

and the best guarantee for the maintenance of a healthy degree of free competition." They also understand that Government help is virtually indispensable if they are to achieve their monopolistic goals.

Economic history provides many examples of the high costs which society pays for cooperating with such monopolistic schemes. One of the most dramatic examples is the impact of French malthusianism which fostered cartels and monopolies at home, and built barriers to competition from abroad. As we demonstrate in some detail in appendix I, the French economy paid the price of stagnation and retardation for this policy which persisted, almost uninterrupted, from the Revolution to the post-World War II era. It is significant that, in the early 1950's, the French themselves, seeking the causes of their stagnation, concluded that the high cost-price structure, low productivity, and general inefficiency of French industry were in large measure due to the corrosive system of protectionism. Thus, the French Commission on National Accounts concluded that—

In effect, in the shelter of our frontier which foreign merchandise finds it difficult to cross * * * a structure is developed which is no longer stimulated to maximum productivity. * * * It is in the structure which it has established that the almost complete cloistering of the French market must be judged. The true long-term cost of abusive protectionism is the low productivity of the economy.

Noting that, on the average, French prices were a good 10 to 15 percent above world prices, René Mayer, a premier with close business connections, told the Chamber of Deputies:

The essential cause—I say it with moderation, but with conviction—of our high prices is the system of protectionism, that growing protectionism of which we cannot rid ourselves, the survival of unproductive enterprises, the private cartelization which one day legislation * * * must definitely destroy.

Other French statesmen saw in the vigorous competition induced by the Common Market the only hope for reversing the stagnation of French industry, and providing the necessary stimulus to modernization, progress, and growth. Competitive entrepreneurship, they felt, was the only road to survival in a competitive world.

It is both ironic and tragic that the Congress is now asked to embrace a comprehensive and pervasive policy of economic malthusianism—the very policy which has produced such deleterious results in France and elsewhere, and which the most progressive industrial nations are now abandoning. Illustrative of the rationale for (what Barron's calls) the "protection racket" is the steel industry's clamor for import quotas. Some of its arguments border on the ludicrous. Thus, Roger Blough alleges that—

Obviously there are many things in life that should and must be protected. For example, millions of our people—and a number of Government agencies—are laudably striving to protect certain vanishing forms of wildlife that are threatened with extinction; and one may reasonably wonder, I suppose, how far down the road to oblivion some of our major industries must go before they are deemed to merit similar concern.

Other steel executives are more specific in their claims of gloom and doom: Imports, they say, represent "more than 70,000 steelworker jobs alone, and many thousands of jobs in supporting industries;" imports are a threat to the national security because "a first-class power with global responsibilities cannot afford to rely on overseas