

CHAPTER XX.

THE ABOLITION OF PROTECTION.

Our inquiry has sufficiently shown the futility and absurdity of protection. It only remains to consider the plea that is always set up for protection when other excuses fail—the plea that since capital has been invested and industry organized upon the basis of protection it would be unjust and injurious to abolish protective duties at once, and that their reduction must be gradual and slow. This plea for delay, though accepted and even urged by many of those who up to this time have been the most conspicuous opponents of protection, will not bear examination. If protection be unjust, if it be an infringement of equal rights that gives certain citizens the power to tax other citizens, then anything short of its complete and immediate abolition involves a continuance of injustice. No one can acquire a vested right in a wrong; no one can claim property in a privilege. To admit that privileges which have no other basis than a legislative Act cannot at any time be taken away by legislative Act, is to commit ourselves to the absurd doctrine that has been carried to such a length in Great Britain, where it is held that a sinecure cannot be abolished without buying out the incumbent, and that because a man's ancestors have enjoyed the privilege of living on other people, he and his descendants, to the remotest time, have acquired a sacred right to live upon other people. The true doctrine—of which we ought never, on any pretense, to yield one iota—is that enunciated in our Declaration of Independence, the self-evident doctrine that men are endowed by their Creator with equal and unalienable rights, and that any law or institution that denies or impairs this natural equality may at any time be altered or abolished. And no more salutary lesson could to-day be taught to capitalists throughout the world than that justice is an

element in the safety of investments, and that the man who trades upon the ignorance or the enslavement of a people does so at his own risk. A few such lessons, and every throne in Europe would topple, and every great standing army melt away.

Moreover, abolition at once is the only way in which the industries now protected could be treated with any fairness. The gradual abolition of protection would give rise to the same scrambling and pipe-laying and log-rolling which every tariff change brings about, and the stronger would save themselves at the expense of the weaker.

But further than this, the gradual abolition of protection would not only continue for a long time, though in a diminishing degree, the waste, loss and injustice inseparable from the system, but during all this period the anticipation of coming changes and the uncertainty in regard to them would continue to inspire insecurity and depress business; whereas, were protection abolished at once, the shock, whatever it might be, would soon be over, and exchange and industry could at once reorganize upon a sure basis. Even on the theory that the abolition of protection involves temporary disaster, immediate abolition is as preferable to gradual abolition as amputation at one operation is to amputation by inches.

And to the working-classes—the classes for whom those who deplore sudden change profess to have most concern—the difference would be greater still. It is always to the relative advantage of the poorer classes that any change involving disaster should be as sudden as possible, since the effect of delay is simply to give the richer classes opportunity to avoid it at the expense of the poorer.

If there is to be a certain loss to any community, whether by flood, by fire, by invasion, by pestilence, or by commercial convulsion, that loss will fall more lightly on the poor and more heavily on the rich the shorter the time in which it is concentrated. If the currency of a country slowly depreciates,

the depreciating currency will be forced into the hands of those least able to protect themselves, the price of commodities will advance in anticipation of the depreciation, while the price of labor will lag along after it; capitalists will have opportunity to make secure their loans and to speculate in advancing prices, and the loss will thus fall with far greater relative severity upon the poor than upon the rich. In the same way, if a depreciated currency be slowly restored to par, the price of labor falls more quickly than the price of commodities; debtors struggle along in the endeavor to pay their obligations in an appreciating currency, and those who have the most means are best able to avoid the disadvantages and avail themselves of the speculative opportunities brought about by the change. But the more suddenly any given change in the value of currency takes place the more equal will be its effects.

