

## CHAPTER V.

### THE PROTECTIVE UNIT.

The more one considers the theory that every nation ought to "protect" itself against every other nation, the more inconsistent does it seem.

Is there not, in the first place, an obvious absurdity in taking the nation or country as the protective unit and saying that each should have a protective tariff?<sup>2</sup> What is meant by nation or country in the protectionist theory is an independent political division. Thus Great Britain and Ireland are considered one nation, France another, Germany another, Switzerland another, the United States, Canada, Mexico, and each of the Central and South American republics are others. But these divisions are arbitrary. They do not coincide with any differences in soil, climate, race or industry—they have no maximum or minimum of area or population. They are, moreover, continually

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<sup>2</sup>That protectionist writers are themselves conscious of this absurdity is to be seen in their constant effort to suggest the idea, too preposterous to be broadly stated, that nations, instead of being purely arbitrary political divisions of mankind, are natural, or divinely appointed, divisions. Thus, not to multiply instances, Professor Robert Ellis Thompson ("Political Economy," p. 34) defines a nation as "a people speaking one language, living under one government, and occupying a continuous area. This area is a district whose natural boundaries designate it as intended for the site of an independent people." This definition is given in large type, while underneath is appended in small type: "No one point of this definition is essential save the second." Yet in spite of this admission that the "nation" is a purely arbitrary political division, Professor Thompson endeavors throughout his book to suggest a different impression to the mind of the reader, by talking of "the existence of nations as parts of the world's *providential* order," the "*providential* boundaries of nations," etc.

changing. The maps of Europe and America used by school-children to-day are very different from the maps their fathers used. The difference a hundred years ago was greater yet; and as we go further back still greater differences appear. According to this theory, when the three British kingdoms had separate governments it was necessary for the well-being of all that they should be protected from each other, and should Ireland achieve independence that necessity would recur; but while the three countries are united under one government, it does not exist. The petty states of which a few years ago Germany and Italy consisted ought upon this theory to have had, as they once had, tariffs between them. Yet, now, upon the same theory, they no longer need these tariffs. Alsace and Lorraine when provinces of France needed to be protected against Germany. Now that they are German provinces they need protection against France. Texas, when part of Mexico, required a protective tariff against the United States. Now, being a part of the United States, it requires a protective tariff against Mexico. We of the United States require a protective tariff against Canada, and the Canadians a tariff against us, but if Canada were to come into the Union the necessity for both of these tariffs would disappear.

Do not these incongruities show that the protective theory is destitute of scientific basis; that instead of originating in any deduction from principles or induction from facts, it has been invented merely to serve the purposes of its inventors? Political changes in no wise alter soil, climate or industrial needs. If the three British kingdoms do not now need tariffs against one another, they could not have needed them before the union. If it is not injurious to the various states of Italy or Germany to trade freely with each other now, it could not have been injurious before they were united. If Alsace and Lorraine are benefited by free trade with Germany now, they would have been benefited by it when French provinces. If the people of the opposite shores of the Great Lakes and St. Lawrence River

would not be injured by the free exchange of their products should Canada enter the American Union, they could not be injured by freedom to exchange their products now.

Consider how inconsistent with the protective theory is the free trade that prevails between the States of the American Union. Our Union includes an area almost as large as Europe, yet the protectionists who hold that each European country ought to protect itself against all the rest make no objections to the free trade that exists between the American States, though some of these States are larger than European kingdoms, and the differences between them, as to natural resources and industrial development, are at least as great. If it is for the benefit of Germany and France that they should be separated by protective tariffs, does not New Jersey need the protection of a tariff from New York and Pennsylvania? and do not New York and Pennsylvania also need to be protected from New Jersey? And if New England needs protection against the Province of Quebec, and Ohio, Illinois and Michigan against the Province of Ontario, is it not clear that these States also need protection from the States which adjoin them on the south? What difference does it make that one set of States belong to the American Union and the other to the Canadian Confederation? Industry and commerce, when left to themselves, pay no more attention to political lines than do birds or fishes.

Clearly, if there is any truth in the protective theory it must apply not only to the grand political divisions but to all their parts. If a country ought not to import from other countries anything which its own people can produce, the same principle must apply to every subdivision; and each State, each county and each township must need its own protective tariff.

And further than this, the proper application of the protective theory *requires* the separation of mankind into the smallest possible political divisions, each defended against the rest by its own tariff. For the larger the area of the protective

unit, the more difficult does it become to apply the protective theory. With every extension of such countries as the United States the possibility of protection, if it can be applied only to the major political divisions, becomes less, and were the poet's dream realized, and mankind united in a "Federation of the World," the possibility of protection would vanish. On the other hand, the smaller the protective unit the better can the theory of protection be applied. Protectionists do not go so far as to aver that all trade is injurious. They hold that each country may safely import what it cannot produce, but should restrict the importation of what it can produce. Thus discrimination is required, which becomes more possible the smaller the protective unit.

