

CHAPTER VI.

TRADE.

Protection implies prevention. To protect is to preserve or defend.

What is it that protection by tariff prevents? It is trade. To speak more exactly, it is that part of trade which consists in bringing in from other countries commodities that might be produced at home.

But trade, from which "protection" essays to preserve and defend us, is not, like flood, earthquake, or tornado, something that comes without human agency. Trade implies human action. There can be no need of preserving from or defending against trade, unless there are men who want to trade and try to trade. Who, then, are the men against whose efforts to trade "protection" preserves and defends us?

If I had been asked this question before I had come to think over the matter for myself, I should have said that the men against whom "protection" defends us are foreign producers who wish to sell their goods in our home markets. This is the assumption that runs through all protectionist arguments — the assumption that foreigners are constantly trying to force their products upon us, and that a protective tariff is a means for defending ourselves against what they want to do.

Yet a moment's thought will show that no effort of foreigners to sell us their products could of itself make a tariff necessary. For the desire of one party, however strong it may be, cannot of itself bring about trade. To every trade there must be two parties who mutually desire to trade, and whose actions are reciprocal. No one can buy unless he can find some one willing to sell; and no one can sell unless there is some other one willing to buy. If Americans did not want to buy foreign

goods, foreign goods could not be sold here even if there were no tariff. The efficient cause of the trade which our tariff aims to prevent is the desire of Americans to buy foreign goods, not the desire of foreign producers to sell them. Thus protection really prevents what the "protected" themselves want to do. It is not from foreigners that protection preserves and defends us; it is from ourselves.

Trade is not invasion. It does not involve aggression on one side and resistance on the other, but mutual consent and gratification. There cannot be a trade unless the parties to it agree, any more than there can be a quarrel unless the parties to it differ. England, we say forced trade with the outside world upon China, and the United States upon Japan. But, in both cases, what was done was not to force the people to trade, but to force their governments to let them. If the people had not wanted to trade, the opening of the ports would have been useless.

Civilized nations, however, do not use their armies and fleets to open one another's ports to trade. What they use their armies and fleets for, is, when they quarrel, to close one another's ports. And their effort then is to prevent the carrying in of things even more than the bringing out of things—importing rather than exporting. For a people can be more quickly injured by preventing them from getting things than by preventing them from sending things away. Trade does not require force.

Free trade consists simply in letting people buy and sell as they want to buy and sell. It is protection that requires force, for it consists in preventing people from doing what they want to do. Protective tariffs are as much applications of force as are blockading squadrons, and their object is the same—to prevent trade. The difference between the two is that blockading squadrons are a means whereby nations seek to prevent their enemies from trading; protective tariffs are a means whereby nations attempt to prevent their own people from trading. What

protection teaches us, is to do to ourselves in time of peace what enemies seek to do to us in time of war.

Can there be any greater misuse of language than to apply to commerce terms suggesting strife, and to talk of one nation invading, deluging, overwhelming or inundating another with goods? Goods! what are they but good things—things we are all glad to get? Is it not preposterous to talk of one nation forcing its good things upon another nation? "Who individually would wish to be preserved from such invasion? Who would object to being inundated with all the dress-goods his wife and daughters could want; deluged with a horse and buggy; overwhelmed with clothing, with groceries, with good cigars, fine pictures, or anything else that has value? And who would take it kindly if any one should assume to protect him by driving off those who wanted to bring him such things?

In point of fact, however, not only is it impossible for one nation to sell to another, unless that other wants to buy, but international trade does not consist in sending out goods to be sold. The great mass of the imports of every civilized country consists of goods that have been ordered by the people of that country and are imported at their risk. This is true even in our own case, although one of the effects of our tariff is that many goods that otherwise would be imported by Americans are sent here by European manufacturers, because undervaluation is thus made easier.

But it is not the importer who is the cause of importation. Whether goods are brought here by American importers or sent here by foreign exporters, the cause of their coming here is that they are asked for by the American people. It is the demand of purchasers at retail that causes goods to be imported. Thus a protective tariff is a prevention by a people not of what others want to do to them, but of what they themselves want to do.

