

The Tariff Walls Go Down

by CLAYTON C. BAUER

THE arch fiend, Hitler, used to chortle: "You can control people through lies. Make a lie big enough, repeat it often enough, and the people, poor gulls, will swallow it hook, line, and sinker." To what a dismal end that psychopath came! The people—in a global sense—out of sure wisdom and need buried Hitler and his philosophy.

One of the big lies not yet put down is that tariffs are necessary to protect a nation's industry and insure wide-spread prosperity. For a time protectionism, like Hitler's juggernaut, threatened to sweep reason before it. Only now and then did some bold soul, generally inspired by a reading of Henry George's works, cry out against the injustice of taxing incoming goods in order to give an advantage to some special national industry. The costs of such favors always fell on the consumer. And, often, he received inferior goods because of restricted competition.

But the truth will out, and today the tariff walls of Europe, at least, are tumbling down. France, Italy, West Germany, Belgium, the Netherlands and Luxembourg—members of the Common Market—are enjoying such success that their neighbors are clamoring to join. President Kennedy tells us that this nation must also drop these artificial barriers to trade or suffer a protracted economic squeeze, with loss of markets, increased unemployment, a retreat from our former proud standards.

Most important, the Communist bloc is put on the defensive by the practice of a freer trade. Its propa-

ganda falls on deaf ears, its economic penetration is blunted, the world balance of power shifts to those Western nations who make a business of producing and exchanging goods with fewest possible hindrances. This evidence of weakness creates dissension within the regimented areas. The Yugoslavian thumbs his nose at the Stalinists; the Albanian controverts the Yugoslavian; the Chinese Red shakes his fist at Moscow. Socialist solidarity is seen to be a myth. Indeed, 1961 marks a year of Communist reverses in the economic field. Nor is it mere coincidence that this year ticked off vigorous free trade operations by the Common Market nations. As more nations plump for freer trade, you will find the Communist menace diminishing. Khrushchev mellows towards the West as the West extends and deepens its trade ties.

And how does the progressive American industrialist view the move to freer trade? Rochester, N.Y., my native town, a leading industrial center, provides the answer. Its schools, technical and cultural, are of the best. It boasts fine libraries, museums, gifts of citizens. Workers are highly skilled, command high wages, to a large extent own their own homes. Their prosperity reflects the excellent management, the judicious financing of the city's industries, the appeal to world markets of Rochester-made products. The consensus of industry chiefs has the nation gaining from tariff liberalization.

Eastman Kodak's foreign sales chief welcomes tariff reductions on photographic goods sold in other countries. It could mean further expansion of

Kodak plants in Rochester, with myriad benefits to local workers, merchants.

Rochester, famous for quality clothes, boasts such fine tailors as Hickey-Freeman, Fashion Park, Michaels-Stein, Timely Clothes, Bond, others. While the industry as a whole is pinched by the competition of cheap Japanese garments, Rochester concerns expect to continue to command the better, more profitable markets. They stand to gain, too, from tariff drops through savings on British piece goods they buy in quantity.

The sales manager of the Gleason Works, gears manufacturer, shrugs off fear of foreign competitors. Gleason exports more than half its production in any case. Its exports increase from year to year. Gleason's customers must be allowed, as the chief sees it, to earn dollars here through sales of their products so they can buy Gleason's products. Tit for tat.

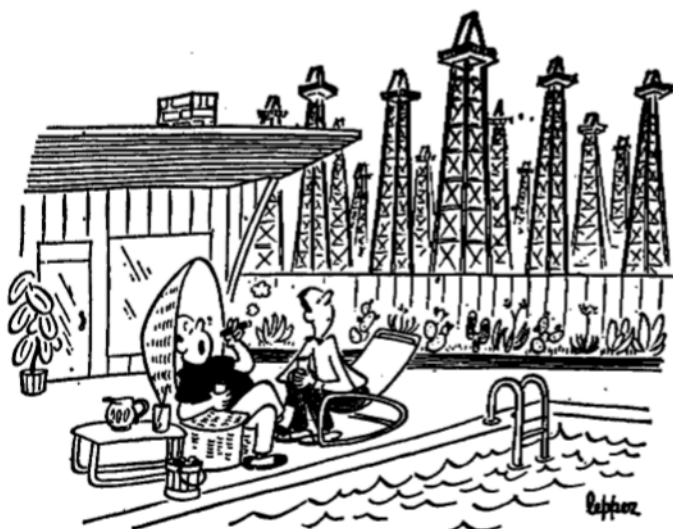
Taylor Instrument exports around 15 per cent of its Rochester output. It meets stiff competition in the sale of thermometers and barometers. Yet the

commercial line continues to grow. In the field of automatic control equipment, Taylor engineering know-how commands a market of itself. So long as the research and development department is encouraged Taylor need not be worried about the future.

The Henry George philosophy holds sway even where no advantage falls to the industry. Donald Gaudion heads Pfaudler-Permutit, makers of glass-lined steel tanks. Pfaudler gets around tariff barriers by having branches in every continent except Australia. Yet Gaudion is ardent in his advocacy of an Atlantic Community of free trade nations, Canada, Great Britain, the United States, along with their European neighbors. He calls for ultimate world-wide free trade.

Rochester industrial executives realize that trade must be on a mutual basis, the freer the better. Any other system must eventually break down.

The spirit of Henry George, in enlightened Rochester, at least, continues to light the way to greater prosperity and peace.



"With that
and my
social
security,
I manage
to get by."

By Lepper,
from "Best
Cartoons
of the
Year 1960"