

whose member countries were substantially dependent for their own domestic stability and welfare upon the gains from foreign trade. By promoting the growth of world trade, the general reduction of barriers fostered the prosperity of many nations and, therefore, greater willingness and ability on their part to behave responsibly and cooperatively in their relations with one another.

In the early 1960's, however, these political considerations were reinforced by certain economic developments with the result of strengthening the U.S. commitment to freer trade.

The progress of the European Economic Community (EEC) toward internal freedom of trade and a common external tariff confronted the United States with both a danger and an opportunity. The danger was that the closer the EEC came to the completion of its customs union, the larger would be the degree of its discrimination against U.S. products. The opportunity was that of persuading the EEC to open its rapidly growing common market more widely to U.S. exports in return for reciprocal tariff reductions in U.S. import barriers.

Politically, the early 1960's marked the culmination of the U.S. effort to realize its "grand design"—the formation of an equal partnership between the United States and a unified Western Europe willing and able to share the responsibilities of protecting world peace and fostering world progress. These economic and political possibilities were dramatically underscored in 1961 by the application for membership in the EEC of the United Kingdom and other European countries, which brought within sight the achievement of the European union that was the precondition for Atlantic partnership.

The U.S. response was the Trade Expansion Act of 1962, in which the Congress granted to the President unprecedented authority to reduce virtually all U.S. tariffs by 50 percent in return for reciprocal across-the-board reductions by other countries and, in the "dominant supplier" provision, to abolish tariffs on products for which the exports of the United States and those of an enlarged EEC represented "80 percent or more of aggregated world export value." This bold trade liberalizing initiative was supported by American congressional and public opinion as much to hasten the realization of the "grand design" for an Atlantic partnership as to counter the possible threat of increased discrimination by an enlarged EEC.

The subsequent Kennedy Round of tariff negotiations proved to be very much longer and more difficult than originally anticipated, and for most of their 4-year course seemed unlikely to result in substantial reductions in trade barriers. Moreover, early in the negotiations, President de Gaulle vetoed the British application for membership in the EEC and the prospect of imminent enlargement of the Common Market vanished—and, along with it, the usefulness of the U.S. "dominant supplier" authority. Nevertheless, at the 11th hour, agreement was reached on surprisingly large reductions in tariffs over a broad range of commodities. While interpretations of the details are not yet complete and, in any event, the quantitative significance of tariff reductions varies according to the method used to calculate it, the Kennedy Round has clearly resulted in the largest advance in trade liberalization yet made under the GATT. Indeed, with the exception of certain admittedly important commodities, it is not an exaggera-