Upon protective principles the same tariff will no better suit all the States of our Union than the same sized shoes will fit all our sixty million people. Massachusetts, for instance, does not produce coal, iron or sugar. These, then, on protective principles, ought to come into Massachusetts free, while Pennsylvania enjoyed protection on iron and coal, and Louisiana on sugar. Oranges may be grown in Florida, but not in Minnesota; therefore, while Florida needs a protective duty on oranges, Minnesota does not. And so on through the whole list of States. To "protect" them all with the same tariff is to ignore as to each that part of the protective theory which permits the free importation of commodities that cannot be produced at home; and, by compelling them to pay higher prices for what they cannot produce, to neutralize the benefits arising from the protection of such commodities as they do produce.

Furthermore, while Massachusetts, on the protective theory, does not need protection on coal, iron and sugar, which she cannot produce, she does need protection against the beef, hogs and breadstuffs with which she is "deluged" from the West to the injury of her agricultural industries, and of which protection would enable her to raise enough for her home consumption.

On the other hand, the West needs protection against the boots and shoes and woollens of Massachusetts, so that Western leather and wool could be worked up at home, instead of being carried long distances in raw form, to be brought back in finished form. In the same way the iron-workers of Ohio need protection against Pennsylvania more than they do against England, while it is only mockery to protect Rocky Mountain coal-miners against the coal of Nova Scotia, British Columbia and Australia, which cannot come into competition with them, while not protecting them against the coal of Iowa; or to protect the infant cotton-mills of the South against Old England while giving them no protection against New England.

Upon the protective theory protection is most needed against like industries. All protectionists agree that the United States has greater need of protection against Great Britain than against Brazil; and Canada against the United States than against India—all agree that if we must have free trade it should be with the countries most widely differing as to their productions from our own. Now there is far less difference between the productions and productive capacities of New Hampshire and Vermont, of Indiana and Illinois, or of Kansas and Nebraska, than there is between the United States as a whole and any foreign country. Therefore, on the protective theory, tariffs between these States are more needed than between the United States and foreign countries. And since adjoining townships differ less in industrial capacities than adjoining States, they require protective tariffs all the more.

The thirteen American colonies came together as thirteen independent sovereignties, each retaining the full power of taxation, including that of levying duty on imports, which was not given up by them until 1787, eleven years after the Declaration of Independence, when the Federal Constitution was adopted. If the protective theory, then dominant in Great Britain, had at that time had the hold upon the American people which it afterwards obtained, it is certain that the power of

protecting themselves would never have been given up by the States. And had the Union continued as at first formed, or had the framers of the Constitution lacked the foresight to prohibit State tariffs, there is no doubt that when we came to imitate the British system of protection we should have had as strong a demand in the various States for protection against other States as we have had for protection against foreign countries, and the arguments now used against free trade with foreign countries would to-day be urged against free trade between the States.

Nor can there be any doubt that if our political organization made our townships independent of one another, we should have, in our townships and villages, the same clamor for protection against the industries of other townships and villages that we have now for the protection of the nation against other nations.

I am writing on Long Island, near the town of Jamaica. I think I could make as good an argument to the people of that little town as is made by the protectionists to the people of the United States. I could say to the shopkeepers of Jamaica, "Your townsmen now go to New York when they want to purchase a suit of clothes or a bill of dry-goods, leaving to you only the fag-ends of their custom, while the farmers' wagons that pass in a long line over the turnpike every night, carrying produce to New York and Brooklyn, bring back supplies the next day. A protective tariff will compel these purchases to be made here. Thus profits that now go to New York and Brooklyn will be retained in Jamaica; you will want larger stores and better houses, can pay your clerks and journeymen higher wages, will need more banking accommodations, will advertise more freely in Jamaican newspapers, and thus will the town grow and prosper."

"Moreover," I might say, "what a useless waste of labor there is in carrying milk and butter, chickens, eggs and vegetables to New York and Brooklyn and bringing back other things. How much better for our farmers if they had a home

market. This we can secure for them by a tariff that will protect Jamaican industries against those of New York and Brooklyn. Clothing, cigars, boots and shoes, agricultural implements and furniture may be manufactured here as well as in those cities. Why should we not have a cotton-factory, a woolen-mill, a foundry, and, in short, all the establishments necessary to supply the wants of our people? To get them we need only a protective tariff. Capital, when assured of protection, will be gladly forthcoming for such enterprises, and we shall soon be exporting what we now import, while our farmers will find a demand at their doors for all their produce. Even if at first they do have to pay somewhat higher prices for what they buy they will be much more than compensated by the higher prices they will get for what they sell, and will save an eight- or ten-mile haul to Brooklyn or New York. Thus, instead of Jamaica remaining a little village, the industries which a protective tariff will build up here will make it a large town, while the increased demand for labor will make wages higher and employment steadier."

I submit that all this is at least as valid as the protective arguments that are addressed to the people of the whole United States, and no one who has listened to the talk of village shopkeepers or noticed the comments of local newspapers can doubt that were our townships independent, village protectionists could get as ready a hearing as national protectionists do now. |

But to follow the protective theory to its logical conclusions we cannot stop with protection between State and State, township and township, village and village. If protection be needful between nations, it must be needful not only between political subdivisions, but between family and family. If nations should never buy of other nations what they might produce at home, the same principle must forbid each family to buy anything it might produce. Social laws, like physical laws, must apply to the molecule as well as to the aggregate. But a

social condition in which the principle of protection was thus fully carried out would be a condition of utter barbarism.