter of Accommodation no later than two weeks before the first assignment is due or the first in-class test/midterm requiring accommodations. If you require accommodations for your formally scheduled exam(s) in this course, please submit your request for accommodations to PMC by March 6, 2009 for April exams.” Also available at http://www.carleton.ca/pmc/faculty/acom_statement.html . For Religious and Pregnancy accommodations, please contact Equity Services, 613-520-2600 x. 5622 or their website: www.carleton.ca/equity

OBJECT OF THE COURSE

The rules which comprise international economic law form the legal framework at an international level for the regulation of international trade and investment. This course will examine the role played by international law and specifically by international economic law in regulating international economic activity. It will examine the development and elements of the international legal framework for regulating trade and investment.

The role of law in society will be examined before continuing with a study of the nature, sources and operation of international economic law. The course will concentrate on the World Trade Organisation legal framework and a study will be made of select aspects of the regulation of international economic activity, including, the main international obligations, contingency protection, bilateral and plurilateral agreements, regional integration, and dispute settlement mechanisms. An examination of the development of the expansion of international regulation of economic activity under the World Trade Organization (WTO) will be made. In addition, an examination of some of the elements of the regulation of international investment will be made.

A fundamental theme of this course will be assessing the role of law in regulating international economic transactions.

COURSE MATERIALS

1. The text for the course is: Peter van den Bossche, The Law and Policy of the World Trade Organization : Text, Cases and Materials, 2nd ed., (Cambridge, UK: Cambridge University Press, 2008).
2. In addition to the text, the readings will also on occasion refer to materials which can be accessed on-line or are on reserve in the Library.
3. Students may also wish to consult the following sources:
 1. Jackson, John H., The World Trading System - Law and Policy of International Economic Relations, 2nd ed., (Cambridge, Mass.: The MIT Press, 1997). Call number: K4602.2 1997. (On reserve in Library)
 2. Jackson, John Howard, Legal problems of international economic relations; cases, materials, and text on the national and international regulation of transnational economic relations. 3rd ed. (St. Paul, Minn.: West Pub., 1995). Call number: K3943.A58J3 1995.
 3. Michael J. Trebilcock and Robert Howse, The Regulation of International Trade, 3rd ed., (London and New York: Routledge, 2005). Call number: K3943 .T72 2005. (On reserve in Library)
 4. Hugh M. Kindred, *et al.*, International Law - Chiefly as Interpreted and Applied in Canada. 6th ed. (Toronto: Emond Montgomery Publications, 2000). . Call number: JX68.I4984 2000.
 5. WTO website - www.wto.org
 6. The International Economic Law Interest Group of the American Society of International Law website - <http://www.international-economic-law.org/>

FORMAT OF COURSE

The course will follow a lecture and discussion format. Students must read the assigned readings and be prepared to discuss them in class.

EVALUATION

(All components must be completed in order to get a passing grade)

Mid-term	40%
Final exam	<u>60%</u>
	100%

COURSE OUTLINE and READINGS

- Jan. 9 a) Introduction
- outline of course
 - expectations
- b) "Law"
- the idea of law
 - theories of law
 - the role of law in society
 - establishing rules
 - dispute settlement
 - the Concept of Legalization

- Readings: 1. Harris, Phil, An Introduction to Law, 4th ed., (London: Weidenfeld and Nicolson, 1993), Ch. I, "Law and Society", pp.1-22. (On reserve in Library)
2. Abbott, Kenneth W., et al, 'The Concept of Legalization', (2000) 54 (3) Intl Organization, 401-419. (Available at <http://www.princeton.edu/~amoravcs/library/concept.pdf>)

- Jan.16 a) IL and Domestic Law
- interplay of international law and domestic law
 - reception of IL in DL
 - constitutional problem in Canada
- b) Liberalised Trade
- the Ideal of Free Trade and Comparative Advantage
 - liberal trade and the impact of trade restrictions
- c) Introduction to "International Economic Law" - "IEL"
- a legal framework for trade and investment
 - the scope of international economic law
 - relation to private and public international law
 - bilateral/plurilateral/multilateral agreements
 - the relevance of the international legal framework

- Readings: 1. Text, Chapter 1, sections: 1.1, 1.2 & 1.3.1, pp. 1-37.
2. Davidson, P.J., "Uniformity in International Trade Law: The Constitutional Obstacle", (1988) 11 Dal. L.J. pp.677-680 (Introduction) and pp.685-697 (The Constitutional Issue). (available on-line through library)

- Jan.23 Multilateral regulation of trade (Part I)
- the Bretton Woods System
 - a legal framework for international trade regulation
 - the GATT
 - the WTO
 - TRIPs, GATS

- Readings: 1. Text, Chapter 2, sections: 2.1, 2.2 & 2.3, pp.76-102, and section 2.6, pp138-161; Chapter 1, section 1.3.2, pp.37-42.