When in the common use of the word we speak of individuals or communities protecting themselves, there is always implied the existence of some external enemy or

danger, such as cold, heat or accident, savage beasts or noxious vermin, fire or disease, robbers or invaders; something disposed to do what the protected object to. The only cases in which the common meaning of the word does not imply some external enemy or danger are those in which it implies some protector of superior intelligence, as when we speak of imbeciles, lunatics, drunkards or young children being protected against their own irrational acts.

But the systems of restriction which their advocates have named "protective" lack both the one and the other of these essential qualities of real protection. What they defend a people against is not external enemies or dangers, but what that people themselves want to do. Yet this "protection" is not the protection of a superior intelligence, for human wit has not yet been able to devise any scheme by which any intelligence can be secured in a Parliament or Congress superior to that of the people it represents.

That where protective tariffs are imposed, it is in accordance with the national will I do not deny. What I wish to point out is that even the people who thus impose protective tariffs upon themselves still want to do what by protective tariffs they strive to prevent themselves from doing. This is seen in the tendency of importation to continue in spite of tariffs, in the disposition of citizens to evade their tariff "whenever they can, and in the fact that the very same individuals who demand the imposition of tariffs to prevent the importation of foreign commodities are among the individuals whose demand for those commodities is the cause of their importation. Given a people of which every man, woman and child is a protectionist, and a tariff unanimously agreed upon, and still that tariff will be a restriction upon what these people want to do and will still try to do. Protectionists are only protectionists in theory and in politics. When it comes to buying what they want all protectionists are free traders. I say this to point out not the inconsistency of protectionists, but something more significant.

"I write." "I breathe." Both propositions assert action on the part of the same individual, but action of different kinds. I write by conscious volition; I breathe instinctively. I am conscious that I breathe only when I think of it. Yet my breathing goes on whether I think of it or not—when my consciousness is absorbed in thought, or is dormant in sleep. Though with all my will I try to stop breathing, I yet, in spite of myself, try to breathe, and will continue that endeavor while life lasts. Other vital functions are even further beyond consciousness and will. We live by the continuous carrying on of multifarious and delicate processes apparent only in their results and utterly irresponsible to mental direction.

Between the man and the community there is in these respects an analogy which becomes closer as civilization progresses and social relations grow more complex. That power of the whole which is lodged in governments is limited in its field of consciousness and action much as the conscious will of the individual is limited, and even that consensus of personal beliefs and wishes termed public opinion is but little wider in its range. There is, beyond national direction and below national consciousness, a life and relation of parts and a performance of functions which are to the social body what the vital processes are to the physical body.

"What would happen to the individual if all the functions of the body were placed under the control of the consciousness, and a man could forget to breathe, or miscalculate the amount of gastric juice needed by his stomach, or blunder as to what his kidneys should take from the blood, is what would happen to a nation in which all individual activities were directed by government.

And though a people collectively may institute a tariff to prevent trade, their individual wants and desires will still force them to try to trade, just as when a man ties a ligature round his arm, his blood will still try to circulate. For the effort of each to satisfy his desires with the least exertion, which is the motive

of trade, is as instinctive and persistent as are the instigations which the vital organs of the body obey. It is not the importer and the exporter who are the cause of trade, but the daily and hourly demands of those who never think of importing or exporting, and to whom trade carries that which they demand, just as the blood carries to each fiber of the body that for which it calls.

It is as natural for men to trade as it is for blood to circulate. Man is by nature a trading animal, impelled to trade by persistent desires, placed in a world where everything shows that he was intended to trade, and finding in trade the possibility of social advance. Without trade man would be a savage.

Where each family raises its own food, builds its own house, makes its own clothes and manufactures its own tools, no one can have more than the barest necessities of life, and every local failure of crops must bring famine. A people living in this way will be independent, but their independence will resemble that of the beasts. They will be poor, ignorant, and all but powerless against the forces of nature and the vicissitudes of the seasons.

