

And Trade Policy Advanced...

The above story has played down the weight that the internal logic of trade policy had in shaping the actual outcomes. Accordingly, it should be noted that the trade policy community did not lose the opportunities for forward motion provided by the new-found momentum for trade liberalization. The Kennedy Round generated by far the largest gains in tariff reduction in the history of the GATT up to that time (they are even more impressive if one considers that the opening Geneva Round gains were in place *before* there was a GATT!). Moreover, despite the fact that the movement on agriculture was very modest, the round did deliver a significant achievement on the third of the Haberler Report's recommendations: a generalized tariff preference for developing countries was introduced into the framework of the multilateral system. (Even this, it should be noted, was driven by political economy considerations—it constituted a response to the formation of UNCTAD in 1964 and the formation of the Group of 77, a developing country bloc within the United Nations—rather than the internal logic of trade policy).²⁷

The moral of the Kennedy Round story is that the trade policy community needs to “get when the getting is good.” The chances to ratchet down trade barriers come rarely; it is only when the stars are aligned that significant progress can be made.

The Tokyo Round (1973-1979)

A review of the timing, the conduct and content of the Tokyo Round provides ample evidence of the growing importance of

Hart suggest that the Uruguay Round was the epochal event rather than the Kennedy Round as the above observations suggest.

²⁷ For a discussion of the evolution of the initial measures adopted by the GATT in 1965 into the familiar General System of Preferences, see Bernard M. Hoekman and Michel M. Kostecki, *The Political Economy of the World Trading System: From GATT to WTO* (Oxford: Oxford University Press, 1996), pp. 236-238.