

(1) Duties could be reduced according to a uniform schedule that would bring all of them to zero in a short time.

(2) Some duties might be reduced faster than others, perhaps because they were higher to start with, or more slowly because some countries needed longer to adjust to free trade than others, but all would be completely removed by a scheduled time (presumably but not necessarily the same time).

(3) A country's obligation might be to reduce the average of its tariffs (or the average in each of several categories of tariffs) by a certain amount each year. This formula would permit each country some flexibility—going slow on some duties if it went faster on others—while assuring the same results in the end.

(4) If the elimination of tariffs were unacceptable the same formulas could be used to proceed to a more modest goal.

One possible goal which might be pursued with or without a formula is tariff "harmonization." This loose term means to some people that different countries should apply the same tariff rate to the same products (or depart from the pattern only for special reasons). The European Community's proposals for dealing with *écartement* and tariff discrepancies in the Kennedy Round were in a sense versions of this form of harmonization. Another way of using the word is to describe a goal in which most tariffs on trade in manufactured goods among industrial nations—with the inevitable exceptions—would fall into an agreed-on range—say 8 to 10 percent. As in the third of the formulas outlined above, flexibility could be introduced by applying the rule to averages. The economic advantages of harmonizing tariffs are less obvious than of reducing them, but there is a kind of elementary equity about the idea which might make tariff reduction more acceptable than some other kind of arrangement.

Formulas have the advantage of seeming to simplify matters, but that will not be enough to persuade governments to submit their hardest cases to them. The future will, therefore, include some of the same kind of tariff bargaining as the past. Perhaps, though, the chances of success can be increased by some new approaches. Eric Wyndham White, Director-General of GATT, has suggested that in some major industries "characterized by modern equipment, high technology and large-scale production, and by the international character of their operations and markets" negotiations might lead to free trade "within a defined period."¹ To some degree industry by industry negotiations were begun in the Kennedy Round, partly it would seem to deal with some of the "hard cases." The idea of advancing from exceptions lists to possible free trade is an attractive one. Chemicals and steel are industries in which a number of leading countries have both protected and exporting sectors; in aluminum there are only a few big producers and a very international market. One advantage of this approach is that other trade barriers could be looked at along with tariffs. Another is that the relative importance or unimportance of trade barriers would be made much clearer than is usual when a negotiation is only about trade barriers and everything else that affects the industry is regarded as falling outside the discussion. The result, Wyndham White believes, could be a series of agreements moving toward free trade industry by industry.

¹ Speech to the Deutsche Gesellschaft für Auswärtige Politik, Oct. 27, 1966.