

In an earlier chapter it was suggested that a scientific international tariff should be the substitute or the successor for Marshall Aid. What was meant by this suggestion is that the low wage countries or low standard of living countries, who are in need of outside aid, would be receiving such aid, not from the United States alone, but from all high wage countries with whom each was trading. The aid so given would be directly related to the needs of each country as indicated in its foreign purchases or imports and would, of course, be given on the scientific basis which underlies this international tariff plan.

The benefit to any low wage country which is enabled to import goods from high wage countries at prices equalized down to the level of production costs in the importing low wage country is a measurable benefit. In the case of consumption goods such as food, clothing, etc., such goods are then available to the native population at lower prices, which has the effect of both lowering the cost of living and raising the standard of living within the country.

In the case of production goods such as machinery tools, equipment, etc., the same lowering of imported cost occurs in the low wage country. The consequence of this is a direct encouragement to both trade and industry in the low wage country.

Trade can only be encouraged or expanded by raising standards of living in all trading countries. We should never lose sight of the principle that "prosperity depends on trade". It is a good thing for people, both individually and collectively, that the cost of living be lowered for them. Such a lowering of the cost of living encourages consumption which in turn encourages both trade and production. Quite apart from the benefit to the individual in the low wage country which results from a lowering of the cost of the imported goods which he consumes, there is an even greater benefit conferred by encouraging native production and industry to sell its products on equalized terms in other countries. If low wage countries generally can be encouraged by the proposed scientific international tariff to export their native production to other countries, a benefit of inestimable value is conferred. By the same token the benefit is twofold, because the exchange of goods for goods, benefits both parties to the transaction. By this arrangement all trading countries are benefited.

Under the proposed scientific international tariff, customs duties collected by high wage countries would no longer be used to cover the cost of national government. These revenues would then be used for the purpose of subsidizing and expanding export trade to low wage countries on a scientific basis.

A Suggested International Tariff Plan

In this chapter a plan is outlined whereby all trading countries of the world may be listed in order of the average hourly wage rates paid in each. For convenience the rates in the schedule hereunder are shown in dollars, though any other common currency unit would serve the purpose equally well.

The tariff rate shown opposite each country (which is indicated by letter rather than by name) is proportional to the wage rate shown for each. A maximum tariff rate of .50 has been selected because it was thought that for the intended purpose it was not necessary to exceed this rate. The remaining tariff rates shown in the schedule vary between the maximum of .50 and the