the cost of adequate research and development and thus there is a widening technological gap. They are fretting about the brain drain of their scientifically equipped personnel to America. They are worried because they do not have access to an adequate capital market enabling Europe efficiently to mobilize the savings of its citizens and thus keep pace with American corporate investment.

All these quite legitimate apprehensions stem from the obsolescence of the European political and economic structure, and they will be corrected only when enough Europeans recognize that fact. Meanwhile, I listen with more regret than sympathy to complaints that are founded on a refusal to come to grips with the essential problem. It does no good to talk about a technological gap so long as European companies find it almost impossible to merge across national boundaries because of fiscal impediments and the lack of a uniform companies law, and there is little purpose in talking about the creation of an adequate capital market unless Europe is ready, through greater political unity, to move not merely toward the adoption of common monetary policies, but a common currency.

I suspect that Europe will be able to achieve a fully integrated economy only when the present nostalgic nationalism proves its incapacity to deal with the hard problems of the latter 20th century. Meanwhile, there is much that all of us can do within the limitations of existing political structures to bring about the conditions of a world economy. For we will never be able to put the world's resources to use with full efficiency so long as business decisions are frustrated by a multiplicity of different restrictions by relatively small nation states that are based on parochial considerations, reflect no common philosophy, and are keyed to no common goal.

But in view of the apparent vitality of old habits of thought, is the goal I have suggested a realistic possibility? Certainly it is nothing that will happen overnight. Yet, if we can achieve even a moderate degree of common purpose we may bring about the conditions of a world economy in considerably less than the 34 years it has taken us to reduce tariffs to their present relatively low levels.

The first step is for us to examine in detail the wide spectrum of measures that a world economy implies. Such an examination is a something for the economically advanced nations to undertake together since what we mean as a world economy will, for many years to come, be largely confined to these advanced nations, which lies principally in the Northern Hemisphere and in Western Europe, North America, and Japan. At the same time we should clarify our thinking regarding two other sets of problems: those involving our trading relations with the poorer nations—the underdeveloped or developing countries as they are commonly called—which lie largely in the Southern Hemisphere, and our trading relations with the nations behind the Iron Curtain.

II

There is a common complaint among the less-developed nations that, while the advanced nations have provided foreign assistance, they have largely ignored the trading problems of countries that are only beginning to experience the industrial revolution. The solution strongly