This social condition, to which the protective theory would, logically lead, is the lowest in which man is ever found—the condition from which he has toiled upward. He has progressed only as he has learned to satisfy his wants by exchanging with his fellows and has freed and extended trade. The difference between naked savages possessed of only the rudiments of the arts, cowering in ignorance and weakness before the forces of nature, and the wealth, the knowledge and the power of our highest civilization, is due to the exchange of the independence which is the aim of the protective system, for that interdependence which comes with trade. Men cannot apply themselves to the production of but one of the many things human wants demand unless they can exchange their products for the products of others. And thus it is only as the growth of

trade permits the division of labor that, beyond the merest rudiments, skill can be developed, knowledge acquired and invention made; and that productive power can so gain upon the requirements for maintaining life that leisure becomes possible and capital can be accumulated.

If to prevent trade were to stimulate industry and promote prosperity, then the localities where he was most isolated would show the first advances of man. The natural protection to home industry afforded by rugged mountain-chains, by burning deserts, or by seas too wide and tempestuous for the frail bark of the early mariner, would have given us the first glimmerings of civilization and shown its most rapid growth. But, in fact, it is where trade could best be carried on that we find wealth first accumulating and civilization beginning. It is on accessible harbors, by navigable rivers and much-traveled highways that we find cities arising and the arts and sciences developing. And as trade becomes free and extensive—as roads are made and navigation improved; as pirates and robbers are extirpated and treaties of peace put an end to chronic warfare—so does wealth augment and civilization grow. All our great labor-saving inventions, from that of money to that of the steam-engine, spring from trade and promote its extension. Trade has ever been the extinguisher of war, the eradicator of prejudice, the diffuser of knowledge. It is by trade that useful seeds and animals, useful arts and inventions, have been carried over the world, and that men in one place have been enabled not only to obtain the products, but to profit by the observations, discoveries and inventions of men in other places.

In a world created on protective principles, all habitable parts would have the same soil and climate, and be fitted for the same productions, so that the inhabitants of each locality would be able to produce at home all they required. Its seas and rivers would not lend themselves to navigation, and every little section intended for the habitation of a separate community

would be guarded by a protective mountain-chain. If we found ourselves in such a world, we might infer it to be the intent of nature that each people should develop its own industries independently of all others. But the world in which we do find ourselves is not merely adapted to intercommunication, but what it yields to man is so distributed as to compel the people of different localities to trade with each other to satisfy fully their desires. The diversities of soil and climate, the distribution of water, wood and mineral deposits, the currents of sea and air, produce infinite differences in the adaptation of different parts to different productions. It is not merely that one zone yields sugar and coffee, the banana and the pineapple, and another wheat and barley, the apple and the potato; that one supplies furs and another cotton; that here are hillsides adapted to pasture and there valleys fitted for the plow; here granite and there clay; in one place iron and coal and in another copper and lead; but that there are differences so delicate that, though experience tells us they exist, we cannot say to what they are due. Wine of a certain quality is produced in one place which cuttings from the same vines will not yield in another place, though soil and climate seem alike. Some localities, without assignable reason, become renowned for productions of one kind and some for productions of another kind; and experience often shows that plants thrive differently in different parts of the same field. These endless diversities, in the adaptation of different parts of the earth's surface to the production of the different things required by man, show that nature has not intended man to depend for the supply of his wants upon his own production, but to exchange with his fellows, just as the placing of the meat before one guest at table, the vegetables before another, and the bread before another, shows the intent of the host that they should help one another.

Other natural facts have similar bearing. It has long been known that to obtain the best crops the farmer should not sow with seed grown in his own fields, but with seed brought from

afar. The strain of domestic animals seems always improved by imported stock, even poultry-breeders finding it best to sell the male birds they raise and supply their places with cocks brought from a distance. Whether or not the same law holds true with regard to the physical part of man, it is certain that the admixture of peoples produces stimulating mental effects. Prejudices are worn down, wits are sharpened, language enriched, habits and customs brought to the test of comparison and new ideas enkindled. The most progressive peoples, if not always of mixed blood, have always been the peoples who came most in contact with and learned most from others. "Home-keeping youths have ever homely wits" is true of nations.

