

war turns out according to his ‘timeless theories,’ Clausewitz told us to expect it. When it turns out otherwise, Clausewitz told us to expect that too.”

On War is a great work, Fleming con-

cludes, but it should not be used as a rhetorical bludgeon. Rather, it should be taught “as poetry, even in the staff colleges, an expression of the intrinsic contradictions of the human condition.”

ECONOMICS, LABOR & BUSINESS

Murk at the WTO

“The Safeguards Mess: A Critique of WTO Jurisprudence” by Alan O. Sykes, in *World Trade Review* (Nov. 2003), Cambridge Univ. Press, 100 Brook Hill Dr., West Nyack, N.Y. 10994–2133.

When the Appellate Body of the World Trade Organization (WTO) upheld the European Union’s case against American steel tariffs last November, the decision was hardly a surprise. Since the WTO was created in 1995, the appeals court has thrown out every “safeguard” protectionist measure that has come before it. The problem is not that all safeguards were meant to be illegal under the WTO, but that the law lacks any coherent guidance as to when they are permissible, argues Sykes, a law professor at the University of Chicago.

The WTO Agreement on Safeguards lets nations temporarily impose tariffs to protect domestic industries threatened by “serious injury” resulting from a surge in imports. The 1947 General Agreement on Tariffs and Trade (GATT) did the same in cases in which “unforeseen developments” after a trade concession led to increased imports and “serious injury.” But over time, as the practical meaning of the GATT provision proved elusive, it fell into disuse, and countries resorted to extra-legal direct negotiations with one another to “voluntarily” limit exports.

The WTO safeguards agreement was designed to end that practice. Yet the text is murky. (What does “serious injury” mean? And how do you determine that increased imports “caused” it?) The WTO Appellate Body’s decisions haven’t clarified the “conceptual muddle.” Since the WTO agreement isn’t likely to be renegotiated, it would take a dose of judicial activism by the Appellate Body to clarify matters.

Is that necessary? Sykes himself is agnostic. “Purist” advocates of free trade say that the only thing safeguard measures really safeguard is wasteful protectionism. Others warn that trade negotiators will be reluctant to agree to future free-trade measures if they lack the political cover afforded by the ability to protect certain industries. Then there are the “somewhat cynical” observers, who argue that the current system provides sufficient political cover by allowing national political leaders to noisily announce trade restrictions that are only later struck down by the WTO. Today’s illegal but temporary trade barriers, these observers say, are better than yesterday’s long-lived and extra-legal “voluntary” agreements.

Over the Rainbow

“The Economics of Happiness” by Richard A. Easterlin, in *Daedalus* (Spring 2004), Norton’s Woods, 136 Irving St., Cambridge, Mass. 02138.

Most Americans cherish family and health, but few will turn down a higher-paying job even if it cuts into their time at home or in the gym. The extra money, most people believe, will buy additional happiness. Presented in one opinion poll with a hypothetical job that would give them higher pay but less free time

than their current job, none of the 1,200 respondents said that it was “very unlikely” they would take the job.

Americans hold no monopoly on materialism, notes Easterlin, an economist at the University of Southern California. In the early 1960s, social psychologist Hadley Cantrill con-