

The remaining tariffs on trade in manufactured goods among industrial countries fall into three categories. First, those that have been substantially cut and, for the most part, are lower than they have been in this century. We must ask ourselves: How important are these? Can we conceivably ignore some of them, or is there some way of clearing the ground by perhaps some kind of formula or acceptance of a principle or rule for reducing these tariffs other than by another Kennedy Round, which hardly seems called for at this point?

A second category of tariffs includes those which have been left relatively untouched by the Kennedy Round precisely because it has been difficult for one country, or many of them, to make cuts. And there I think we face some of our hardest problems, which will require new kinds of initiative, perhaps along the lines suggested by Eric Wyndham White, the Director General of GATT of negotiation industry by industry, looking not just to tariffs, but at a range of trade barriers.

In the third category are tariffs which would have been cut if the pattern of bargaining had been somewhat different, that is to say, a country was prepared to cut them if it got an adequate concession in return. I think there is not much to say about them except that they are among the chips for the next round in the card game.

It is now generally accepted that as the tariffs have fallen away, nontariff barriers have become more important than ever. They are nothing new. We spent a lot of time at the end of the war working on problems of quotas and the direct controls associated with exchange controls.

But with those largely out of the way, I think we are now facing a highly variegated array of restrictions of new kinds that do not fall into easily understood patterns.

Negotiating about these will raise several problems. They are too varied, in my opinion, to be covered by any kind of simple rule or comprehensive agreement of the sort that we have over the years evolved to deal with tariffs and quotas. It may be that they are susceptible of an approach that seeks to set up some sort of complaint procedure. Certain of the barriers, either types or individual barriers, can probably be dealt with by agreements, and by establishing something like a code of behavior or rules about them. However, carriers are of differing importance for different countries, so that the logic of approaching them barrier by barrier does not stand up too well to the realities of negotiation and the need to bargain with whatever one has to bargain with. Nor is it likely that negotiation about nontariff barriers can be separated from negotiation about remaining tariffs. The complex pull between the logic of separate treatment and the requirements of more collective treatment will, I think, influence our approach to these things, and have some bearing on where and how we try to deal with them. For the United States I think there are additional problems, in that the nontariff barriers do not fall under any simple legislative arrangement, and the problem of how to negotiate, what kinds of powers the President will have to have, will remain, I think, a troublesome one.

Not the least of the problems in negotiating about nontariff barriers is a lack of agreement as to what, in fact, are barriers. Some are more or less covert trade barriers and have that as their main objective. But