

TABLE 1.—Gross national product per capita, by country—Continued

[U.S. dollars]			
Laos	60	Somali Republic	50
Angola	60	Ethiopia	50
Burundi	50	Upper Volta	45
Rwanda	50	Malawi	40

Source: World Bank Atlas of Per Capita Product and Population, IBRD, September 1966. The data are for GNP and relate to 1963 and 1964. It is stressed by the Bank that the figures should not be regarded as official and must be taken with some reserve.

These countries are moving forward with varying degrees of success. A few are sprinting ahead; a few are stagnating. On the average there has been progress but the pace of improvement is uneven and slow. In the first half of the sixties, proclaimed by the United Nations as the development decade, there has been no acceleration in the rate of economic growth of the developing countries as a whole. The rate of growth of per capita income, about 2 percent in 1960-65, was lower than in the preceding decade owing to an acceleration in the rate of population increase. (See table 2.) Thus the gap between the per capita incomes of industrialized and developing countries has continued to widen during the first half of the development decade.

TABLE 2.—GROWTH OF REAL GROSS PRODUCT OF DEVELOPING COUNTRIES BY REGION, AND OF DEVELOPED COUNTRIES, 1950-65

	Annual compound growth rates (percent)		
	1950-55	1955-60	1960-65
Developing countries ¹	4.7	4.5	4.6
Per capita	2.7	1.9	2.0
Asia	4.2	3.8	4.3
Per capita	2.2	1.5	1.8
Latin America	5.0	5.0	4.9
Per capita	2.9	1.3	2.0
Developed market economy countries	4.7	3.3	5.0
Per capita	3.4	2.0	3.7
Socialist countries of Eastern Europe and Asia ²	9.8	8.2	6.7
Per capita	8.2	6.6	5.4

¹ Includes the following African and Middle Eastern countries: Algeria, Congo (Kinshasa), Ghana, Kenya, Malawi, Morocco, Nigeria, Southern Rhodesia, Sudan, Tanzania (Tanganyika only), Tunisia, Uganda, United Arab Republic, Zambia; and Iraq, Israel, Lebanon, Syria.

² Gross material product.

Source: UNCTAD secretariat document TD/B/C.3/34, Feb. 17, 1967, based on data supplied by the Statistical Office of the United Nations.

Trade is a means to economic growth. I would like to talk to you today about U.S. trade policy and the contribution it can make to the economic progress of the developing countries.

A. The importance of foreign trade to developing countries

The developing countries are far more heavily dependent on foreign trade than the United States and most other industrialized countries. For the equipment needed to build a modern economic structure and, all too often, even to import the necessary food to avert starvation, the developing countries are heavily dependent on imports from the industrialized countries. To pay for these imports, the developing countries must export. And trade is clearly the senior partner to foreign aid—about 80 percent of the developing countries' foreign exchange receipts stem from export proceeds. (See table 3.) While foreign aid is a welcome and most important addition to the developing countries' ability to acquire the goods and services they need for their economic growth—and often the margin which avoids their slipping backward—their growth prospects depend critically on the extent to which they can increase their foreign exchange earnings through exports.