And, further than this, it is characteristic of all the inventions and discoveries that are so rapidly increasing our power over nature that they require the greater division of labor, and extend trade. Thus every step in advance destroys the independence and increases the interdependence of men. The appointed condition of human progress is evidently that men shall come into closer relations and become more and more dependent upon each other.

Thus the restrictions which protectionism urges us to impose upon ourselves are about as well calculated to promote national prosperity as ligatures, that would impede the circulation of the blood, would be to promote bodily health and comfort. Protection calls upon us to pay officials, to encourage spies and informers, and to provoke fraud and perjury, for what? Why, to preserve ourselves from and protect ourselves against something which offends no moral law; something to which we are instinctively impelled; something without which we could never have emerged from barbarism, and something which physical nature and social laws alike prove to be in conformity with the creative intent.

It is true that protectionists do not condemn all trade, and though some of them have wished for an ocean of fire to bar

out foreign products, others, more reasonable if less logical, would permit a country to import things it cannot produce. The international trade which they concede to be harmless amounts not to a tenth and perhaps not to a twentieth of the international trade of the world, and, so far as our own country is concerned, the things we could not obtain at home amount to little more than a few productions of the torrid zone, and even these, if properly protected, might be grown at home by artificial heat, to the incidental encouragement of the glass and coal industries. But, so far as the correctness of the theory goes, it does not matter whether the trade which "protection" would permit, as compared with that it would prevent, be more or less. What "protection" calls on us to preserve ourselves from, and guard ourselves against, is trade. And whether trade be between citizens of the same nation or citizens of different nations, and whether we get by it things that we could produce for ourselves or things that we could not produce for ourselves, the object of trade is always the same. If I trade with a Canadian, a Mexican, or an Englishman it is for the same reason that I trade with an American—that I would rather have the thing he gives me than the thing I give him. Why should I refuse to trade with a foreigner any more than with a fellow-citizen when my object in trading is my advantage, not his? And is it not in the one case, quite as much as in the other, an injury to me that my trade should be prevented? What difference does it make whether it would be possible or impossible for me to make for myself the thing for which I trade? If I did not want the thing I am to get more than the thing I am to give, I would not wish to make the trade. Here is a farmer who proposes to exchange with his neighbor a horse he does not want for a couple of cows he does want. Would it benefit these farmers to prevent this trade on the ground that one might breed his own horses and the other raise his own cows? Yet if one farmer lived on the American and the other lived on the Canadian side of the line this is just what both the

American and Canadian governments would do. And this is called "protection."

It is only one of the many benefits of trade that it enables people to obtain what the natural conditions of their own localities would not enable them to produce. This is, however, so obvious a benefit that protectionists cannot altogether ignore it, and a favorite doctrine with American protectionists is that trade ought to follow meridians of longitude instead of parallels of latitude, because the great differences of climate and consequently of natural productions are between north and south.³ The most desirable reconstruction of the world on this theory would be its division into "countries" consisting of narrow strips running from the equator to the poles, with high tariffs on either side and at the equatorial end, for the polar ice would serve the purpose at the other. But in the meantime, despite this notion that trade ought to be between north and south rather than between east and west, the fact is that the great commerce of the world is and always has been between east and west. And the reason is clear. It is that peoples most alike in habits and needs will call most largely for each other's productions, and that the course of migration and of assimilating influences has been rather between east and west than between north and south.

Difference in latitude is but one element of difference in climate, and difference in climate is but one element of the endless diversity in natural productions and capacities. In no one place will nature yield to labor all that man finds useful. Adaptation to one class of products involves non-adaptation to others. Trade, by permitting us to obtain each of the things we

³"This, then, is our position respecting commerce . . . that it should interchange the productions of diverse zones and climates, following in its transoceanic voyages lines of longitude oftener than. lines of latitude."—Horace Greeley, *Political Economy*, p. 39.