So it is with the imposition of public burdens. It is manifestly to the advantage of the poorer class that any great public expense be met at once rather than spread over years by means of public debts. Thus, if the expenses of our civil war had been met by taxation levied at the time, such taxation must have fallen heavily upon the rich. But by the device of a public debt—a twin invention to that of indirect taxation—the cost of the war was not, as was pretended, shifted from present time to future time (for that would have been possible only had the means to carry on the war been borrowed from abroad, which was not the case), but taxation, which otherwise must have fallen upon individuals in proportion to their wealth, was changed into taxation spread over a long series of years and falling upon individuals in proportion, not to their means, but to their consumption, thus imposing upon the poor far greater relative burdens than upon the rich. Whether the rich would have had the patriotism to support a war which thus called upon them for sacrifices more commensurate with those of the poor, who in all wars furnish the far greater portion of "the food for powder," is another matter, but it is certain that the

spreading of the war taxation over years has not only made the cost of the war many times greater, but has been to the advantage of the rich and to the disadvantage of the working-classes.

If the abolition of protection is, as protectionists predict, certain to disorganize trade and industry, then it is better for all, and especially is it better for the working-classes, that the change should be sharp and short. If the return to a natural condition of trade and production must temporarily throw men out of employment, then it is better that they should be thrown out at once and have done with it, than that the same loss of employment should be spread over a series of years with a constant depressing effect upon the labor-market. In a sharp but short period of depression the public purse could, without serious consequences, be drawn upon to relieve distress, but any attempt to relieve in that way the less general but more protracted distress incident to a long period of depression, would tend to create an army of habitual paupers.

But, in truth, the talk about the commercial convulsions and industrial distress that would follow the abolition of protection is as baseless as the story with which Southern slaveholders during the war attempted to keep their chattels from running away—that the Northern armies would sell them to Cuba; as baseless as the predictions of Republican politicians that the election of a Democratic President would mean the assumption of the Confederate debt, if not the revival of the "Lost Cause."

The real fear that underlies all this talk of the disastrous effects of the sudden abolition of protection was well exemplified in a conversation a friend of mine had awhile ago with a large manufacturer, who belongs to a combination which prevents competition at home while the tariff prevents competition from abroad. The manufacturer was inveighing against any meddling with the tariff, and dilating upon the ruin that would be brought upon the country by free trade.

"Yes," said my friend, who had been listening with an air of sympathetic attention, "I suppose, if the tariff were abolished, you would have to shut up your works."

"Well, no, not quite that," said the manufacturer. "We could go ahead, even with free trade; but then—we couldn't get the same profit."

The notion that our manufactures would be suspended and our iron-works closed and our coal-mines shut down by the abolition of protection is a notion akin to that of "the tail wagging the dog." Where are the goods to come from which are thus to deluge our markets, and how are they to be paid for? There is not productive power enough in Europe to supply them, nor are there ships to transport them, to say nothing of the effect upon European prices of the demands of sixty millions of people, who, head for head, consume more than any other people in the world. And since other countries are not going to deluge us with the products of their labor without demanding the products of our own labor in payment, any increase in our imports from the abolition of protection would involve a corresponding increase in exports.

The truth is that the change would be not only beneficial to our industries at large—four-fifths of which, at least, are not brought into competition with imported commodities, but it would be beneficial even to the "protected" industries. In those that are sheltered by home monopolies, profits would be reduced; in those in which the tariff permits the use of inferior machinery and slovenly methods, better machinery would have to be provided and better methods introduced; but in the great bulk of our manufacturing industries, the effect would be only beneficial, the reduction in the cost of material far more than compensating for the reduction in prices. And with a lower cost of production foreign markets from which our manufacturers are now shut out would be opened. If any industry would be "crushed" it could only be some industry now carried on at national loss.

The increased power which the removal of restrictions upon trade would give in the production of wealth would be felt in all directions. Instead of a collapse there would be a revivification of industry. Rings would be broken up, and where profits are now excessive they would come down; but production would go on under healthier conditions and with greater energy. American manufacturers would begin to find markets the whole world over. American ships would again sail the high seas. The Delaware would ring like the Clyde with the clash of riveting hammers, and the United States would rapidly take that first place in the industrial and commercial world to which her population and her natural resources entitle her, but which is now occupied by England, while legislation and administration would be relieved of a great cause of corruption, and all govern- mental reforms would be made easier.