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ization. If Titos and Francos must be dealt with to promote collective security, we must face the fact that compromise is involved in our relations with them.

It is in relations with the peoples in the free part of Asia that difficult problems of communicating and demonstrating our moral values are particularly acute. Morgenthau states two principles in the struggle for the minds of men.

"A political ideology, in order to be effective must reflect the life experiences of those it endeavors to reach." The people of Asia want freedom from Western imperialism and they are no longer passive about starving. People who have not experienced our kind of liberty are not likely to want to fight for it, but they are willing to fight for nationalism or social and economic justice.

"Ideological warfare is a mere function of political policy. It can be worse than the policy it is meant to support; it can never be better." We must try to understand the social revolution in Asia, then develop a political policy consistent with our moral values and our national interest. Our political policy in Asia has not been clearly consistent with either, largely because of popular misunderstanding of Asia in America.

In demonstrating democracy to the world, there is the problem of negotiation to relieve tension between communism and the West. Many authorities believe such negotiation is not only possible but imperative. Secretary Acheson has said we must be ready to negotiate international disputes on the basis of justice rather than, as Russia does, on the basis of power. In dealing with a military dictatorship, negotiation without power is, of course, impossible, but with power negotiation can be tempered by justice.

THE BASIS FOR ECONOMIC COOPERATION

Presented by Arthur Mauch

For the purposes of this study the second phase of American foreign policy has been singled out for detailed consideration. What are the problems which economic cooperation attempts to aid in solving? What are the alternative choices? These same questions could be raised for collective security or for the policy of attempting to demonstrate democracy as the best answer in the ideological struggle. The remainder of this presentation will, however, be confined to economic cooperation as an example of the development of some of the possible alternatives.

IV. ECONOMIC COOPERATION

We, in the United States, have only 6 percent of the world's population and 7 percent of its area but we produce about half of the whole world's industrial output. Measured in almost any terms we have the highest level of living of any people in the world.

Our high level of living is not an accident. It is the result of

many forces involved in our economic, political, social, physical, and cultural environment. But the fact that we, as individuals, are favored to be a part of this environment is almost purely accidental.

Let us imagine for a moment that we are being born today. On this day 200,000 others also will be born. We will have 1 chance in 15 of being born in the United States. We will have 2 chances in 3 that our skin will be black, brown or yellow and about 1 chance in 4 that we will be Chinese.

If we are born colored there is an overwhelming chance we will be chronically sick with malaria, worms, leprosy or some other ailment. Two out of three of us would suffer from malnutrition and many of us would experience extreme famine at least once in our lives. Only one in four of us would learn to read. We would likely live in a mud hut, with a dirt floor, straw roof and no chimney. We would likely be heavily in debt and paying 30 to 100 percent interest. Certainly, most of us would work the land but most of the fruits of our toil would go to the landlord.

This is not a description of the dark ages. This is mankind in the 20th century. About half of the world has been classified as "underdeveloped" (chart). This includes Central and South America, Africa, the Middle East, northern and southeastern Asia, and part of Oceania. Thirty-one percent of the world's people and twenty-four percent of the area are behind the "Iron Curtain". Twenty-three percent of the people and twenty-six percent of the area are classified as developed areas outside of communistic dominance.

A. Levels of Living. The United States has three times the productive output of the underdeveloped areas and had a per capita average income in 1949 of \$1,453 compared with \$473 in Western Europe and only \$80 in the underdeveloped areas (chart). These comparisons are made in terms of dollars with comparable purchasing power.

Most of the people in underdeveloped areas work the land (chart). Over 4 of every 5 people in Thailand, Pakistan and Turkey are in agriculture -- 2 or more out of 3 in such countries as Egypt, Columbia, Burma, Brazil, India, Mexico and the Philippines. In Western Europe a little over 1 in 4 work the land while in the United States only 1 in 8 people are in agriculture.

In the combination of circumstances where there are more people working in agriculture, there is less to eat. The average diet of the people in the underdeveloped areas is about 20 percent below the minimum for health at a bare subsistence level by standards set up by the FAO (chart). On the other hand, we in the United States consume about 20 percent above the minimum of 2,550 calories. We also enjoy a more palatable diet. In many regions, malnutrition is chronic, with intermittent periods of actual starvation on a wholesale scale. In many regions, one-half of all children born do not live to be six years old, and the average life span is less than half that in developed areas. Hunger is the greatest single cause of suffering and discontent on which subversion feeds.

