

periodicals containing advertising directed primarily to the Canadian market, and imports of periodicals of which more than 5 per cent of advertising space indicates Canadian sources of supply. The purpose of this prohibition is to divert advertising revenue from foreign (primarily U.S.) to Canadian publications and thereby to encourage publication in Canada.⁹¹

Conclusions

As already suggested, the reduction or elimination of tariffs among industrial countries will increase the importance of nontariff barriers as obstacles to trade. But the problems that nontariff barriers present are so diversified that no single solution is possible.

Efforts being made in the GATT, the OECD, and the Kennedy Round negotiations are only beginning to deal effectively with nontariff barriers. Although the GATT prohibits many nontariff barriers, it is generally less effective in dealing with them than with tariffs. Under the Protocol of Provisional Application and subsequent protocols under which countries apply the GATT to their commercial policy, legislation existing prior to a country's membership is exempt from its provisions. Because many nontariff barriers are embodied in legislation of long standing, they are legally maintained under the GATT even though they are inconsistent with its provisions. In the OECD, countries have few legal obligations in regard to nontariff barriers, but through a series of confrontations an effort has been made to remove or reduce them, with relatively little success in recent years. A major attempt is being made in the Kennedy Round to negotiate on nontariff barriers. However, many of them cannot be easily negotiated, and the Kennedy Round is already burdened with difficult tariff issues. In this section, possible ways of dealing with nontariff barriers will be examined.

As already indicated, quantitative restrictions among industrial countries on nonagricultural products are a minor problem except those relating to coal and to Japan. GATT prohibits their imposition except for balance-of-payments and a few

⁹¹ *Time* and *Reader's Digest* magazines, whose Canadian editions are published entirely in Canada, are exempt from this prohibition.