

been followed from the beginning, the negotiations might long ago have been completed. In short, we need a balance between simple tariff-cutting procedures and direct negotiations in sensitive areas. In the Kennedy Round we initially were too rigid on a particular simple tariff-cutting formula; namely, the linear-cut concept. A greater willingness to consider sympathetically other types of cutting formulas might have accelerated the negotiations and deepened the average cut. Yet, all items cannot be covered by simple rules. Negotiations on particular sectors still will be needed. However, if one starts out by trying to negotiate all cuts on an item-by-item basis, this, too, will lessen the average tariff reduction.

CONCLUSIONS

A number of highly competent observers interpret our recent tariff-cutting experience as requiring radical changes in our approach to worldwide trade liberalization. Some of them suggest the formation of free trade blocs between the United States and various other industrial nations. Others propose the abandonment of the most-favored-nations principle in our tariff-cutting policies. While these various proposals have points in their favor, the merits of proceeding along the same general lines as in the last six GATT negotiations to me seem greater, especially if the goal is the economic one of lowering artificial impediments to world trade.

There is still much to be done in reducing the trade-inhibiting effects of nontariff barriers. This will be a very difficult task but there is some evidence to suggest that at least the major industrial countries are willing to proceed toward a harmonization and reduction of some of these barriers. With an effective adjustment assistance program together with an adequate background of economic analysis, a less 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 risk 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 nontariff 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.