(3) This point is related to another—the question of definition of a "less developed" country as compared with a "developed" country. Who would grant preferences to whom? To take a hypothetical case, would Spain as a relatively "developed" country be expected to grant preferences to its underdeveloped African neighbors?

(4) Perhaps most important of all, tariff preferences would create a vested interest against further efforts to liberalize world trade, because the general reduction of tariffs would automatically tend to reduce the margin of preference already granted to developing countries. Considering the organized strength of existing vested interests opposed to trade liberalization, the creation of new ones may well doom the prospect of a further round of tariff reductions.

(5) Preferential systems, as even their proponents readily admit, are strikingly complicated to administer in practice because of a large number of technical questions involved. They would give rise to additional bureaucratic regimentation in a world which is trying (with some degree of success, as the Kennedy Round shows) to free itself from existing barriers to trade.

(6) Much more important, preferences would be likely to result in the reverse of the effects intended, because the introduction of preferences would give domestic producers in developed countries a compelling reason to push through legislative safeguards against "market disruption" by manufactured exports from developing countries. Such restrictive "orderly marketing" safeguards might well leave the intended beneficiaries of preferences with *less access* to the markets of industrial nations than they had before.

(7) The type of preferences envisaged by UNCTAD and in the Punta del Este declaration, i.e. general and uniform preferences by all industrial nations to all developing countries, is extremely unlikely to be accepted by the EEC and its associated African members who now receive *special* preferences from the EEC. The tenacity with which the EEC has been clinging to its special preferences for its African associate members makes it likely that negotiations may well result in compromises prejudicial both to the underdeveloped countries and to the principle of non-discrimination.

(8) Finally, preferences for developing countries would in all likelihood entail an economic and political price which they may not have fully appreciated. Since developed countries would rightly regard tariff preferences as foreign aid in disguise, it would be natural for them to take this into account as an *offset* to straight foreign aid. In addition, they would be likely "to exact whatever political and economic conditions appear to them to be suitable from time to time, ranging from tied loans to non-trading with Cuba, from special conditions on nationalization to 50–50 shipping . . ."[11] If the Third World wants to achieve economic and political independence, this seems scarcely the way to get it.

TRADE ALTERNATIVES TO TARIFF PREFERENCES

If tariff preferences are rejected as a means of helping developing countries, are there better ways of accomplishing the same objectives? Most students of the problem emphatically agree that there are. These alternative solutions fall into two separate categories: trade alternatives to tariff preferences and other alternatives, through various forms of economic assistance. Trade alternatives to preferences may be summed up as follows:

(1) In the words of a leading student of UNCTAD, "UNCTAD's success in highlighting tariff obstacles has not been matched by a comparable impact on what is undoubtedly the most restrictive set of barriers to processed exports confronting the low-income countries . . . the Long-Term Cotton Textile Arrangement negotiated in 1962 under GATT auspices." This arrangement, recently renewed for another three years, is described as "the vehicle through which highly restrictive quotas have been imposed—in Europe as well as in the United States—with little regard to the criteria for determining the existence of market disruption. . . . Surely here is an area where UNCTAD should be helping to expose the gap between avowed purpose and actual performance."[12] The liquidation of the cotton textile arrangement would probably do more for the exports of developing countries than would tariff preferences. There are many other existing protectionist devices, such as the statutory and "voluntary" import quotas in many industrialized countries, whose removal would be a big help to developing countries.

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[11] Ibid., p. 54.

[12] Isaiah Frank, "New Perspectives in Trade and Development," *Foreign Affairs*, April 1967, p. 534.