(See also:

1. John H. Jackson, The World Trading System, 2nd ed., (Cambridge: The MIT Press, 1997), Chapter 2, "The International Institutions of Trade: The WTO and the GATT", pp.31-78.)

Jan.30 Multilateral regulation of trade (Part II)

- the GATT/WTO rules
 - Competing Policies
- a) Rules on Market Access
- Tariff Barriers to Trade in Goods
 - Non-Tariff Barriers to Trade in Goods
 - GATT bindings and tariff negotiations
 - reciprocity

Readings: Text, Chapter 5, sections: 5.1, 5.2.1-5.2.2.5, pp.401-413; and section 5.3.1, pp.444-446, & introduction to section 5.3.4, pp.460-461.

b). The Most Favoured Nation (MFN) Policy

- the MFN obligation
- conditional and unconditional MFN
- exceptions to MFN

Readings: Text, Chapter 4, Sections: 4.1 & 4.2, pp.321-334.

c). The National Treatment Obligation

- national treatment and the GATT
- examples, exceptions

Readings: Text, Chapter 4, Section 4.4, pp.344-390.

d). Competing Policies

- national security
- "general exceptions", e.g., health and welfare
- restrictive business practices
- balance of payments

Readings: Text, Chapter 7, section 7.1, pp.615-616.

Feb.6 Contingency Protection Ia) Safeguards and Adjustment Policies

- contingency protection
- safeguard actions
- the escape clause
- adjustment
- export restraints, agreements and arrangements

Readings: 1. Text, Chapter 7, section 7.5, pp.670-695; section 5.3.2.3, pp.453-454.
2. WTO website, "Safeguards on the WTO website",
< www.wto.org/english/tratop_e/safeg_e/safeg_e.htm >.

Feb.13 Contingency Protection IIb) Subsidies and Dumping

- antidumping rules and their sources
- the material injury test
- rules on subsidies and countervailing duties

Readings: 1. Text, Chapter 6, pp.507-613.

Feb.20 Study Week

Feb.27 Mid-term ExamMar. 6 Regional Integration

- the GATT rules - custom unions, free trade areas and preferential arrangements
- the Canada-U.S. Free Trade Agreement and the NAFTA
 - the rules
 - more than trade --regulation of investment
 - Dispute Settlement in NAFTA
- the European Community (EC)
- AFTA; APEC

- Readings:
1. Text: Chapter 7, section 7.6, pp.695-714.
 2. Michael J. Trebilcock and Robert Howse, The Regulation of International Trade, 3rd ed., (London and New York: Routledge, 2005), chapter 1, "The Basic Elements of ... the North American Free Trade Agreement, and the European Union", pp.38-48; chapter 6, "... Multilateralism vs. regionalism", pp.193-201. [on reserve in library]
 3. Davidson, Paul J., "Ask not what the WTO can do for RTAs, But what RTAs can do for the WTO", (2005) Asia Pacific Law Review, Vol 13 No 1, pp.47-61 [on reserve in library].

Mar.13 Dispute Settlement(1)

- power-oriented versus rule-oriented diplomacy
- from GATT to the WTO
- principles of WTO dispute settlement

- Readings: 1. Text, Chapter 3, sections 3.1 & 3.2, pp.169-235.

Mar. 20 Dispute Settlement(2)

- institutions of WTO dispute settlement
- WTO dispute settlement proceedings
- challenges to the WTO DSM

- Readings: 1. Text, Chapter 3, sections 3.3, 3.4, 3.5 & 3.6, pp.235-316.

Mar. 27 Regulation of Investment

- investment and trade protection
- TRIMs
- the FTA and NAFTA Chapter 11
- BITs and FIPAs
- the MAI
- codes of conduct
- role of ICSID

- Readings: 1. Michael J. Trebilcock and Robert Howse, The Regulation of International Trade, 3rd ed., (London and New York: Routledge, 2005), chapt.14, "Trade and Investment", pp.439-470.

Apr. 3 The Future of the Global Trading System

- the post-Uruguay Round agenda
- the Doha Development Agenda
- multilateralism vs. regionalism
- environment, labour, competition policy

- Readings: 1. Reich, Arie, "From Diplomacy to Law: "The Juridicization of International Trade Relations", (1996/97) 17 Northwestern Journal of International Law & Business, parts I & II, pp.775-808, and parts IV & V. pp.830-849. [available on-line through library]