

CHAPTER XXIII.

THE REAL STRENGTH OF PROTECTION.

The pleas for protection are contradictory and absurd; the books in which it is attempted to give it the semblance of a coherent system are confused and illogical.³¹

But we all know that the reasons men give for their conduct or opinions are not always the true reasons, and that beneath the reasons we advance to others or set forth to ourselves there often lurks a feeling or perception which we may but vaguely apprehend or may even be unconscious of, but which is in reality the determining factor.

I have been at pains to examine the arguments by which protection is advocated or defended, and this has been necessary to our inquiry, just as it is necessary that an advancing army should first take the outworks before it can move on the citadel. Yet though these arguments are not merely used controversially, but justify their faith in protection to protectionists themselves, the real strength of protection must be sought elsewhere.

One needs but to talk with the rank and file of the supporters of protection in such a way as to discover their thoughts rather

³¹ The latest apology for protection, "Protection vs. Free Trade—the scientific validity and economic operation of defensive duties in the United States," by ex-Governor Henry M. Hoyt of Pennsylvania (New York, 1886), is hardly below the average in this respect, yet in the very preface the author discloses his equipment for economic investigation by talking of value as though it were a measure of quantity, and supposing the case of a farmer who has \$3500 worth of produce *which he cannot sell or barter*. With this beginning it is hardly to be wondered at that the 420 pages of his work bring him to the conclusion, which he prints in italics, that "the nearer we come to organizing and conducting our competing industries as if we were the only nation on the planet, the more we shall make and the more we shall have to divide among the makers." An asteroid of about the superficial area of Pennsylvania would doubtless seem the most desirable of worlds to this protectionist statesman and philosopher.

than their arguments, to see that beneath all the reasons assigned for protection there *is* something which gives it vitality, no matter how clearly those reasons may be disproved.

The truth is, that the fallacies of protection draw their real strength from a great fact, which is to them as the earth was to the fabled Antaeus, so that they are beaten down only to spring up again. This fact is one which neither side in the controversy endeavors to explain—which free traders quietly ignore and protectionists quietly utilize; but which is of all social facts most obvious and important to the working-classes—the fact that as soon, at least, as a certain stage of social development is reached, there are more laborers seeking employment than can find it—a surplus which at recurring periods of industrial depression becomes very large. Thus the opportunity of work comes to be regarded as a privilege, and work itself to be deemed in common thought a good.³²

Here, and not in the labored arguments which its advocates make or in the power of the special interests which it enlists, lies the real strength of protection. Beneath all the mental habits I have spoken of as disposing men to accept the fallacies of protection lies one still more important—the habit ingrained in thought and speech of looking upon work as a boon.

Protection, as we have seen, operates to reduce the power of a community to obtain wealth—to lessen the result which a given amount of exertion can secure. It "makes more work," in the sense in which Pharaoh made more work for the Hebrew

³²The getting of work, not the getting of the results of work, is assumed by protectionist writers to be the end at which a true national policy should aim, though for obvious reasons they do not dwell upon this notion. Thus, Professor Thompson says (p. 211, "Political Economy "):

"The [free-trade] theory assumes that the chief end of national as of individual economy is to save labor, whereas the great problem is how to employ it productively. If buying in the cheapest market reduce the *amount of employment*, it will be, for the nation that does it, the dearest of all buying." Or, again (p. 235): "The national economy of labor consists, not in getting on with as little as possible, but in finding remunerative employment for as much of it as possible."

brickmakers when he refused them straw; in the sense in which the spilling of grease over her floor makes more work for the housewife, or the rain that wets his hay makes more work for the farmer.

Yet, when we prove this, what have we proved to men whose greatest anxiety is to get work; whose idea of good times is that of times when work is plentiful?

A rain that wets his hay is to the farmer clearly an injury; but is it an injury to the laborer who gets by reason of it a day's work and a day's pay that otherwise he would not have got ?

The spilling of grease upon her kitchen floor may be a bad thing for the housewife; but to the scrubbing woman who is thereby enabled to earn a needed half-dollar it may be a godsend.

Or if the laborers on Pharaoh's public works had been like the laborers on modern public works, anxious only that the job might last, and if outside of them had been a mass of less fortunate laborers, pressing, struggling, begging for employment in the brick-yards—would the edict that, by reducing the productiveness of labor, made more work have really been unpopular? Let us go back to Robinson Crusoe. In speaking of him I purposely left out Friday. Our protectionist might have talked until he was tired without convincing Crusoe that the more he got and the less he gave in his exchange with passing ships the worse off he would be. But if he had taken Friday aside, recalled to his mind how Crusoe had sold Xury into slavery as soon as he had no further use for him, even though the poor boy had helped him escape from the Moors and had saved his life, and then had whispered into Friday's ear that the less work there was to do the less need would Crusoe have of him and the greater the danger that he might give him back to the cannibals, now that he was certain to have more congenial companions—would the idea that there might be danger in a deluge of cheap goods have seemed so ridiculous to Friday as it did to Crusoe?

