probably tendency for countries to introduce new nontariff devices and to enforce old ones more vigorously in order to offset the internal adjustment burdens of tariff restrictions under the Kennedy Round.

An elaboration of the many nontariff barriers that are important in world trade today would require a lengthy paper in itself. The typical classification divides them into the following groups: (1) Quantitative controls and State trading; (2) government procurement policy; (3) customs valuation and practices; (4) antidumping legislation and practices; (5) border tax adjustments. Actually this list covers only a portion of the laws, rules, practices (public and private) distorting trade in a manner that discriminates between domestic and foreign producers. All of the above measures distort trade in a direct and obvious manner. But businessmen have become increasingly concerned with trade distortions brought about indirectly by laws, practices, taxes, and subsidies aimed at domestic activities. These include: (6) Domestic subsidies, for example, maritime and other transportation subsidies, agricultural subsidies, research and development subsidies, and special tax benefits; (7) domestic taxes and regulations; and (8) monopolistic practices in private product and factor markets.

Although it is easy to recognize the trade-restricting effects of nontariff barriers, it is a much harder task to suggest how best to reduce these effects on a worldwide basis. The Kennedy Round has not produced much progress along these lines. The tariff-reducing aspects of the negotiations were so difficult and time consuming that it was not possible to launch a major effort to reduce nontariff barriers. However, enough was learned to realize that these are much more difficult to deal with than duties. A major reason for this is because import protection or export promotion is not the main purpose of many of these trade-distorting measures. For example, in parts of agriculture, the coal industry, and the textiles field, nontariff barriers are often only an incidental part of a set of measures designed to ease the adjustment of sectors that are depressed for reasons quite unreleated to import competition. In other cases, the trade distortions are byproducts of measures designed to meet goals that may conflict with economic efficiency in a narrowly defined sense. The various nontariff measures designed to promote national defense fit this category. Similarly, policies whose objectives are to redistribute income, for example, minimum wage legislation, or to increase national prestige, for example, the space program, fall into this grouping.

Clearly, one cannot expect nations to abandon these goals simply for a more rational distribution of world resources devoted to foreign trade. There may be opportunities to modify some of these goals over a long-run period of time, but short-run policy usually must take them as "given." The best that can be done under these circumstances is to try to eliminate needless conflicts among policy measures. For example, the approach followed by most countries in meeting the agricultural problem needlessly sacrifices the benefits of economic efficiency. Temporary income-support payments coupled with measures to attract excess resources out of agriculture are much preferable on efficiency grounds and yet also can prevent undue distributive hardships. The same points apply in such industries as coal and textiles. Maintenance of adequate defense capacity in certain industries also