suggests, however, that "this approach had the great virtue to some members of the European Economic Community that it would facilitate their safeguarding the value of the existing preferences to each other and, more important, to the Associated States." [23] It is not clear how valuable these latter preferences are, in fact, to the Associated States—i.e., the former African dependencies of France and Belgium—in view of the extremely low level of their exports of manufactures to the former mother countries or other members of the European Economic Community.

Diverse Policies and Common Objectives

The effectiveness of tariff preferences in opening new markets for the less developed countries cannot be judged in the abstract, but depends on the terms of the preferences in each case. The measures adopted in Australia and those contemplated under the Brasseur plan are not reassuring, however, if taken as a foretaste of the kind of preferential concessions to be expected. Rather, they give point to Prebisch's warning that "it would not be worth facing all the political and other difficulties entailed in a new departure from the most-favored-nation principle simply for the sake of token margins of preference on a few selected products for a very limited period, amounting to little more in toto than a gesture in the face of the immense problems of the trade gap." [24] He might have added that, the more selective preferences are by beneficiaries, the more fragmented is the bargaining power of the less developed countries and the greater their economic dependence becomes on particular developed countries.

It is equally true that the gains to be achieved by the less developed countries through the most-favored-nation approach cannot be judged in the abstract. In principle, their bargaining position for obtaining meaningful concessions from the developed countries is strengthened by three considerations. First, the developed countries have, as noted, pledged themselves in GATT as well as at UNCTAD to give "high priority" to the reduction of both tariff and nontariff barriers to the exports of the less developed countries. Second, the need of the less developed countries to increase exports to cover their growing import requirements is widely recognized. Third, the gains from trade between countries with wide differences in factor endowments should be particularly large to both sides.

In fact, however, the Kennedy Round of GATT negotiations seems to have been regarded by the developed countries as primarily concerned with trade relations among themselves, with only incidental benefits to others, and it is by no means clear what will follow to give effect to their commitments to the less developed countries. As far as the United States is concerned, the tariff-cutting authority vested in the executive branch by the Trade Expansion Act of 1962 does not extend beyond mid-1967, and proposals for a new trade program remain to be formulated and approved. In the European Economic Community there seems to be an increasing tendency to look on the common external tariff as a condition for internal unification, while the United Kingdom appears to be mainly concerned with joining the EEC and perhaps more inclined to reduce than to increase its imports from less developed countries.

[23] *Discrimination in International Trade*, p. 361.

[24] Proceedings of the United Nations Conference on Trade and Development, vol. II, Policy Statements, p. 38.