rigid view of the reciprocity concept, and a more flexible negotiating approach there is also still much that can be accomplished in the tariff field. We will be hampered by the unwillingness of some countries to reduce their barriers as far as we are prepared to do. But what can be accomplished by a flexible approach to tariff-cutting seems significantly preferable to the longrun economic and political risks involved in regionalization and tariff discrimination. Thus, it is not too early to begin to plan for a seventh round of GATT negotiations aimed primarily at the non-tariff-barrier problem and at expanding trade between developed and less-developed countries, but also designed to achieve further moderate cuts in duties among industrial countries.

Chairman BOGGS. Thank you very much, Professor Baldwin.

Professor Cooper, may we hear from you?

STATEMENT OF RICHARD N. COOPER, PROFESSOR OF ECONOMICS, YALE UNIVERSITY

Mr. COOPER. Mr. Chairman, members of the subcommittee, I think it is fair to say that most people are pleased with the outcome of the Kennedy Round. There were some black moments when it looked as though little or nothing might come of it, and that would have marked a severe setback to all those who favor a liberal trading policy. I do not like to tarnish the luster of success, but it is worth pointing out that the actual results of the Kennedy Round do not in some respects mark such a sharp departure from the past which we had been led to expect. It is true that tariff cuts amounted to something like 30 percent on $15 to $16 billion of U.S. trade (taking imports and exports together, and agricultural as well as industrial goods). But these tariff cuts are to be spread over 4 years, and they stem from negotiations which took nearly 5 years. If allowance is made for the very long time over which these cuts should be averaged, the Kennedy Round was only about 45 percent better than the Dillon Round, which was widely regarded as amounting to next to nothing. Moreover, some of the cuts in the Kennedy Round do much less in the way of reducing protection than they appear to, since at least in the textile and metals industries, tariffs on raw materials were often reduced substantially more than tariffs on fabricated products.

To focus on these blemishes, however, would be to do the Kennedy Round an injustice The number of commodities covered was far greater than in the Dillon Round. Moreover, the Kennedy Round preserved the forward momentum of trade liberalization. The proper comparison is not with things as they were, but with things as they otherwise would have been. That is a comparison which we can never make with assurance, but I strongly suspect that "no change" is not a stable situation, that without some movement toward trade liberalization there would be some movement away from it. Protectionist sentiment is always present in all countries, and without some counterforce it is likely to have its sway.

Furthermore, the Kennedy Round did make a modest start—but it is only a start—toward reducing nontariff barriers to trade, especially if Congress eliminates the American selling price method of valuation.