

of nature's resources, but by failure to use human powers to the full. Among the factors which obstruct our march toward the goal of freedom from want are excessive restrictions on exchange and distribution. Progress requires release from these restrictions.

Every country has its arrangements for the organization of production and distribution within its borders. To make the best use of these arrangements, countries must exchange their products. World trade is not only the device through which useful goods produced in one country are made available to consumers in another; it is also the means through which the needs of people in one country are translated into orders and therefore into jobs in another. Trade connects employment, production and consumption and facilitates all three. Its increase means more jobs, more wealth produced, more goods to be enjoyed.

Countries should therefore join in an effort to release trade from the various restrictions which have kept it small. If they succeed in this they will have made a major contribution to the welfare of their peoples and to the success of their common efforts in other fields.

International trade is kept small by four things:

- (1) Restrictions imposed by governments;
- (2) Restrictions imposed by private combines and cartels;
- (3) Fear of disorder in the markets for certain primary commodities;
- (4) Irregularity, and the fear of irregularity, in production and employment.

The Proposals which are herewith published deal with each of these problems.

I. RELEASE FROM RESTRICTIONS IMPOSED BY GOVERNMENTS

Governments have restricted the freedom of traders by many measures and for many reasons. They will continue to do so. No government is ready to embrace "free trade" in any absolute sense. Nevertheless, much can usefully be done by international agreement toward reduction of governmental barriers to trade.

These barriers take many forms. A transaction between a willing buyer in one country and a willing seller in another may be prevented because the tariff of the buyer's country creates an added cost too great to be borne; or because the paper-work required for export or import is so burdensome that the deal is not worth while; or because the seller cannot get an export licence; or because the buyer cannot acquire the seller's currency to make a payment; or because importation is restricted by the buyer's country to a quota which has been exhausted; or because it is forbidden altogether. Or the seller may discover that the tariff of the buyer's country discriminates against him in favor of sellers located elsewhere.

All these restrictions and the red tape connected with them have undoubtedly prevented many business transactions, cut down the total of world trade, and reduced to that extent the benefits which trade might bring to all the parties concerned.

Barriers of this sort are imposed because they serve or seem to serve some purpose other than the expansion of world trade. Within limits they cannot be forbidden. But when they grow too high, and especially when they discriminate between countries or interrupt previous business connections, they create bad feeling and destroy prosperity. The objective of international action should be to reduce them all and to state fair rules within which those that remain should be confined.