Some economic writing insists that the trade development relationship is essential to growth. In fact, the world allows a variety of sources of growth; a high and fast growing level of trade is perhaps indispensable only for small nations or those with a particularly uneven distribution of resources. The combined populations of 70 developing nations with less than 10 million inhabitants each do not equal half the population of India, but they exercise together a disproportionate political weight in international forums. This fact has shaped the nature of the UNCTAD recommendations, particularly its insistence on the international element in growth.

II. Present Situation and Prospects—Commodity Trade

About 85 percent of LDC exports are primary commodities—food, tropical beverages, agricultural raw materials, fuels, and mineral ores, some domestically refined for further processing after export. Table 3 shows the trends, by category, in recent years.

No matter what the long-range hopes for LDC manufactured exports may be, most underdeveloped countries today must rely primarily on commodity trade. Prospects for trade in commodities vary greatly, both by product and by country.

World demand for LDC commodities in the aggregate rose slowly during the decade 1952–62. The principal factors were probably slow growth of demand for food in rich countries; substitution of synthetics for natural raw materials (rubber, plastics, synthetic fibers, detergents); a tendency for industrial buyers to use smaller amounts of raw materials per unit of final output; agricultural protectionism in the Atlantic Community; low elasticity of demand for commodities in the aggregate with respect to price changes (although the actual market situation product by product is complex). During the 1950's, these tendencies were reinforced by the decline in prices, following the speculative effects of the Korean war.

TABLE 3.—LDC EXPORTS BY CATEGORY, 1956–64

[In billions of dollars]

Year	Food and beverages	Agricultural raw materials and mineral ores (not refined)	Petroleum and other fuels	Manufactures (including refined ores) *	Total
1956	8.0	7.0	6.5	3.3	24.8
1958	8.2	6.2	7.4	2.8	24.6
1960	8.1	7.6	7.7	3.8	27.4
1962	8.5	7.3	8.9	4.2	28.9
1963	9.4	7.6	9.6	4.8	31.5
1964	10.3	7.7	10.8	5.5	34.4

* In recent years, refined ores have accounted for $1,000,000,000 to $11,700,000,000 of the LDC exports under this category. The estimated figures for 1960 through 1964 are, in billions of dollars: 1960, $1.4; 1961, $1.4; 1962, $1.4; 1963, $1.5; 1964, $1.7. (Cf. United Nations, Monthly Bulletin of Statistics, May 1966.) Rows may not add to totals shown because of rounding.

Source: United Nations, Monthly Bulletin of Statistics, March 1962 and March 1966.

There were several factors at work tending to maintain and increase LDC export supplies despite the slow growth of demand. The principal ones were immobility of resources in LDC's, leading to continued production of traditional export crops even when demand was un-