

facturing investments are far lower in Third World nations than Europe or Canada.¹ *

Seen in this light, United States foreign aid has

been a tool for penetrating and making lucra-

tive the Third World in particular and the

entire nonsocialist world in general. The small

price for saving European capitalism made

possible later vast dividends, the expansion of

American capitalism, and ever greater power

and profits. It is this broader capability eventu-

ally to expand and realize the ultimate potential

of a region that we must recall when short-

term cost accounting and a narrow view make

costly American commitments to a nation or

region inexplicable. Quite apart from profits

on investments, during 1950-60 the United

States allocated \$27.3 billion in nonmilitary

grants, including the agricultural disposal pro-

gram. During that same period it exported

\$166 billion in goods on a commercial basis,

and imported materials essential to the very

operation of the American economy.² It is these

vast flows of goods, profits, and wealth that set

the fundamental context for the implementa-

tion and direction of United States foreign

policy in the world.

The United States and the Price of Stability

Under conditions in which the United States has been the major beneficiary of a world economy geared to serve it, the continued, invariable American opposition to basic innovations and reforms in world economic rela-

tions is entirely predictable. Not merely

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the United States especially gears

investments, private and public, to increas-

the output of exportable minerals and

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development. With relatively high

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port facilities to port areas rather

than the population, such investments

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of the local peasantry or make

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Investment and Trade

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