tunity for success and happiness. The United States has applied this basic democratic principle to its relations with foreign nations. Unfortunately, some segments of American business are now attempting to persuade Congress that certain restrictions should be placed on free world trade. This movement comes on the heels of the United States' successful participation in the Kennedy Round of Trade Negotiations.

By withholding tariff or non-tariff restrictions now, we should be in a stronger bargaining position, from a psychological standpoint, to insist that foreign countries drop their barriers to free trade. Certain countries have offered to unilaterally speed GATT tariff cuts if the U.S. will refrain from restrictive action.

The basic philosophy which must underlie the United States foreign trade policy is one which will accept the fact that competition in the world market is keen, but necessary. At the same time, the International Trade Club of Chicago believes that the skills of the American businessman are unexcelled anywhere in the world and that most American businessmen are willing and able to take on any and all competition anywhere in the world. This faith has already been tested and proved throughout the course of American history. It is clearly evidenced by the U.S. balance of trade which continues to be in our favor.

Artificial restraints on free world trade do nothing to assist the state of the American economy over the long run. In fact, such restrictions result in retaliatory action by foreign nations and the loss of American leadership in world trade. Aside from our basic faith in the abilities of the American businessman, we believe that the democratic credo by which our society is governed is one which abhors the types of restraints which are contemplated by those opposed to free world trade.

Such restraints will undoubtedly handicap American businessmen in world trade and provide an unprecedented advantage to foreign firms which will be able to move in the foreign market unchecked by competitive American business. Worldwide price inflation, and the eventual loss of American income now being earned abroad, both in terms of exports and investments, would result.

If the United States foreign trade policy is restricted to any considerable extent, it will be necessary to provide financial assistance in the future to U.S. companies doing business abroad, in order for them to regain the leadership in foreign markets which they now possess. The national economic situation would be considerably worsened by such a turn of events.

The dissatisfaction in certain segments of American business is due to reasons other than "unfair" practices of foreign businessmen. The causes lie in the nature of modern technology and the structure of the world economy. As recently noted, the level of production is rising more rapidly than the purchasing power of the consumer. The average factory worker in the United States contributes 60% more production today than he did ten years ago. At the same time, the number of people who can absorb the greater production has increased by only 15% in the same span of time. This disproportion is of even greater magnitude in many foreign countries.

Domestic markets are no longer sufficient for the level of production with which modern technology has endowed man. Therefore, naturally, world markets become crucially important to any nation. The United States is no exception. America needs the world market just as much as any other country whose modern technology has enabled it to achieve these high levels of production.

II. THE EFFECT OF PROTECTIONISM ON LABOR AND COSTS IN THE NATIONAL ECONOMY

There is little question that trade protectionist measures such as import restrictions and restrictions on direct foreign investments will adversely affect established patterns of world trade. In addition, such measures will directly affect the U.S. economy. U.S. consumers will be denied the benefits of lower prices resulting from the competitive challenge of imports to U.S. business and labor.

U.S. firms which require small orders or specialty items should not be penalized by tariff and non-tariff barriers in purchasing foreign goods, especially when U.S. manufacturers are unwilling to fill small orders or specialty items.

In quite another aspect, approximately 4.5 million jobs which are directly related to imports will be seriously endangered by protectionist measures. World trade, especially imports, is significantly meaningful for the national economy by assisting to hold down prices, by creating gainful employment for a substantial segment of the U.S. population and by triggering dynamic competitive drives