compete." The "infant industry" argument would demand that such a firm be subsidized with government money until it reaches adolescence. How much progress would this country have made under such a policy?

India and China

And finally, if the infant-industry argument has any validity at all, this country, of all nations, would seem to be the last one to need it. Any usefulness of this procedure would seem to be in countries like India and China where industry is weak or nonexistent. Why don't the Chinese have a tariff to exclude our automobiles and radios until such time as they develop their own industries and can manufacture these products?

In a roundabout way, we are partially doing this for various countries through some of our give-away foreign aid schemes. We give the "backward" nations money that is often used as a subsidy to make up the difference between their costs of production and ours. Our gifts often encourage them to continue some inefficient or questionable production. In some respects, the receiving nations regard this in the same way they regard the idea of imposing a tariff against our goods to equalize this difference—"It is only fair." And some of us have added to the general confusion by accepting the fallacious idea that we would suffer a depression at home if we stopped giving away our products abroad.

Another illustration of the inconsistencies which arise when governments try to "do something" for other na-

tions is found in the conflict between our foreign aid program and our tariff policy. On the one hand, we give vast sums of money to a nation to help it "get on its feet" and produce for export—to alleviate its "dollar shortage." On the other hand, we raise barriers in the form of tariffs and other trade restrictions to prevent the importation of their products to our country.

Loans by individuals or firms in this country to foreign industries are an entirely different matter. In such cases, individuals may appraise the risks they wish to take with their own money. And all this, of course, has nothing to do with private charitable gifts which American citizens may wish to make to people of foreign nations.

Tariffs and National Self-Sufficiency

It will readily be recognized that the topics under which tariffs are here being discussed are not entirely exclusive of one another and overlap to a considerable extent. The argument for self-sufficiency is closely allied to the level-of-living argument, and it will also be discussed later as an important part of the national defense argument.

National self-sufficiency is sometimes expressed as "economic nationalism," "isolationism," or the "keep the money at home" idea. The argument is that we would be better off, as a nation, if we did not trade with other nations. We would develop our own resources more fully; we would encourage domestic employment; and we