

bordering on fraud.¹⁵ In his remarks quoted above opening the major review of the arrangement, the director-general of the GATT expressed the hope that it had brought some semblance of order into the trade through restraint actions, and that the parties to the arrangement could begin to give effect to its long-term and positive aims, including in particular expanded access to markets for the less developed countries.

It remains to see how much emphasis will be given to these long-run objectives during the further 3-year period, starting October 1, 1967, for which the cotton textile arrangement has been extended. At least as far as the United States is concerned, government officials reporting to business groups on the renewal of the arrangement have stressed rather the objective of avoiding market disruption, the expectation that the rapid growth of U.S. imports of cotton textiles would be greatly slowed down, the intention of acting to regulate imports from new supplies, and continued close cooperation with the industry through the Management-Labor Textile Advisory Committee.¹⁶ In connection with the extension of the arrangement, stress has also been placed on the limited extent of the tariff cuts on textiles made by the United States and other developed countries in the Kennedy Round.¹⁷

THE PROBLEM OF INCREASED ACCESS TO MARKETS

The issue of preferences

The first condition for a continued rapid growth of exports of manufactures by the less developed countries to the advanced countries would seem to be greater accessibility to these markets. Greater accessibility would mean the scaling down of the tariff rates of developed countries, particularly the effective rates, on goods of which the less developed countries are actual or potential suppliers; the progressive loosening of quantitative restrictions, both those imposed by the importing countries and the voluntary restraints exercised by the exporting countries; and the identification and removal of other, less obvious impediments to imports. More broadly, greater accessibility would mean recognition that international specialization has a place for the products in which the less developed countries have a comparative advantage, and that this place will widen and deepen as the rise in productivity and wages in the developed countries produces divergent effects on unit wage costs in different industries.

The great debate in recent years on commercial policies affecting the less developed countries, culminating at the United Nations Conference on Trade and Development in 1964 and still continuing, has turned increasingly on the issue of tariff preferences; that is, whether the enlargement of market opportunities for the less developed countries should be sought within the most-favored-nation framework embodied in the GATT, whereby the concessions made would be gen-

¹⁵ Gardner Patterson, "Discrimination in International Trade: The Policy Issues, 1945-65," Princeton, 1966, p. 311.

¹⁶ See especially the address by Stanley Nehmer, Deputy Assistant Secretary of Commerce for Resources, before the Underwear Institute in Atlantic City on May 9, 1967.

¹⁷ "Because of the import sensitivity of textiles in general here and abroad, the cuts made by the United States and other major importing countries average less than 25 percent and much less than that on the more sensitive product areas such as woolen and manmade textiles. Many textile products were excluded altogether" (quoted from address by the then Acting Secretary of Commerce, Alexander B. Trowbridge, at the Alabama International Business Forum, Tuscaloosa, May 17, 1967).