power is too deeply involved for this nation to permit the rest of the world to take its own political and revolutionary course in a manner that imperils the American freedom to use them. Suffice it to say, the ultimate significance of the importation of certain critical raw materials is not their cost to American business but rather the end value of the industries that *must* employ these materials, even in small quantities, or pass out of existence. And in the larger sense, confident access to raw materials is a necessary precondition for industrial expansion into new or existing fields of technology, without the fear of limiting shortages which the United States' sole reliance on its national resources would entail. Intangibly, it is really the political and psychological assurance of total freedom of development of national economic power that is vital to American economic growth. Beyond this, United States profits abroad are made on overseas investments in local export industries, giving the Americans the profits of the suppliers as well as the consumer. An isolated America would lose all this, and much more.

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World Trade and World Misery

If the postwar experience is any indication, the nonsocialist developing nations have precious little reason to hope that they can terminate the vast misery of their masses. For in reality the industrialized nations have increased their advantages over them in the world economy by almost any standard one might care to use.

The terms of trade—the unit value [illegible] of goods a region imports compared [illegible] exports—have consistently disfavored [illegible] developing nations since 1958, ignoring [illegible] gether the fact that the world prices [illegible] materials prior to that time were never [illegible] sure of equity. Using 1958 as a base [illegible] 1966 the value of the exports of [illegible] areas had fallen to 97, those of the [illegible] nations had risen to 104. Using the [illegible] extreme example of this shift, from [illegible] 1962 the terms of trade deteriorated 38 [illegible] against the developing nations, for an [illegible] loss in 1962 of about $11 billion, or 30 [illegible] more than the financial aid the Third [illegible] received that year. Even during 1961–66, [illegible] the terms of trade remained almost [illegible] their loss in potential income was [illegible] lion, wiping away 38 percent of the [illegible] from official foreign aid plans of every sort.

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In fact, whether intended or otherwise, [illegible] prices and economic stagnation in the [illegible] World directly benefit the industrial[illegible] nations. Should the developing nations [illegible] industrialize to the extent that they [illegible] consuming a significant portion of their [illegible] oil and mineral output, they would re[illegible] available supply to the United States and [illegible] would rise. And there has never been any [illegible] tion that conservative American studies [illegible] subject have treated the inability of the [illegible] World to industrialize seriously as a cause [illegible] optimism in raw materials planning. [illegible] optimism is fully warranted, since [illegible] dependent on the world market for the [illegible] tal to industrialize are unlikely to succeed [illegible] when prices of raw materials are high [illegible] tend to concentrate on selling more [illegible]