

If this summary is reasonably accurate, it gives us the outlines and some of the dimensions of the issues we need to consider in looking at future U.S. trade policy.

In what follows I have assumed that the United States will continue to press for the removal of barriers to international trade, whether they are imposed by itself or by others. The case for such a policy is, in my opinion, clear—but I do not argue it here. If the assumption were to be regarded as false, readers could dispense with the pages that follow except to the extent that they might be thought helpful as a partial list of the kinds of barriers to American exports that might well increase in the absence of an effective effort to lower them and as some indication of the forms in which American consumers might have to make the payments exacted from them by restrictions on imports.

This paper emphasizes broad issues and general directions. It says little about timing, tactics, or the specifics of legislation. It leaves out a number of questions of trade policy, including the important matter of adjustment assistance, one of the most notable instances of the TEA's not working out as expected. Even with these limits the paper covers so wide a range of issues that it is full of unqualified and perhaps even dogmatic statements. Part of the excuse for that is that the aim of the paper is to raise questions; not answer them. It does not prescribe what U.S. trade policy should be in the years ahead, but tries to state some of the issues about which decisions will have to be made in shaping that policy.

THE REMAINING TARIFFS

Much of the impact of the Kennedy Round will be on that large segment of world trade made up of the exchange of manufactured goods among industrialized countries. From now on we can think of the remaining tariffs on this trade as falling into three categories:

- (1) those that were reduced by the full 50 percent or something approaching it, or that are quite low even if the cuts were smaller;
- (2) those that were reduced by little or nothing because deeper cuts were regarded as economically or politically unacceptable to major trading countries;
- (3) those that a country would have been willing to reduce but withdrew from the bargaining because other countries were not willing to make adequate concessions.

There are no hard and fast lines between these categories, but it is clear that they present rather different kinds of problems for the future. There is little to say about the third except that it provides an area of maneuver in future tariff bargaining. The second includes the hard cases—whether for a number of countries or just one or two key ones—which will probably require special efforts and very likely more than tariff bargaining if they are to be dealt with at all. More will be said about these later.

As to the first category, two questions suggest themselves: How restrictive are these duties? If they could be cut as much as they have already been cut, should one expect to be able to reduce them still more in the not too distant future, say when the Kennedy Round reductions are fully in effect?