

his program for world assistance. Point four of that program was designed to make American "know how" or efficiency available to all deserving countries. The Colombo plan also contains a provision whereby those countries seeking to create or to expand industries within their borders, may obtain technical advice and assistance from other more technically advanced countries.

International competition exists on all levels—high, low and intermediate. It is desirable, therefore, that our equalizing factor or international tariff be effective on all levels. In other words, it is desirable that we equalize *down* as well as *up*. It is for this reason that the negative rates are applicable on the export of goods from high wage countries to low wage countries.

Flexibility is a very desirable feature for any programme which has as its object the increase of world trade. It is very desirable that low wage countries should be encouraged to raise their national wage levels and their national standards of living. It is equally important, as these changes are brought about, that improved or increased trading opportunities should be offered to such countries. For this reason, the tariff schedule submitted should be revised each year so that where a rise in national wage levels has taken place, the country or countries wherein such changes have taken place should occupy their new and proper place in the schedule. In this way an incentive is offered to all trading countries to raise wages and to improve national standards of living.

As the purpose of the international tariff plan is to create and to expand international trade, it is important that this goal be kept constantly in mind. Customs duties collected on imports should not be regarded as additions to national revenues, but rather as a revolving fund for the purpose of assisting exports.

If allowed to operate freely the plan will of itself prevent the exclusion of exports and the creation of monopolies. It would also act as an automatic check on dumping.

The Proof Of The Pudding

It has for a long time been generally agreed that the proof of the pudding is the eating of it. This may be the case also with the proposed International Tariff Plan—that we can only prove or disprove its worth by trying it out. The risks and changes involved in making such a try out do not appear to be very great. The machinery is already set up, in every trading country, for the collection of customs duties and the payment of subsidies where necessary. What then do we stand to gain or lose by giving it a try?

In the first place we make a considerable gain from the simplicity of the operation. Instead of using a complicated tariff schedule containing some nine hundred tariff items with additional subsections for many of them, we have only one rate and one tariff item for each country from which we may import.

In the second place, we make a considerable gain in the more definite arrangements provided by the plan. An importer knows at once the rate of duty he will have to pay on any merchandise purchased in any country. He also knows that the goods he wishes to import will not be refused admission by reason of quota restrictions. This same definite knowledge is of great advantage to the exporter. He too knows what duty his goods will have to pay on admission to any country in which he may wish to sell and he knows also that under the terms of the International Tariff Agreement his goods will be admitted at the proper rate of duty.

In the third place a benefit is conferred on those countries most in need of it. The low wage countries are enabled to purchase from high wage