construction through national legislation. Beginning in 1923, the United States embarked upon unconditional most-favored-nation clauses in its commercial treaties. And in the 1934 Trade Agreements Act it made non-discrimination mandatory as a matter of domestic statute, which has continued down to the present time. European countries had adopted the unconditional most-favored-nation clause much earlier; by the 20th Century all the important countries had adhered to it.[21]

It is true that customs unions and free trade areas were viewed by GATT as permissible exceptions to the rule of non-discrimination, under certain conditions, and that existing preferences for colonial territories were tolerated, though they were deplored by GATT and no *further* preferences were permitted.[21] But the fact that a few exceptions to the rule were permitted, under careful safeguards, is certainly not an argument for permitting additional new exceptions, such as preferences for developing countries. Otherwise the exceptions will become the rule, and the rule will become the exception. This, it should be noted, is not a matter of dogma, as sometimes claimed, but a basic question of equity. The plain fact is that tariff preferences, whether for developing countries or any one else, are inequitable because they discriminate against third countries.

To sum up, it appears that developing countries, in their own best interests, should concentrate their efforts on the more constructive alternatives discussed earlier, and especially on getting rid of such protectionist devices as the International Cotton Textile Agreement and other formal and informal import quota arrangements by the "advanced" countries. Since preferences would simply perpetuate existing distortions in the allocation of world resources nurtured by protectionist quotas and tariffs, the enlightened long-term objective of the Third World should be free trade for all rather than preferences for a few.

[21] Ibid., p. 43.