The approach prompts questions about the government-business relationships needed for this kind of negotiation. Another set of doubts may focus on the tacit or explicit understandings that might be encouraged between private businessmen in several countries. It is also important, as Representative Thomas Curtis pointed out in his testimony to this subcommittee on July 12, 1967, to avoid accepting past shares in the market as a fixed pattern for future trade. Nevertheless, the idea has enough merit in it to deserve serious exploration and perhaps some experimentation.

Industry by industry negotiation may not lead to separate industry agreements. While in some complex industries it may be possible to balance the advantages and concessions of a number of countries, in others the discrepancy will be too great or one of the parties will want to bargain its acceptance of an industry arrangement for another country's acceptance of a different industry agreement. The experience is common enough in normal tariff negotiations; it is said to have taken a Common Market concession on paper to get the Scandinavians to reduce automobile duties in the Kennedy Round. This is not a fatal weakness of the industry-by-industry approach but a warning that its adoption may not go quite as far as its name suggests to divide trade negotiations into a series of discrete transactions. By the same token an agreement on nuisance tariffs and another on reduction by formula might well be linked with one another, and industry agreements to them.

In analyzing trade problems of the post-Kennedy Round period we tend to distinguish among them and naturally look for solutions suited to the problems, not universal solvents. This suggests a certain breaking up of the pattern of negotiations and the analysis of nontariff barriers points strongly in the same direction, as we shall see. Perhaps we should get in the habit of thinking about trade negotiations as a continuing process proceeding at different paces on different matters, rather than as a process with periodic climacterics such as the main rounds of tariff negotiations under GATT have been. But it may be a mistake to think that things can be broken apart in this way, given the discrepancy between the aims of one country and another and the natural tendency of bargainers to use all the counters at their command. It does not follow that an all-in new Kennedy Round is the only alternative but it seems likely that separate pieces of negotiation will not be truly independent of one another.

Nontariff Barriers

Some of the first American businessmen to complain about the results of the Kennedy Round charged that not enough had been done to reduce Europe's nontariff barriers on American exports. That is a healthy emphasis that can lead to more good than the more familiar complaint of the past that American industry could not survive without tariff protection.

Nontariff barriers are nothing new. Getting rid of quotas was one of the great aims of American trade policy in the first postwar decade. As the dollar shortage gave way to general convertibility, quotas were largely peeled away and tariffs once again resumed their importance. Now major reductions in tariffs are making other nontariff barriers