

LOOKING TO THE FUTURE, ACCESS TO THIS NEW GENERIC TECHNOLOGY AND THE FLOWS OF CAPITAL BY WHICH IT WILL IN THE MAIN BE TRANSFERRED WILL DOUBTLESSLY BECOME A PRIME DETERMINANT OF GROWTH AND DEVELOPMENT AROUND THE WORLD. IN THE CASE OF THE DEVELOPING COUNTRIES THE IMPACT WILL BE ESPECIALLY IMPORTANT SINCE THE NEW TECHNOLOGY IS BOTH LABOUR, ENERGY AND MATERIAL SAVING AND WILL THEREFORE EXACERBATE THEIR ALREADY DETERIORATING TERMS OF TRADE. REDUCED ACCESS TO TECHNOLOGY AND INVESTMENT FLOWS INHERENT IN AN "INFANT INDUSTRY" APPROACH TO STRATEGIC SERVICE INDUSTRIES WILL INEVITABLY EXACERBATE THE ALREADY LARGE DISPARITY IN GROWTH RATES AS BETWEEN THE MARKET-ORIENTED ASIAN NIC'S AND OTHER LDC'S AND, INDEED, AMONG THE INDUSTRIALIZED COUNTRIES AS WELL.

NEGOTIATING TRADE IN SERVICES WITHIN THE GATT WILL INVOLVE GRAPPLING WITH EXTREMELY CONTENTIOUS ISSUES NOT ONLY INVOLVING DEVELOPING COUNTRIES BUT ALSO THE COUNTRIES OF THE INDUSTRIALIZED WORLD. SERVICES ARE EVERYWHERE SUBJECT TO VARYING DEGREES OF GOVERNMENT REGULATION (ALTHOUGH LEAST OF ALL IN THE UNITED STATES) AND THUS IMPINGE DIRECTLY ON SENSITIVE ISSUES OF NATIONAL SOVEREIGNTY AND AU FOND FUNDAMENTALLY DIFFERING VIEWS OF THE ROLE OF GOVERNMENT. BUT IT BEARS REPEATING THAT THE CHOICE CONFRONTING GOVERNMENTS IS NOT BETWEEN GATT