B. **Trade.** The economic importance to us of these underdeveloped areas is best indicated by our trade relationships -- 44 percent of what we export goes to those areas, and 57 percent of what we import comes from there (chart). They are even more important to the trade of Western Europe where about 70 percent of it is with underdeveloped areas.

Although the United States produces over half of the world's industrial output we mine only a third of the world's minerals (chart). Of 15 minerals which are basic to a high level of living, and even more important, to production for defense of our country, we are self-sufficient in only 6 -- coal, phosphate rock, sulphur, potash, iron and petroleum (chart). All of our natural rubber is imported from the underdeveloped areas. In fact, 73 percent of United States' imports of strategic and critical materials comes from these areas. And most of us wouldn't want to do without coffee, tea, bananas, pepper, burlap and other items which we get from there.

C. **Our Stake in Other Areas.** We, as citizens, must recognize the world revolution that is going on. It is a revolution against hunger, poverty and disease. More than that, the oppressed people in the world want the right to determine their own destinies. This is sometimes referred to as "nationalism". The situation in Iran is an example of the result of this desire.

We must remember that the United States was settled because people wanted some of the same things -- to have freedom of religion, economic freedom, or political freedom. We can hardly justify a criticism of the motives of most of these people.

The difficulties of establishing world peace in this environment are apparent. A first step in the direction of world peace is to get awareness by the masses that world peace is important -- that our way of life, if not in fact our very lives, depend upon it.

It is important to recognize that this country of 150 million people cannot stand friendless and alone against 2 billion others who want to share the good things which we have developed -- and in fact to which they have contributed many raw materials and ideas.

Even if we were able to win against a military aggression the fruits of victory would be small compared to what we would gain by avoiding or deterring aggression by other means.

Here are a few of the things the United States cannot afford to lose:

1. *In Western Europe.* Some of the best scientists and technicians in the world, the world's second largest industrial complex, and potential armies of non-communistic allies. It must be recognized, too, that loss of Europe would mean loss of Africa, the source of uranium and many other strategic items.

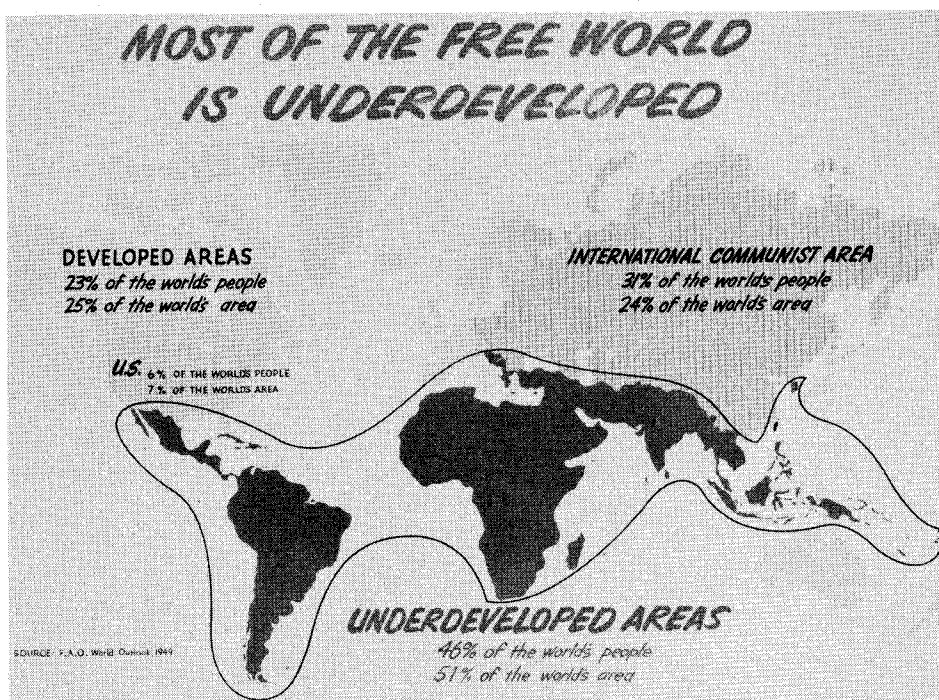
2. *In the Middle East.* The largest known oil reserves in the world, the Suez Canal - key to three continents, air bases, and the Turkish army.

