

If we fail to help the governments of the new countries to meet the urgent aspirations of their peoples, we must accept the fact that others will exploit our failure to do so. And we must also, I think, accept the fact that we shall not be able to construct any viable system of international peace and security on a basis of social injustice and economic stagnation over a large part of the world.

Much is already being done by way of meeting the challenge that is represented by poverty in the world around us. In particular, substantial resources are being channelled each year by way of aid into the development efforts of the new countries. But we have to recognize that aid - however important - is only one part of the answer. We have to recognize that these countries continue to rely on their own export earnings for the bulk of their foreign-exchange requirements. It is right, therefore, that international attention should now be focussed more and more on the contribution which trade can -- and must -- make to the development process.

The new countries argue that, if trade is to be able to make its full contribution, the rules of trade must be reviewed in the light of their relevance to the problem of development. They feel that the present rules do not make adequate allowance for the lack of economic power of the developing countries. They say that, in our own internal arrangements, we have accepted the principle that fairness demands that, in certain cases, some should receive more than the share due to them under the strict laws of the market and that others should receive less. They would like to see that principle applied in the international context. They look to a new international division of labour which would be more responsive to their own special needs.

A good beginning has now been made in that direction. But more will undoubtedly need to be done for the new countries in the years ahead. And I should ask you to consider whether this, too, is not in our own long-term interest. If we accept the fact that high levels of production and employment depend on the existence of adequate demand, can we really afford to ignore the millions upon millions of disenfranchised consumers in the developing regions of the world whose potential demand upon our productive facilities remains to be unlocked? Surely, the realities of interdependence operate in this area as they do in others. Surely they have taught us that any depressed area, anywhere, is "a drag on the prosperity and well-being of every country in the world".

That concludes my conspectus of the new world and its problems. I need hardly say that it has immensely complicated the matter of policy-making. This is because a changing world demands a much greater flexibility of policy than ever before; because the significant area to which policy must be relevant has immeasurably expanded; and because the problems that are the concern of policy in this age of rapid advance on all fronts are themselves becoming highly complex and sophisticated. As I yield the general ground I have covered in my introduction to this conference, I look forward to the contributions of my colleagues who will be looking at some of these problems in sharper focus.