

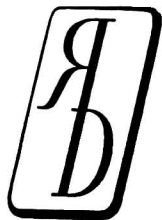
# INTERNATIONAL TRADE

## TARIFF AND COMMERCIAL POLICIES

*by*

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1948

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**TO**

**FLORA AND RUTH ANN**

## PREFACE

A WRITER who adds another book to the shelves of an already crowded library owes an explanation for his action. There are good reasons for another book in the field of international trade, the tariff, and other commercial policies at the present time entirely aside from any new material, new arrangements, or different analyses.

In this Preface, mention will be made first of the broader issues which the book covers, and then some indication will be given of the nature of the book itself. In a very real sense the nations of the world are at the end of one era and the beginning of another. What the new one will hold can best be predicted from an understanding of what the past eras were like. How to meet the issues of the new era may also best be indicated by how the world has met the problems of past eras. It is a sign of intelligence to recognize mistakes made in the past and to avoid their repetition in the future. It is likewise a sign of intelligence to pick out the promising ideas of past eras which found no chance of survival in the past and nurture them in a more favorable future.

In our colleges and universities today, and for years to come, the majority of students will have the usual process of education reversed for them. It used to be customary for travel in foreign lands to climax the completion of a college education or to come years later. Today the students are those who have seen other lands under conditions of international chaos, and now they have come back to complete their education. No longer is it possible, as it once was, to teach in a more or less idealistic fashion on the premise that, in later years, more of the truth will be absorbed. Students today have a rather ugly conception of the truth, and what they wish to learn and apply is the result of all that they have seen.

In his classes in international trade the author has a considerable number of young men who have served in the merchant marine and in the armed forces in every theater of the war. They are somewhat impatient of theory by itself. Yet they realize that the reality they have seen is not an isolated thing but must be a part of a larger picture. They are looking for the background of international relations in order to answer the questions which World War II awakened in them. But what is more challenging, they are looking for what students of every era seek, namely, a foundation on which to base their interpretation of the future.

Gone is the indolent reception of facts as abstractions. No longer do references to distant lands fall on indifferent ears. The teacher who uses an illustration from Japan or Iceland in the course of a lecture now finds himself talking to young men who have been in these places and who are in a position to enrich the discussion or question the conclusion. The same is true of commodities. A textbook must be of such a nature as to capture the imagination of this type of student as well as future students, for whom the world is rapidly becoming smaller.

The traditional book on international trade has usually fallen into one of several classifications. Sometimes only the briefest analysis of international trade history is offered. At other times, an overabundance of theory is accompanied by the driest crumbs of application. Again, sometimes a text has virtually ignored the geographical basis of trade or has omitted all reference to the economic aspects of international law. Another text might omit consideration of the political forces which shape the tariff and develop other trade policies. Too often, the portrayal of the case for and against a high and a low tariff has followed threadbare usage. Some texts in effect have virtually failed to show the *international* character of trade by confining discussion essentially to the viewpoint of the people of just one country.

The present volume has been written with a new approach, not only to portray the principles and policies of the subject but also to orient the subject in terms of history, geography, politics, international law, human relations, and economics. In the process, it is hoped that the student, too, will be oriented and will tie together his experiences and his education into a workable whole. The text stresses the two-sided nature of international trade, showing repeatedly how the act of one nation affects another. It approaches the subject of the tariff and tariff arguments in an original manner by printing for the student, and later analyzing, the planks on the subject from each party platform. All through the book the author has sought to do more than offer another book on trade. He has tried to give the student the "feel" of the subject.

The book is divided into five parts which lend themselves to rearrangement as the individual teacher sees fit. Part I deals with the nature of trade policies in general, with early trade, trading devices, and the theories underlying that trade. It considers, likewise, the revolt against ancient and medieval theories and the emergence of the protective tariff as a basic policy. At the end of the first chapter of this section, a list of topics suitable for papers of varying lengths, oral reports, and projects is offered to help the student become a part of the international trade field. Review questions are also offered at the end of the chapters in the book.

Part II is a study of the tariff in the United States from the earliest beginnings of the nation up to the present time. It includes the problems of

tariff-making, the work of the Tariff Commission, and a thorough discussion of protectionist, revenue, and free-trade viewpoints. Part III studies the tariff and closely related policies in Europe and Asia. Part IV covers the same topics for the countries of the Western Hemisphere. Attention is given to the vitally interesting question of inter-American relationships as well. Part V takes up the problems and policies of international trade growing out of geographic conditions and sovereignty. The policies of control and restriction, the cartel, the merchant marine and air transportation, and the numerous aids extended by governments are considered. The final chapter, entitled "World Movements Toward and Away from Freer Trade," shows the interrelationship of the policies employed historically and currently, and may be looked upon as a sort of charted course over which nations have passed and toward which they seem to be moving.

The author is indebted to the inspiration of his teachers—Frank William Taussig, great teacher of economics, George Grafton Wilson, eminent authority on international law, and many others. He has tried to bring to this book the experience of over twenty years of teaching as well. He wishes to acknowledge the warm encouragement of his colleagues at the University of Pittsburgh and the friendly interest shown at all times by Dean Vincent W. Lanfear of the School of Business Administration.

ASHER ISAACS

UNIVERSITY OF PITTSBURGH  
November, 1947

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