3. *In the Far East.* Japan, with her industrial potential, first-

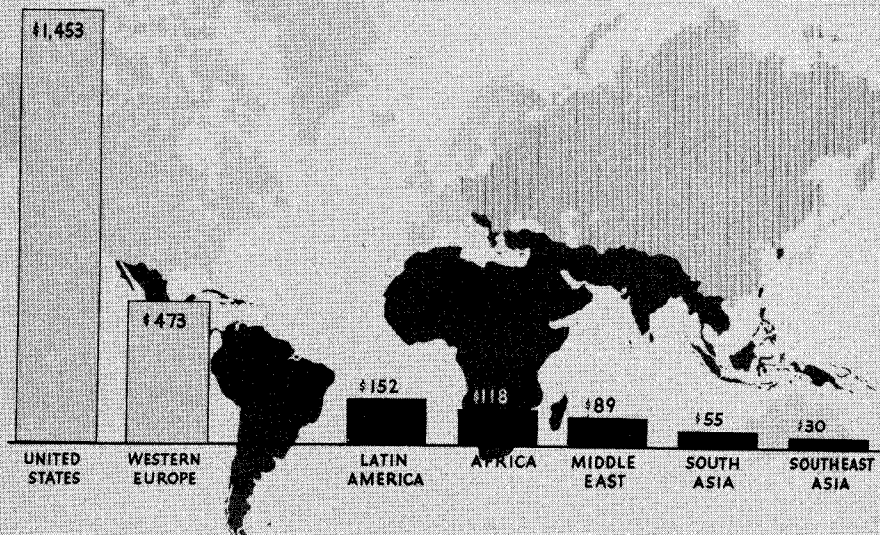
class fighters, and air bases. The rubber, tin and other strategic raw materials as well as air bases in the islands and in southeast Asia.

Our biggest loss in all these areas would be the loss of friends. This is indeed "one world." It is a shock to some that we are not loved by all of our neighbors. At best they envy our riches and resent our feeling of superiority. Even though we can deny imperialistic intentions, it can be truly said that we have allied ourselves with the traditionally imperialistic countries.

The physical scientists have made the world a neighborhood -- if we are to survive it is the task of social scientists to make it a brotherhood.

