

imports to the U.S. An importer would possibly buy from a different country if it had proper facilities. If no other suitable supply were available, imports would automatically seek a *slightly* higher level with its appropriate tax. Admittedly large fluctuations would occur initially where there are surplus world-wide production facilities for a product. This surplus is a direct result of our unrealistic trade policies of the past and has resulted in many depressed areas in the U.S. We can revive these areas without massive government subsidy by adopting my proposal and letting free enterprise do the rest.

COMPARISON TO IMPORT QUOTAS

(1) *Administration* of my proposal should be relatively simple and automatic. I would make *no exceptions* to my proposal. Quotas are nothing but exceptions leading to constant hearings, foreign reprisals, review, etc. Realistically the real work involved in my proposal is the defining of products, but this can be a reasonably objective process. It, of course, will need review and must be brought up to date each year. There also must obviously be a few months lag between the end of "the preceding year" and the start of the "current year" to give time to assemble figures, assign, and publish new rates.

(2) *Universal and equitable treatment* will result from my proposal as compared to that under a system of quotas, or for that matter, under the President's proposed bill. Whoever receives the quota would reap an advantage over his competitor. This may result from individuals' attitudes or simply from some bureau deciding who gets what. It would be far better to let free enterprise settle the issue.

GENERAL CONSIDERATIONS

(1) It is said that *any trade restrictions* we adopt will result in our exporting less. I contend that with my proposal there would be *increased trade* in a vastly *increased variety of products*. In the meantime, we would not lose any trade we would not have lost otherwise. Any country, other than ourselves, that had production facilities for their own needs which were not being used because of imports, has already corrected the matter. We do well on patented products either through direct sale or license agreements. We export some items because foreign usage has not yet expanded to the point where high volume production lines are warranted abroad, and low volume lines cannot compete. Another area is that in which technology is lacking in certain countries; but this will be true only for a time. If we could have assurance development money would not be wasted because of future imports, we could keep ahead and *expand* the "technology gap." We have benefited in all of these areas, not because of our so-called "free trade" policy, but for the reasons cited. We would be ahead further in them if a graduated import tax were adopted.

(2) Our *balance-of-payments* situation should improve for two reasons. The imports for which we have idle capacity would no longer drain our dollars. Also the added revenue on what is imported would help. Furthermore, as stated above, many more new items would be introduced which could be exported until they caught up.

(3) Summary of benefits:

All imports would be handled on the same fair, practical basis.

Administration would be simple.

Many government employees could be freed for other work.

Government revenue would be increased.

Our balance of payments would be improved.

Patriotism would no longer be penalized in this area.

The law of Supply and Demand would prevail.

No competent business would be ruined by imports.

Depressed areas would revive.

There would be drastically less pressure by lobbyists.

Foreign countries would have more balanced economies.

Our national defense posture would be improved because more substitute materials would be developed for resources that are not now available in the United States.

STATEMENT OF NATIONAL COUNCIL OF JEWISH WOMEN, INC., NEW YORK, N.Y.

The National Council of Jewish Women, an organization established in 1893, with a current membership of over 100,000 in all parts of the United States, has had a long standing position in support of a liberal trade policy as an indis-