CHAPTER IX

NONTARIFF BARRIERS

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Introduction

Apart from eliminating virtually all quantitative restrictions on nonagricultural products, postwar trade negotiations among the industrial countries have primarily concerned tariffs. The 1947 GATT agreement did establish international rules on a number of nontariff barriers; and in tariff negotiations, nontariff barriers were considered in evaluating the benefits to be gained from tariff concessions. But because of the height of tariff levels, it was generally not thought essential to deal directly with nontariff barriers. Also, their negotiation is much more complex and difficult. However, with further reductions in tariffs, whether they be accomplished through establishing a free trade area, or through multilateral trade negotiations, such as the Kennedy Round, nontariff measures will become increasingly important barriers to trade and will demand greater attention. Such lowering of tariffs would be analogous to a lowering of the water level of the Atlantic Ocean—the mountains of the ocean floor that had hitherto been submerged would now become navigation hazards.

Existing nontariff measures that may only marginally affect trade when coupled with tariff protection could become formidable obstacles if tariffs were eliminated or further reduced. More important, in order to compensate domestic producers for loss of tariff protection, it is likely that many nontariff measures, now dormant, would be rigorously applied, new measures introduced, and old ones amended to make them more effective in restricting trade. Consequently, the improvement sought in the flow of international trade would not fully materialize.

[1] When this chapter was written, the author was a member of the U.S. delegation to the Kennedy Round trade negotiations. (The views expressed here are his own, and not those of the U.S. government.)