

It's a very expensive ore to mine, and a very expensive ore to smelt, whereas tin from Malaya is much, much cheaper. Tin is an essential element in motor bearings. If we had tin from the lowest-cost source we'd have a lower cost of manufacturing, and more people could consume the goods that were manufactured.

The basic problem today is to maintain low-cost sources of raw materials. This is very interesting, because, there has been a tendency for an increased cost of raw materials as we use up the better sources, as we have to go to poorer sources of minerals. And yet today, for instance, in the iron ore business, we have used up Mesabi, and so you might say, "Well, it's going to be more expensive to get ore from Venezuela or from Labrador, or from taconite--low-grade ore." But the research and development boys have stayed ahead of this, so that the production of steel with this new process I was talking to you about is going to reduce the cost of production about 17 percent. This is tremendous, you see. This is how research and development stays ahead of increasing population and increasing costs of raw material.

Latin America is a source of raw material of great importance. A lot of the raw materials there are perhaps more expensive than they would be somewhere else. We have to maintain this because of the possibility of strategic considerations.

QUESTION: Doctor, I was wondering why you put Japan in the same cultural region as China. Isn't the modern difference sufficient so that we might be confusing the issue by thinking this way?