"Legitimate and natural commerce moves rather along the meridians than along the parallels of latitude."—Professor Robert Ellis Thompson, *Political Economy*, p. 217.

need from the locality best fitted for its production, enables us to utilize the highest powers of nature in the production of them all, and thus to increase enormously the sum of various things which a given quantity of labor expended in any locality can secure.

But, what is even more important, trade also enables us to utilize the highest powers of the human factor in production. All men cannot do all things equally well. There are differences in physical and mental powers which give different degrees of aptitude for different parts of the work of supplying human needs. And far more important still are the differences that arise from the development of special skill. By devoting himself to one branch of production a man can acquire skill which enables him, with the same labor, to produce enormously more than one who has not made that branch his specialty. Twenty boys may have equal aptitude for any one of twenty trades, but if every boy tries to learn the twenty trades, none of them can become a good workman in any; whereas, if each devotes himself to one trade, all may become good workmen. There will not only be a saving of the time and effort required for learning, but each, moreover, can in a single vocation work to much better advantage, and may acquire and use tools which it would be impossible to obtain and employ did each attempt the whole twenty.

And as there are differences between individuals which fit them for different branches of production, so, but to a much greater degree, are there such differences between communities. Not to speak again of the differences due to situation and natural facilities, some things can be produced with greater relative advantage where population is sparse, others where it is dense, and differences in industrial development, in habits, customs and related occupations, produce differences in relative adaptation. Such gains, moreover, as attend the division of labor between individuals, attend also the division of labor between communities, and lead

to that localization of industry which causes different places to become noted for different industries. Wherever the production of some special thing becomes the leading industry, skill is more easily acquired, and is carried to a higher pitch, supplies are most readily procured, auxiliary and correlative occupation's grow up, and a larger scale of production leads to the employment of more efficient methods. Thus in the natural development of society trade brings about differentiations of industry between communities as between individuals, and with similar benefits.

Men of different nations trade with each other for the same reason that men of the same nation do—because they find it profitable; because they thus obtain what they want with less labor than they otherwise could. Goods will not be imported into any country unless they can be obtained more easily by producing something else and exchanging it for them, than by producing them directly. And hence, to restrict importations must be to lessen productive power and reduce the fund from which all revenues are drawn.

Any one can see what would be the result of forbidding each individual to obtain from another any commodity or service which he himself was naturally fitted to produce or perform. Such a regulation, were any government mad enough to adopt it and powerful enough to maintain it, would paralyze the forces that make civilization possible and soon convert the most populous and wealthy country into a howling wilderness. The restrictions which protection would impose upon foreign trade differ only in degree, not in kind, from such restrictions as these. They would not reduce a nation to barbarism, because they do not affect all trade, and rather hamper than prohibit the trade they do affect; but they must prevent the people that adopt them from obtaining the abundance they might otherwise enjoy. If the end of labor be, not the expenditure of effort, but the securing of results, then whether any particular thing ought to be obtained in a country by home production, or by

importation, depends solely upon which mode of obtaining it will give the largest result to the least labor. This is a question involving such complex considerations that what any country ought to obtain in this way or in that cannot be settled by any Congress or Parliament. It can safely be left only to those sure instincts which are to society what the vital instincts are to the body, and which always impel men to take the easiest way open to them to reach their ends.

When not caused by artificial obstacles, any tendency in trade to take a certain course is proof that it ought to take that course, and restrictions are harmful because they restrict, and in proportion as they restrict. To assert that the way for men to become healthy and strong is for them to force into their stomachs what nature tries to reject, to regulate the play of their lungs by bandages, or to control the circulation of their blood by ligatures, would be not a whit more absurd than to assert that the way for nations to become rich is for them to restrict the natural tendency to trade.