Those who imagine that they can overcome the popular leaning to protection by pointing out that protective tariffs make necessary more work to obtain the same result, ignore the fact that in all civilized countries that have reached a certain stage of development the majority of the people are unable to employ themselves, and, unless they find some one to give them work, are helpless, and, hence, are accustomed to regard work as a thing to be desired in itself, and anything which makes more work as a benefit, not an injury.

Here is the rock against which "free traders" whose ideas of reform go no further than "a tariff for revenue only" waste their strength when they demonstrate that the effect of protection is to increase work without increasing wealth. And here is the reason why, as we have seen in the United States, in Canada and in Australia, the disposition to resort to protective tariffs increases as that early stage in which there is no difficulty of finding employment is passed, and the social phenomena of older countries begin to appear.³³

³³The growth of the protective spirit as social development goes on, which has been very obvious in the United States, is generally attributed to the influence of the manufacturing interests which begin to arise. But observation has convinced me that this cause is inadequate, and that the true explanation lies in habits of thought engendered by the greater difficulties of finding employment. I am satisfied, for instance, that protection is far stronger in California than it was in the earlier days of that State. But the Californian industries that can be protected by a national tariff are yet insignificant as compared with industries that cannot be protected. But when tramps abound and charity is invoked for relief works, one need not go far to find an explanation of the growth of a sentiment which favors the policy of "keeping work in the country." Nothing can be clearer than that our protective tariff adds largely to the cost of nearly everything that the American farmer has to buy, while adding little, if anything, to the price of what he has to sell, and it has been a favorite theory with those who since the war have been endeavoring to arouse sentiment against protection that the attention of the agricultural classes only needed to be called to this to bring out an overwhelming opposition to protective duties. But with all the admirable work that has been done in this direction, it is hard to see any result. The truth is, as may be discovered by talking with farmers, that the average farmer feels that "there are already too many people in farming," and hence is not ill disposed toward a policy which, though it may increase the prices he has to pay, claims to "make work" in other branches of industry.

There never yet lived a man who wanted work for its own sake. Even the employments, constructive or destructive, as may be, in which we engage to exercise our faculties or to dissipate *ennui*, must to please us show result. It is not the mere work of felling trees that tempts Mr. Gladstone to take up his ax as a relief from the cares of state and the strain of politics. He could get as much work in the sense of exertion—from pounding a sand-bag with a wooden mallet. But he could no more derive pleasure from this than the man who enjoys a brisk walk could find like enjoyment in tramping a treadmill. The pleasure is in the sense of accomplishment that accompanies the work—in seeing the chips fly and the great tree bend and fall.

The natural inducement to the work by which human wants are supplied is the produce of that work. But our industrial organization is such that what large numbers of men expect to get by work is not the produce or any proportional share of the produce of their work, but a fixed sum which is paid to them by those who take for their own uses the produce of their work. This sum takes to them the place of the natural inducement to work, and to obtain it becomes the object of their work.

Now the very fact that without compulsion no one will work unless he can get something for it, causes, in common thought, the idea of wages to become involved in the idea of work, and leads men to think and speak of wanting work when what they really want are the wages that are to be got by work. But the fact that these wages are based upon the doing of work, not upon its productiveness, dissociates the idea of return to the laborer from the idea of the actual productiveness of his labor, throwing this latter idea into the background or eliminating it altogether.

In our modern civilization the masses of men possess only the power to labor. It is true that labor is the producer of all wealth, in the sense of being the active factor of production; but it is useless without the no less necessary passive factor.

With nothing to exert itself upon, labor can produce nothing, and is absolutely helpless. And so, the men who have nothing but the power to labor must, to make that power of any use to them, either hire the material necessary to the exertion of labor, or, as is the prevailing method in our industrial organization, sell their labor to those who have the material. Thus it comes that the majority of men must find some one who will set them to work and pay them wages, he keeping as his own what their expenditure of labor produces.

We have seen how in the exchange of commodities through the medium of money the idea arises, almost insensibly, that the buyer confers an obligation upon the seller. But this idea attaches to the buying and selling of labor with greater clearness and far greater force than to the buying and selling of commodities. There are several reasons for this. Labor will not keep. The man who does not sell a commodity to-day may sell it to-morrow. At any rate he retains the commodity. But the labor of the man who has stood idle to-day because no one would hire him cannot be sold to-morrow. The opportunity has gone from the man himself, and the labor that he might have exerted, had he found a buyer for it, is utterly lost. The men who have nothing but their labor are, moreover, the poorest class—the class who live from hand to mouth and who are least able to bear loss. Further than this, the sellers of labor are numerous as compared with buyers. All men in health have the power of labor, but under the conditions which prevail in modern civilization only a comparatively few have the means of employing labor, and there are always, even in the best of times, some men who find it difficult to sell their labor and who are thus exposed to privation and anxiety, if not to physical suffering. Hence arises the feeling that the man who employs another to work is a benefactor to him—a feeling which even the economists who have made war upon some of the popular delusions growing out of it have done their best to foster, by teaching that capital employs and maintains labor.

