

Its substantive obligations required participants to refrain from applying their trade policies in ways that were contrary to these fundamental rules. The obligations did not require adherence to absolute standards of behaviour, nor did they impose rules and procedures for the detailed administration of trade policy. There was no obligation in the GATT, for example, to set maximum tariff rates. GATT members remained free to negotiate such rates and free to apply them at lower levels or not at all. The basic national treatment obligation did not guarantee a standard of treatment for imports, for example, respecting the level of indirect taxes, but rather required that such taxes or other regulations affecting internal trade not be higher or more burdensome than those applied to products of domestic origin.

With respect to non-tariff barriers, the GATT did not require its members to apply countervailing or antidumping measures, marks of origin, quantitative restrictions on trade, or subsidies, but rather established disciplines on the use of such measures. The articles allowing exceptions for balance-of-payment reasons, tariff preferences, or import surges were similarly encumbered with disciplines and in some cases surveillance, all intended to make their use difficult. While the articles on customs administration and valuation set out prescriptive rules and procedures, the need for such measures arose from the application of an import regime which the GATT did not substantively require<sup>9</sup>. The arch over all these obligations was the general requirement of most-favoured-nation treatment.

The focus of these negotiations was barriers to the exchange of goods. Barriers to the flows of services, investment capital, the internationalization of intellectual property rights, temporary business travel, labour, and other cross-border transactions were governed, if at all, by separate international instruments, none of which included the kinds of rights and obli-

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<sup>9</sup> Article X on the publication and administration of trade regulations is an exception to the paradigm of negative prescription. It should be added, however, that the existence of a body of norms (rather than requirements), did lead to a gradual convergence in the trade policies of the core GATT members, the industrialized countries clustered around the North Atlantic.