

nations enjoying the benefits of participation would be associate members until they, too, were able and willing to open their own economies freely to the exports of the other members.

III. THE TWO APPROACHES COMPARED: A PRELIMINARY EVALUATION

Our original question remains of how relevant such an arrangement would be to the future needs of U.S. trade policy; specifically, whether, and if so at what point, it would be desirable to shift from the multilateral approach to the free trade area approach. It is quite beyond the scope of this paper adequately to analyze all of the factors involved in this question. But without presuming to reach definitive conclusions, we shall briefly discuss certain key issues on which the free trade area option is likely to be tested.

First, let us clarify what is to be compared. If, as in the past, Americans clearly distinguish between free trade and merely freer trade as ultimate objectives—and generally continue to prefer the latter—then the free trade area concept is irrelevant as a means of policy, and has to be evaluated as an alternative goal. We have assumed in this paper that Americans will now increasingly recognize the relevance of the proposition that free—not just freer—trade is a realistic objective. Thus, we are comparing multilateral bargaining with the free trade area solely on their merits as means to a free trade goal.

It should also be recognized that we are comparing two approaches whose differences, while now considerable, would in all probability gradually disappear. After another successful round of multilateral negotiations, freedom of trade among the participants would be so close that the question “Where do we go from here?” would inevitably assert itself. Many GATT countries would be likely to feel the need to set some specific target date for achieving free trade and a timetable for reaching it. Moreover—and, as already indicated, probably more important—the closer the GATT countries approach to free trade, the stronger their desire to insure that freedom of trade would be irreversible and that it would be conducted under conditions of fair competition. Thus, we could expect them to undertake a variety of commitments—mentioned above—that would duplicate most of the characteristics of a formally organized free trade area. The participants in future successful multilateral negotiations might, therefore, come in time to form a free trade area through a process of adaptive mutation without having initially launched it, fully rigged, according to the rules and rites of the GATT.

For these reasons, we assume in the following comparison that the free trade area approach is to be tested against the traditional U.S. multilateral approach on the basis of whether it would be a better way to proceed—not whether it would be a better place to end up—when conditions are propitious for a new trade policy initiative within the next few years.

SOME BASIC CONSIDERATIONS

An essential question is how each approach handles those tasks which assure the meaningfulness of free trade. One such task is to stimulate more efficient use of resources—the major economic *raison d'être* of the free trade objective because of its enduring benefits to