

the Eastern economies, even at the risk of making it more difficult and costly to bring them over to our side in the future, then we may simply go ahead piecemeal as we have done so far, because the scattered agreements and contracts the European firms have entered or may enter into in the future with Soviet bloc organizations, however important some of these contracts may be, would not appreciably change the overall situation of these countries relative to our situation. If on the contrary our objective is to try and bring the vast markets, from the Iron Curtain to Vladivostok, into closer interdependence with the Atlantic markets, and seek to influence through trade and economic cooperation the entire development of these nations, then we must be prepared to make a bold step forward. We must recognize that to help their economies move toward the mass consumption of more sophisticated goods is a rather long term proposition which will require a well-planned combined East-West effort. And the more clearly and the sooner the United States and Europe define their common policy in this respect, the better it is for both of them.

Finally, with regard to trade with developing countries, I should like to say that I am looking at the issues involved with no little concern. This is due to the fact that I am not satisfied that developed countries have made the necessary effort so far in order to devise agreed-upon solutions.

We have had a first round in the United Nations Conference on Trade and Development in Geneva in 1964, and now we are approaching the second round, which is scheduled in Delhi in early 1968. The first conference served undoubtedly the purpose of focusing on the myriad of problems. Solutions were also recommended more or less realistically. The second conference should serve the purpose of assessing achievements and suggesting further steps. But are we really in a position to do so? In my opinion we are not.

I will not use here the wealth of statistical information which has been produced in the meantime to prove that those underdeveloped remain such, and that in relative terms they are more underdeveloped than before. There has been a distinct lack of unity in the industrialized world in spite of the best intentions displayed and some efforts undertaken in various international fora. I would venture to say that perhaps too much emphasis has been placed on the expected cure-all implications of trade. If massive trade were possible purely through intergovernmental debates, then I should say that all the words which could be spent have been spent. But trade is above all a technical matter, which requires structures, know-how, competitive strength, distribution skill, quality, prices, and none of these factors can be expected to become real by a fiat. Developing countries have indulged in claims and recriminations; developed countries have indulged too much in lecturing. Unless we recognize that inducements are only the starting point of a long and painful process, I am afraid that we will get nowhere.

To promote trade to the benefit of developing countries, in the order of magnitude which would be required, we must accept in practice, not only in principle, the need for an international redistribution of labor and production. The principle has been heralded forcefully and insistently, but the practice has not yet been adopted, if not in a token measure.