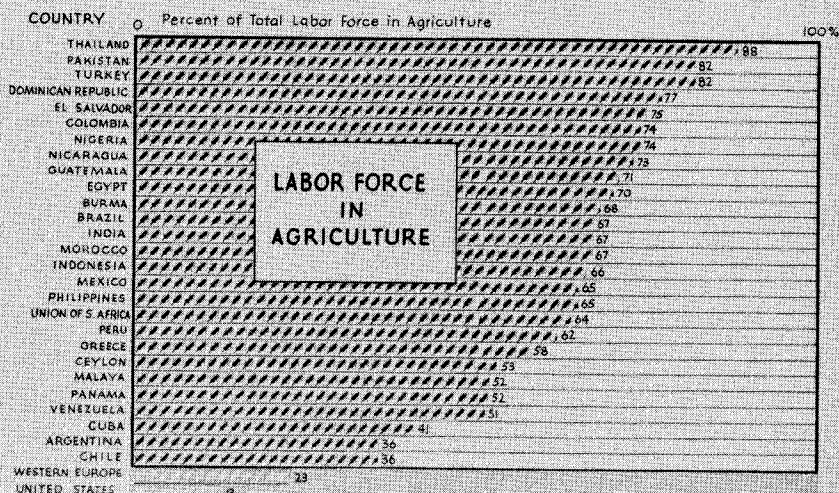


INCOME PER PERSON AVERAGES \$80 PER YEAR IN UNDERDEVELOPED AREAS



SOURCE: United Nations, Statistical Papers, Series E, Number 1, 1950

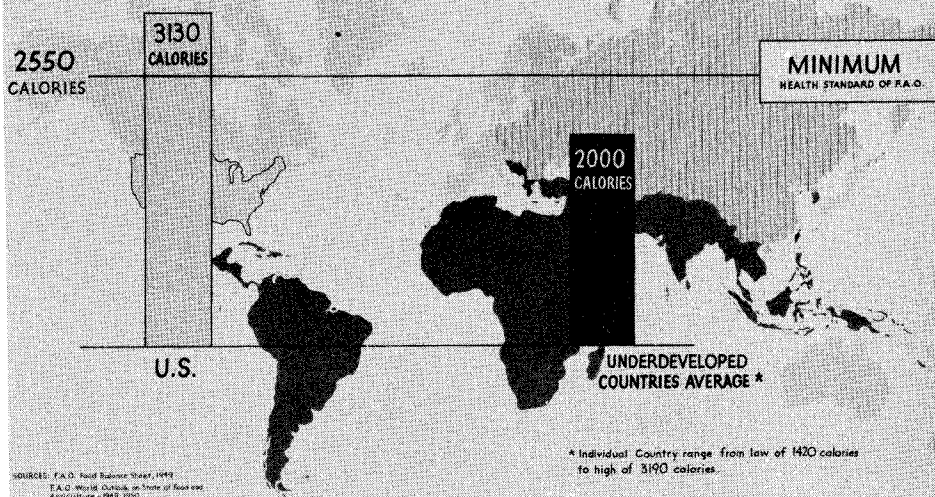
AGRICULTURE IS THE MAIN OCCUPATION IN UNDERDEVELOPED AREAS



They have relatively little industry

561847. *Rural and Agricultural Cooperation: A New Book of Food and Agricultural Statistics*. 1961. 496. *U.N. Economic Survey of Latin America, 1958 and Commission on Latin American Development Committee. 1961. 1962.

AVERAGE DIET IN UNDERDEVELOPED AREAS IS 20% BELOW MINIMUM HEALTH STANDARD



ALMOST HALF OF U.S. TRADE IS WITH UNDERDEVELOPED AREAS



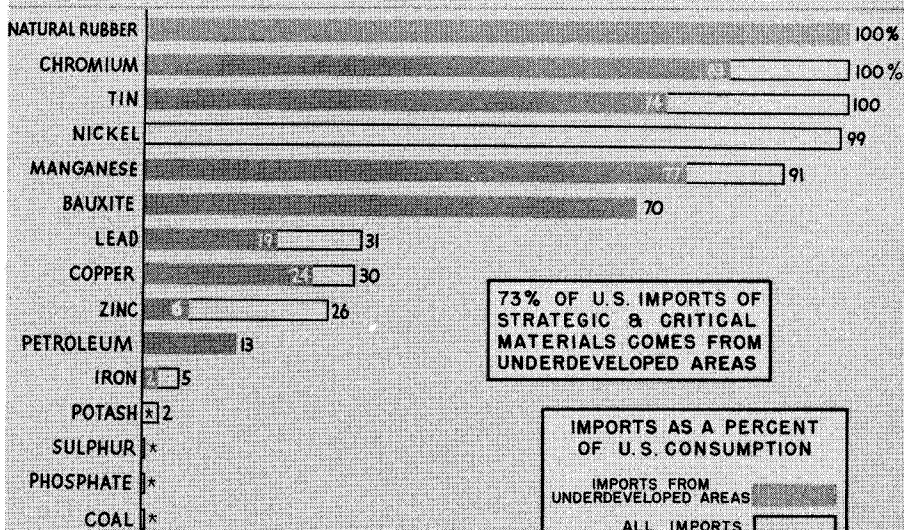
U.S. Produces Over Half the Worlds Industrial Output But Mines Only a Third of World Mineral Output

U.S. MINERAL EXTRACTION AS PERCENT OF WORLD TOTAL



SOURCE: Article by Allan F. Matthews, Editor U.S. Minerals Yearbook
in FREEDOM AND UNION, October, 1950

U.S. HEAVY INDUSTRY DEPENDS ON IMPORTS FOR MOST OF 15 BASIC MATERIALS



* LESS THAN 05 %

SOURCE: 1950 Commodity Year Book, Commodity Research Bureau, N.Y.