

As our government has grown larger and larger, it has become more and more run by pressure groups, each seeking legislation for its own special interest. The lawmakers, anxious to remain in office, keep their ears to the ground to make certain they act in such a way as to corral a majority of the votes. We rarely stop to think any more that there are some questions of such vital importance to the individual that they should never be put to the majority test.

THE DISCUSSIONS about tariffs in the 84th Congress centered around H. R. 1, the Trade Agreements Extension Act of 1955. Testimony was taken by the Ways and Means Committee of the House of Representatives and some very interesting documents resulted.

A most amazing testimony was given on January 24 by Charles H. Percy, the able young president of the Bell & Howell Company of Chicago. The Bell & Howell Company manufactures photographic products. This industry competes with skilled German workers who are paid 37 cents an hour, Italian workers who are paid 34 cents, and Japanese workers who receive only 27 cents. In contrast, American workers are paid better than \$2.00 an hour in the industry. More than twice as many cheap cameras came into the United States last year

(over a tariff wall) as were produced here.

Mr. Percy said that the photographic industry is essential to national defense and that in World War II his Company converted 100 per cent to war work, manufacturing 90 million dollars of defense products. Percy admitted at the outset that he did not represent the photographic industry — far from it. "No one desires more than I the health, vigor, and growth of the photographic industry. Yet I do not believe we must gain these things through artificial trade restrictions. I think we can, and we will, win them for ourselves in a freer and, therefore, more competitive market."

Truly, this is a man-bites-dog story — free trade testimony from a man whose natural business bias would lead him to cry out for protection.

A TYPICAL argument in defense of protection is that it keeps our standard of living at the \$2.00 level and prevents it from going to the 27 cent level of some foreign workers. It keeps wages high and prevents unemployment. Listen to Mr. Percy:

"It must be recognized that where we still use handicraft methods, we do have difficulty in competing. . . . But our present foreign trade policy cannot be tailored to

meet the needs of a handicraft industry any more than can our national economy.

"Years ago we sold a movie camera for \$49.95, the lowest priced camera we had ever made. At that time we paid our workers an average of 40 cents an hour. . . . Yet today, with our average labor cost in excess of \$2.00 an hour, we are again selling a movie camera for \$49.95. . . . The highly paid American worker has become the most efficient in the world — two to ten times as productive as his European counterpart. . . . In the final analysis, the combined effect of foreign competition and high American wage rates has been fortunate — it has forced us to find new and better ways of doing things. . . . Without the spur of foreign competition, it is doubtful whether these techniques would ever have been developed.

"My own company recognizes that foreign competition in the years ahead will become an increasingly important factor. We intend to fight it with as strong an organization as we can possibly build — with the most brilliant research and development, the most ingenious manufacturing and vigorous merchandising and service organizations we can possibly command. But we *will* adjust ourselves to the tariff policy that is best for our country. . . . I am con-

fident that we can adjust to increased foreign competition as effectively as we have adjusted to domestic competition throughout the years.

"If every company and industry were to request that our national policy be molded to fit its own interests, such action would spell ruin to our country and its citizens. We must never forget that in addition to being producers with 'special interests,' we are also consumers and taxpayers. To gradually lose our allies because they find it necessary to turn eastward to keep open their own trade lanes, to become an isolated island in a sea of communism, to find our economy crushed under an intolerable national defense burden, would serve the interests of neither group.

"America's industry did not become great by being sheltered. It achieved greatness because of the intelligence and pioneering spirit of its people. It became great through huge expenditures for research and development, new ideas in manufacturing and merchandising. It is great because it firmly believes that there is one way to succeed — to give the consumer the best possible product for best possible value. This, and this alone, will keep American industry vigorous and healthy in the years to come.

"I believe — and I believe it with