

INTERNATIONAL TRADE AND SOCIAL GROWTH

By John Cuneo

PROBABLY the greatest economic and social progress achieved by mankind may be attributed to the advancement of trade. In primitive times, it was difficult for man to provide himself with all the necessities of life. As part of the constant struggle for survival, men fought for each other's possessions.

But a day arrived when man discovered the benefits derived from trading with fellow men; trading crude handicrafts for food, meat for fish or grain; weapons for tools. Trading for things they once fought for was the beginning of a new era for man, the dawn of civilization.

Ensuing centuries found great cities where once small villages stood, all nurtured by the produce of trade. Cities with the most trade have always enjoyed the greatest prosperity. Every boon to trade has brought added social and economic advancement, just as the advent of aviation has accelerated progress internationally.

Obviously, to reap the full benefit of trade, it must be permitted to flow freely. Commodities which are overabundant, hence cheaper, in the country that exports them are paid for by importing scarcer and costlier products. Thus, just as an individual inevitably gains by exchanging a less-needed item for a more desirable one, nations prosper by trading what they have for what they have need of. An imbalance in exports and imports impedes the free flow of trade; but, contrary to popular belief, an excess in exports con-

stitutes an "unfavorable" balance of trade, not the other way around! It should be clear that imports give a country more, whereas exporting products leaves it with less.

A protective tariff, whose primary function is to block or diminish importing, is unquestionably an enemy of international trade. Unfortunately, to the prosaic mind its appeal lies in its connotation, since it is presumed that it "protects" the workingman, chiefly from the cheap labor of foreign lands. Yet it is demonstrable that nations with the highest paid labor have always engaged in the most extensive international trade. The United States, whose workers receive the highest rewards in the world, has consistently led in the fields of trade, its greatest competition always coming from nations with high living standards. Certainly China and India, with their low-paid labor, have never been a threat. In fact, "coolie" labor is really expensive labor; because of its inefficiency; whereas high wages prompt inventiveness, creativeness and resultant lower cost per unit of production.

A country that can maintain a balance in exports and imports, free of tariff restrictions, will be the ultimate survivor in the field of international trade. All trade, international or otherwise, operates in accordance with natural economic laws; and natural laws do not take cognizance of iron curtains or cold wars. International trade can grow and prosper only when it is free.

Those who wish to reap the blessings of freedom must undergo the fatigue of supporting it.—Thomas Paine