

Under these conditions, it may be difficult to develop and carry out a common program of action by developed countries to remove barriers to imports of manufactures from less developed countries, whether by the preferential route or by the most-favored-nation approach. The United States and other countries wishing to provide enlarged trade opportunities to the less developed countries may therefore be faced with the difficult choice, noted by Harry Johnson,²⁵ between (1) unilaterally reducing tariffs on items of interest to these countries without insisting on reciprocal concessions by developed countries benefitting under the most-favored-nation principle, or (2) abandoning that principle and granting concessions to the less developed countries only, or to some of them, on a preferential basis compared with the tariff treatment accorded imports from developed countries. The United States would thus have to abandon one of two basic principles—either that of reciprocity or that of nondiscrimination.

Whatever the answer to this last question,²⁶ it seems likely that, viewed as a whole, the trade policies of the developed countries vis-à-vis the less developed countries will continue to be a mixed bag—equal treatment in some sectors and areas and unequal treatment in others, measures to expand trade along with restraints, declarations of good intentions followed by good, bad, and indifferent results. One of the weaknesses of the selective preferential approach in particular is that it lends itself to illusions, by both preference-giving and preference-receiving countries, as to how much has been accomplished. A great amount of paperwork may yield very little trade.

In the face of this prospective diversity and uncertainty, the question arises whether it would be useful to try to make sure that the policies pursued by the developed countries, whatever their form in each case, were consistent with the results aimed at, which would involve quantifying these aims with regard to the levels and rates of increase contemplated for the trade. It may be recalled that Prebisch broached such an idea in his advance report to the United Nations Conference on Trade and Development in 1964, though it was only briefly considered, with little support, at that meeting; that is, that targets be set for developed countries, collectively and individually, with respect to their imports of manufactures from less developed countries.

Possible disadvantages of such a course are immediately obvious. If the targets were set too low in relation to the potentialities of the trade, they would be more of a hindrance than a help to its development. If they were set too high, achievement of the targets could present serious embarrassment to private enterprise economies.

²⁵ "Economic Policies Toward Less Developed Countries," pp. 41 and 239.

²⁶ An indication that the United States was willing to consider some modification of its position against trade preferences was given in President Johnson's statement at Punta del Este in April 1967: "We are ready to explore with other industrialized countries—and with our own people—the possibility of temporary preferential tariff advantages for all developing countries in the markets of all the industrialized countries." (See "Department of State Bulletin," May 8, 1967, p. 709.)

The likelihood of a more specific and immediate step, agreed on with other countries, was indicated in the statement issued on May 15, 1967, by the director-general of GATT in summing up the results of the Kennedy Round. Noting that the tariff reductions agreed on in the negotiations would, in general, be phased over a period of years, he said that the participants had, however, "recognized that, for the developing countries, the immediate implementation of such tariff cuts would be of great value in maximizing the benefits to them of these negotiations." He further stated that efforts to achieve the advance application of the cuts to imports from the developing countries would continue, and that a decision on this point was expected to be reached by the time that the agreement embodying the results of the Kennedy Round was ready for signature. GATT press release, May 17, 1967 (GATT 1990).