

measures, can have profound effects on trade in these fields, and the position of multinational corporations is a factor which may need to be taken into account. In addition, attention must be given to those domestic industrial programmes that have similar effects to high tariffs in that they seriously distort the efficient allocation of resources.

This comprehensive sectoral approach would represent a new departure in international negotiations. It would require careful and detailed advance preparation, both in terms of the negotiating rules that should apply and with respect to the identification and selection of commodity sectors that warrant consideration. In the give and take of bargaining, the criteria for determining the balance of advantages between countries flowing from the selection of sectors would be of particular importance and complexity.

We consider, in this context, that the possibility of moving forward on a sectoral basis to "free-up" trade in aluminum and aluminum semi-fabricated products should be positively considered. Other sectors which may merit similar investigations are forest products, nickel, lead and zinc.

(ii) Primary Industrial Materials

The desirability of world free trade in basic industrial commodities should, I believe, also be examined as a matter of high priority. This is an area where much of world trade already moves duty-free but where certain tariffs and restrictions still remain. The GATT should assess the post-Kennedy Round situation in these areas and consider ways and means of achieving world free trade for these commodities where this is not likely to be accomplished through the sectoral approach to which I have already referred. All countries would clearly stand to gain.

(iii) Low Duty Items

Building on the precedent of the recent negotiations, consideration should be given to the elimination of very low, or "nuisance", duties, which serve little protective purpose but which, in practice, have a disproportionate and unnecessarily hampering effect on trade because of the administrative burdens involved.

(iv) Other Tariffs

The GATT work programme should also examine possibilities and appropriate techniques for the future reduction of tariffs in those areas of trade not covered by the proposals already described.

(B) NON-TARIFF BARRIERS

Urgent consideration should also be given to ways and means of reducing the impact of non-tariff barriers. These cover such disparate measures as customs administration, surcharges and prior deposits, import licensing and subsidies, internal taxes, export and technical standards, governmental procurement policies, as well as certain types of corporate policies and practices which may frustrate the intent of tariff agreements.