participating through this multilateral forum to make sure that rules and objectives of the GATT are followed by others as well. For example, several countries—Brazil, Chile, and Israel—have revised their tariff schedules and Austria and Spain have taken actions which adversely affect American trade. The United States is negotiating with these countries to obtain new concessions to offset the effect of their actions. Should redress not be achieved through the avenue of first recourse, the action may be advanced to a point where under GATT, if ultimately unsatisfied, other nations would be permitted to take specific and compensating trade measures to offset the losses suffered from these unfair practices.

Bilaterally, we have insisted on compensation for any new trade restrictive measures imposed on our exports even temporarily. For example, Canada gave tariff concessions in agricultural trade as compensation for the introduction of temporary special import charges on imports of potatoes and corn into Canada.

Through the Organization for Economic Cooperation and Development (OECD) in Paris in a matter closely related to the GATT, the United States has initiated consultations to examine the trade effect of forthcoming tax measures in the Netherlands and Belgium. In the course of harmonizing the indirect tax system of the member countries, within the Common Market, the Netherlands and Belgium will be changing their indirect taxation from existing cascade tax assessment to the turn-over, value-added system. In a similar move a year ago, the Federal Republic of Germany achieved a significant trade benefit.

After World War II, in an effort to protect local industry and foreign exchange, many countries employed import quotas. As these industrial countries improved their economies and their international balance of payments positions, they were able to assume the responsibilities of nations with freely convertible currencies as described in Article VIII of the Agreement of the International Monetary Fund. A country may qualify as an "Article VIII country" without having fully achieved the removal of all its quota restrictions; however, it is the understanding of an Article VIII status that these restrictions will be progressively removed over not too long a period of time. For the most part, this has been done—but in nations such as France and Japan quota restrictions (among others) linger. We started using the GATT framework to achieve the removal of these restrictions well before 1968 with respect to France. With respect to Japan, we are presently negotiating bilaterally. In the summer of 1968, we successfully obtained a relaxation of the Japanese restrictive trade practices with respect to our automotive trade and investment in that country. Nevertheless, many other areas of our trade remain encumbered by restrictive Japanese practices. We are vigorously pressing ahead to make this important market open and fair.