heard the head of one of our photographic optical manufacturing companies speak with a conviction that could only come from belief. He said that it takes ten years to train an optical worker and that for this reason the industry requires special tariff protection. If this is true of his company, I can only say that it is not true of all optical manufacturers. It *is* true that at the outbreak of World War II, we were vulnerable because of our dependence upon German optics. Bell & Howell, along with other firms, was asked by the War Production Board to produce lenses. We started with two optical workers in 1941, and by 1943 we had five hundred. We took housewives and insurance salesmen and bank clerks — and within six months we made trained optical workers of them. If we had to do it again, we think we could do it in *three* months.

"Our industry points with alarm to the fact that because of foreign competition there are perhaps no more than two thousand optical workers in the United States. This may be true; but the industry fails to mention the fact that in the process of learning the optical grinding business, we have radically changed and improved the methods used in Germany and other countries for hundreds of years. As a result the present unit productivity of our two thousand workers is probably greater than the productivity of our optical grinding industry during the war.

"In Bell & Howell's rough grinding department alone, we now turn out ten times as many lens surfaces with eleven workers using automatic diamond grinders, than we did in 1943 with one hundred workers using the traditional 'thumb and finger' technique.

"No matter how you look at it, a tariff is a form of taxation on a consumer product. Yet the consumer never sees it, or knows how much it is. By protecting 'national defense industries' through high tariffs, we are giving the Defense Department a 'free ride.' We are assuming an additional burden of national defense without being able to appraise its cost or its need."

IN WRITING to this point more than 100 years ago, the French economist, Frédéric Bastiat, said:

"The kind of dependence which results from exchange, from commercial transactions, is a reciprocal dependence. We cannot be dependent on the foreigner without the foreigner being dependent on us. . . . A nation isolates itself looking forward to the possibility of war; but is not this very act of isolating itself the beginning of war? . . . Let countries be permanent markets for each other's produce; let their reciprocal relations be such that they cannot be broken without inflicting on each other the double suffering of privation and a glut of commodities; and they will no longer stand in need of naval armaments, which ruin them, and overgrown armies, which crush them . . . and war will disappear for want of what supports it, for want of resources, inducements, pretexts, and popular sympathy."

THROUGHOUT his testimony, Mr. Percy indicated that trading, whether locally or on an international scale, is basically a peaceful, friendly project. He said: "For our part, to refuse to trade with the world — and tariff and customs barriers are in practice a refusal — in no way serves our own self-interest. Ultimately the refusal will isolate us from the free world and the friendship of free nations, as it will surely aid the cause of world communism.

"The risks of refusing to trade are terribly real. But on the positive side, the benefits of expanding our world trade are two-fold. History has proved that friendships follow the trade lanes. Our nation is possessed of a tremendous capacity for production, a capacity which is expected to increase a minimum of two per cent each year. In seeking new markets for our products we will at the same time find ourselves in the happy position of winning friends. In considering world trade, we are apt to let our fears obscure our vision, forgetting that it can mean business gained rather than business lost."

Trade restrictions lead to hatreds, conniving, jealousy — incidents which in turn lead to conflict. Furthermore, trade restrictions weaken a nation's economy and make it less able to withstand attacks, should they come.

The testimony of Mr. Percy was remarkable because it came from a leader of an industry which is commonly thought of as needing protection. Bell & Howell exported only about six per cent of its total production in 1954. It faces terrific competition from foreign producers.

THE DAY following Mr. Percy's testimony, Mr. A. T. Brown, executive vice-president of the Caterpillar Tractor Company, offered testimony on H. R. 1 before the Ways and Means Committee in defense of fewer restrictions in international trade. Caterpillar's principal products are crawler tractors, engines, motor graders, and earthmoving equipment. Approximately one-third of its sales goes to foreign countries. Their worries are