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Lecturer Essay # International trade The article written by Matthew Dalton and William Mauldin appearing in the Wall Street Journal (26 March, 2014) relates to the international trade aspect of the international political economy. Specifically, the article touches on china's trading with the rest of the world.

In the above article, the authors report the confirmation by the world trade organization that China lost the case on rare-earth metals. China had restricted the export of these metals and imposed trade quotas. The case was brought by the WTO and the office of the United States Trade Representatives in 2012. It was confirmed that the policies used by China were violating the set global trade rules. Particularly, it was confirmed that the export rules applied by China on the rare-earth metals were not consistent with China's obligation in the WTO. In defense, China stated that the rules were in place as a measure to safeguard the environment, but the WTO said that those reasons were not enough to limit exports. The WTO ruling covered seventeen rare-earth metals that are used in making of electronic products. According to the authors, the decision is likely to see a reduction in rare-earth metals prices. The authors note that the Obama leadership is keen on stepping up such trade cases against countries such as Russia, China and India. This is in an attempt to stop such countries from violating WTO rules.

The main actors covered in the article are China, the United States and the World Trade Organization. On one hand, China's interest is to limit the export of rare-earth metals to other countries. According to Chinese officials, such restrictions are important in helping conserve the environment. On the other hand, the WTO and the United States are keen on ensuring that China does

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not put policies in place that violate the WTO rules and limit international trade. For the WTO, this is an attempt to create a level-playing field in which all countries operate on fair policies that do not negatively affect other member countries. As noted in the article, the US is interested in following such cases in order to enhance fair trade policies. This is of benefit to the US economy. For example, it is noted in the article that the steelmakers in the United States welcomed the decision taken by the WTO since some of these rare-earth metals such as tungsten are used in the steel industry.

The institutions relevant to the article include World Trade Organization, International Monetary Fund (IMF), and the Organization for Economic Co-operation and Development (OECD). Although the later two bodies are not mentioned in the article, it is clear that the issue highlighted in the article requires the attention of these bodies. For instance, the OECD offers the platform on which governments can share knowledge and seek solutions to various economic problems.

One of the controversies raised in class is on the issue of free trade. Whereas some groups favor free trade, there are others who are against it. The above article appears to promote the idea of free trade where countries do not restrict imports and exports. As shown in the article, the WTO and the US are compelling China to drop the export quotas and regulations imposed on rare-earth metals. This is clearly an attempt to enhance free trade by eliminating government control on imports and exports.

Works cited

Dalton, Matthew and Mauldin, William. "WTO Confirms China Loses Rare-Earths Case." The Wall Street Journal 26 March, 2014. Web 10 April 2014.

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