

AN OVERALL PLAN FOR THE TARIFF PART OF THE NEGOTIATIONS, INCLUDING AS ONE OF ITS ELEMENTS A TARIFF-CUTTING FORMULA OR TARGET FOR REDUCTIONS. SUCH A TARIFF PLAN IS, HOWEVER, EVOLVING IN GENEVA AND OUR DELEGATION CONTINUES TO PRESS FOR INCORPORATION IN IT OF A NUMBER OF PROVISIONS OF PARTICULAR RELEVANCE TO CANADA.

THE MATHEMATICS OF THE TARIFF REDUCTION FORMULA AS ONE ELEMENT OF THE PLAN REMAIN SOMEWHAT CLOUDY. THE SENIOR USA AND EUROPEAN COMMUNITY NEGOTIATORS SPOKE LESS THAN A MONTH AGO ABOUT USING THE SO-CALLED SWISS FORMULA AS A "WORKING HYPOTHESIS" AGAINST WHICH TO PROCEED. THAT BASIC SUGGESTION IS STILL IN PLAY, BUT HAS BEEN SUBJECT TO CONSIDERABLE DISCUSSION AND INTERPRETATION IN THE INTERVAL. IT REMAINS TO BE SEEN, THEREFORE, PRECISELY WHAT ARITHMETIC WILL BE EMBODIED IN THE ACTUAL TARGET FOR REDUCTIONS IN INDUSTRIAL TARIFFS. WHAT IS CLEAR, HOWEVER, IS THAT THE USA POSITION HAS MOVED ENOUGH AWAY FROM ITS INITIAL TARIFF-CUTTING PROPOSAL OF 18 MONTHS AGO (WHICH WOULD HAVE ENVIAGED ACROSS-THE-BOARD CUTS OF ABOUT 50 PER CENT) TO ACCOMMODATE A SIGNIFICANT ELEMENT OF HARMONIZATION AS ADVOCATED BY THE EUROPEAN COMMUNITY. BALANCING OFF THIS MODIFICATION IN THE USA POSITION HAS BEEN AN INCREASED EC WILLINGNESS TO CONTEMPLATE SOMEWHAT GREATER OVERALL REDUCTIONS THAN THE AVERAGE 20 OR 25 PER CENT CUTS THE COMMUNITY HAD EARLIER ADVOCATED. THE WILLINGNESS OF THE USA AND IN PARTICULAR THE EC TO PROCEED ON THIS SORT OF BASIS IN DUE COURSE NOW SEEMS TO BE RELATED MORE CLOSELY ALSO TO THE PROSPECT OF