

Services have become fully embodied in the U.S. trade policy process. This is most clearly shown by the 1984 Trade and Tariff Act extension of Section 102 authority, (which permits the President to negotiate and enter into reciprocal trade agreements in respect of non-tariff barriers), to the reduction or elimination of barriers or other distortions to trade in services (including denial of national treatment and restrictions on establishment and operation in foreign markets) and the development of internationally agreed rules. The question for the U.S. is therefore not if negotiations should be held on services but how and in what fora: bilaterally, plurilaterally among a group of interested countries, multilaterally as part of a new round of trade negotiations under the aegis of the GATT, or all three simultaneously.

In the multilateral trade arena, the U.S. has been in the forefront in the drive to have trade in services included in a new round of multilateral trade negotiations (MTN), despite the strong objections of some developing countries, led by Brazil and India. The United States' objective, set out in the July 1985 U.S. submission to the GATT, is a general agreement that would set out rules and principles for conducting trade in