

since insurance and freight costs to the many U.S. and Canadian ports of entry vary considerably among countries, lower rates that would afford the same degree of protection to domestic producers would favor nearby countries and penalize distant ones.

Dumping and antidumping measures are becoming increasingly important problems in international trade. Antidumping measures may become more extensive as European countries introduce and amend legislation and regulations. However, multilateral tariff reductions as well as a free trade area would deter dumping by making it easier for dumped goods to be shipped back again into the dumping country. But even in a free trade area, transportation costs among many of the industrial countries are large enough to make this a limited deterrent. Furthermore, governments might be hard pressed to use antidumping measures to compensate domestic producers for the elimination or reduction of tariff protection.

Although the GATT requires that both price discrimination and injury be established before antidumping duties are imposed, it does not define what is meant by injury nor does it prescribe procedures to be followed in antidumping determinations. Consequently, GATT is not now adequate to regulate antidumping measures. As in the case of government procurement, an international agreement or code appears to be an appropriate and negotiable solution. Logically, a code would implement the GATT by including criteria for injury determinations and procedures for insuring that antidumping investigations would not inhibit trade and would treat all interested parties equitably. Such a code, which was discussed in the OECD and which is now being explored in the Kennedy Round, should eliminate the present and future nontariff barrier aspects of antidumping measures.

The elimination of such miscellaneous nontariff barriers as European and Japanese road and commodity taxes that have a discriminatory effect on imported automobiles, the U.S. wine-gallon method of assessing excise taxes and import duties, and the U.K. screen quota on recorded TV programs might be possible as part of a free trade area arrangement. If tariffs were only reduced, these and similar restrictions might best be handled through negotiations. Whatever their justification, unilateral complaints seldom result in satisfaction when diffi-