

**STATEMENT OF ROBERT PURCELL, CHAIRMAN, INTERNATIONAL
BASIC ECONOMY CORP.**

Mr. PURCELL. Mr. Chairman, my name is Robert Purcell. I am a member of the Emergency Committee for American Trade. In the past several years I have been officially connected with the International Basic Economy Corp., successively as president, chairman of the board, and most recently chairman of the finance committee.

This corporation is engaged in a number of business activities specifically designed in part to contribute to the economic development of less-developed countries on a private enterprise basis.

To that end we have business activities in some 18 countries which are classified as less developed and, therefore, support the objective of aid in line with our Government's official foreign policy.

Through this network of business organizations we are in close contact with these countries' business leaders, professional men, political leaders, and others engaged in all walks of life. The first point I wish to make this morning is that the people in these less-developed countries view with great alarm any move by the Government of the United States which will tend to decrease world trade and the ability of these countries to participate in it.

They frankly fail to comprehend any policy of the United States which, while giving financial aid to them on the one hand will, on the other, impair their ability to export their products through world trading channels to the United States.

They point out that when other industrialized countries retaliate against U.S. protectionism by erecting trade barriers of their own, then their export trade would be adversely affected elsewhere in the world.

I submit, Mr. Chairman, that the adoption here of protectionist measures would be a sad step backward in our continuing endeavors to maintain good relations between this country and the developing nations of the world.

The second and final point I wish to make this morning, Mr. Chairman, relates to the question that is frequently used to arouse the emotions; namely, the effect of imports on jobs.

It has been argued frequently and vigorously that American industry needs protection against imports so that our people will not lose their jobs. We all understand the seriousness of such a charge, but I must say that this argument sounds a bit strange today considering that the national unemployment rate is now down to 3½ percent, that experienced wage and salary workers have an unemployment rate of 3.2 percent, and that unemployment among married men is down to the extremely low level of 1.6 percent.

We have, in fact, a situation that has edged beyond full employment toward one of overemployment, and the resulting labor shortages are a significant force behind the current inflationary problem. This is not to deny that high-unemployment rates continue to exist in certain areas and among certain groups in our economy.

Everyone is aware that there is considerable unemployment among the young, among Negroes, in depressed areas, and in the ghettos. The question at issue, however, is whether or not import quotas or similar devices will actually improve the employment situation for these people.