

vanish in the future as industry and sector boundaries blur. In all sectors services are key inputs to production and essential complements to trade. Commingling rather than compartmentalisation is the more appropriate image.

The second concern of the G-10 about trade in services is more important. It originates in a fundamental tenet about the respective roles of governments and markets in the development process. In the judgment of the G-10 spokesmen, certain key service industries -- telecommunications or financial services, for example -- represent the "commanding heights" of future growth and development and therefore must be guided by government. This G-10 view of the critical importance of government control gained force from the consideration that establishing a multilateral discipline on services would inevitably involve confronting the equally sensitive issues of investment and protection of intellectual property. (It will also involve consideration of the temporary movement of labour where political sensitivities are exposed on the side of many developed countries.)

This development aspect of the clash over trade in services should be assessed not simply in GATT terms,