problems of developing countries simply could not be found. This is one of the big pieces of unfinished business to which attention must now be turned. The prospect of the second United Nations Conference on Trade and Development, due to be held next year in Delhi, is sufficient to ensure that we shall not be allowed to ignore it.

We all remember how, at the first UNCTAD in 1964, the impressive solidarity of the less developed countries was matched by almost total disarray among the leading industrial nations—including incidentally the Soviet Union. On the issue of preferences, the differences within the Western world at that time could be crudely stated in these terms; the United States maintained its traditional opposition to preferences, as a legency of dying imperialist systems; the Community, in upholding its association agreement with former colonial territories, maintained that though this might be a legacy of colonialism, it was nevertheless an essential prop for these struggling economies; while Britain, at the end of the Conference, proposed to generalise the various preferential systems, giving preferences to all the less-developed countries alike.

Various events which have occurred since then encourage me to believe that something on the lines of the British proposal of 1964 may now be more generally acceptable that it then was. I base my optimism partly on President Johnson's statement to the Inter-American Summit Conference at Punta del Este last April, when he said that the temporary tariff advantages for all developing countries by all industrialised countries would be one way of increasing the export earnings of the less developed countries. I base it also on the belief that the thinking of the E.E.C. on this issue, though not yet crystallised in any decisions, has been moving in the same direction, and that it too might now be willing to consider generalising to all developing countries the preferences at present given only to its associated states. The amount of tariff protection given to these states on their main tropical products was in any case substantially lowered by the Yaounde Convention of Association of December 1962 in return for increased financial aid for development. Moreover, the importance of preferences, as opposed to other aids to development, will diminish as tariffs are generally lowered, and this should make it easier to secure the acceptance by the Community and its Associated States, of a change in the system.

So far as United States policy is concerned, I would hope that President Johnson's willingness to consider giving temporary tariff advantages to developing countries might lead to the United States adopting a more positive attitude to the recent proposal of the Director-General of the GATT, that the Kennedy Round cuts might be implemented in full in a single installment for the developing countries, or at least at an accelerated rate. It seems to me that this, by giving them an advantage that would diminish to zero at the end of 5 years would exactly correspond to the President's thought. I understand that legislation would be needed before such a scheme could be implemented in the United States, but I would suppose that this might seem a less formidable obstacle to a Committee of Congress than to the Administration.

If I am right in thinking that doctrinal differences among the major trading nations on this question are beginning to lose their sharpness, I would hope that UNCTAD might produce an agreement to pursue the question of generalised preferences being given to the less-developed world by the more developed world, and that serious negotiations in the GATT might follow the UNCTAD Conference. Something of this kind is surely going to be needed, if the tendency to favour regional preference systems is to be checked; for the abolition of the present systems without anything being put in their place would be fiercely resisted. In contrast, a generalised system would enable both the Community and Britain to reconcile their concern for the interests of their former dependencies with the desire, which they share, to give some satisfaction to other trading areas, particularly Latin America.

There are other questions which are of even more concern to the less developed countries. One of these, which admittedly only affects a limited number of them, mainly in Asia, is access for their manufactured and semi-manufactured goods to the markets of industrial countries. Of more general concern to a wider range of countries is the question of commodity agreements for raw materials and food stuffs. I believe that the United States accepts in principle the need for agreements to establish stable and reasonable prices for at least some of the staple commodity exports of developing countries and to avoid continuing surpluses. But in practice progress has so far been exceedingly limited, partly no doubt be-