This feeling runs through all classes, and colors all our thought and speech. One cannot read our newspapers without seeing that the notice of a new building or projected enterprise of any kind usually concludes by stating that it will give employment to so many men, as though the giving of employment, the providing of work, were the measure of its public advantage, and something for which all should be grateful. This feeling, strong among employed, is stronger still among employers. The rich manufacturer, or iron-worker, or ship-builder, talks and thinks of the men to whom he has "given employment" as though he had actually given something which entitled him to their gratitude, and he is inclined to think, and in most cases does think, that in combining to demand higher wages or less hours, or in any way endeavoring to put themselves in the position of freely contracting parties, they are snapping at the hand that has fed them, although the obvious fact is that such an employer's men have given him a greater value than he has given them, else he could not have grown rich by employing them.

This habit of looking on the giving of employment as a benefaction and on work as a boon, lends easy currency to teachings which assume that work is desirable in itself—something which each nation ought to try to get the most of—and makes a system which professes to prevent other countries from doing for us work we might do for ourselves seem like a system for the enrichment of our own country and the benefit of its working-classes. It not only indisposes men to grasp the truth that protection can operate only to reduce the productiveness of labor; but it indisposes them to care anything about that. It is the need for labor, not the productiveness of labor, that they are accustomed to look upon as the thing to be desired.

So confirmed is this habit, that nothing is more common than to hear it said of a useless construction or expenditure that "it has done no good, except to provide employment," while

the most popular argument for the eight-hour system is that machinery has so reduced the amount of work to be done that there is not now enough to go around unless divided into smaller "takes."

When men are thus accustomed to think and speak of work as desirable in itself, is it any wonder that a system which proposes to "make work" should easily obtain popularity?

Protectionism viewed in itself *is* absurd. But it is no more absurd than many other popular beliefs. Professor W.G. Sumner of Yale College, a fair representative of the so-called free traders who have been vainly trying to weaken the hold of protectionism in the United States without disturbing its root, essayed, before the United States Tariff Commission in 1882, to bring protectionism to a *reductio ad absurdum* by declaring that the protectionist theory involved such propositions as these: that a big standing army would tend to raise wages by withdrawing men from competition in the labor-market; that paupers in almshouses and convicts in prisons ought for the same reason to be maintained without labor; that it is better for the laboring-class that rich people should live in idleness than that they should work; that trades-unions should prevent their members from lessening the supply of work by doing too much; and that the destruction of property in riots must be a good thing for the laboring-class, by increasing the work to be done.

But whoever will listen to the ordinary talk of men and read the daily newspapers, will find that, so far from such notions seeming absurd to the common mind, they are accustomed ideas. Is it not true that the "good times during the war" are widely attributed to the "employment furnished by government" in calling so many men into the army, and to the brisk demand for commodities caused by their unproductive consumption and by actual destruction? Is it not true that all over the United States the working-classes are protesting against the employment of convicts in this, that or the other

way, and would much rather have them kept in idleness than have them "take work from honest men"? Is it not true that the rich man who "gives employment" to others by his lavish waste is universally regarded as a better friend to the workers than the rich man who "takes work from those who need it" by doing it himself?

In themselves these notions may be what the Professor declares them, "miserable fallacies which sin against common sense," but they arise from the recognition of actual facts. Take the most preposterous of them. The burning down of a city is indeed a lessening of the aggregate wealth. But is the waste involved in the burning down of a city any more real than the waste involved in the standing idle of men who would gladly be at work in building up a city? Where every one who needed to work could find opportunity, there it would indeed be clear that the maintenance in idleness of convicts, paupers or rich men must lessen the rewards of workers; but where hundreds of thousands must endure privation because of their inability to find work, the doing of work by those who can support themselves, or will be supported without it, seems like taking the opportunity to work from those who most need or most deserve it. Such "miserable fallacies" must continue to sway men's minds until some satisfactory explanation is afforded of the facts that make the "leave to toil" a boon. To attempt, as do "free traders" of Professor Sumner's class, to eradicate protectionist ideas while ignoring these facts, is utterly hopeless. What they take for a seedling that may be pulled up with a vigorous effort, is in reality the shoot of a tree whose spreading roots reach to the bed-rock of society. A political economy that will recognize no deeper social wrong than the framing of tariffs on a protective instead of on a revenue basis, and that, with such trivial exceptions, is but a justification of "things as they are," is repellent to the instincts of the masses. To tell working-men, as Professor Sumner does, that "trades-unionism and protectionism are falsehoods," is simply to

dispose them to protectionism, for whatever may be said of protection they well know that trades-unions have raised wages in many vocations, and that they are the only things that have yet given the working-classes any power of resisting a strain of competition that, unchecked, must force them to the maximum of toil for the minimum of pay. Such free-tradeism as Professor Sumner represents—and it is this that is taught in England, and that in the United States has essayed to do battle with protectionism—must, wherever the working-classes have political power, give to protection positive strength.

But it is not merely by indirection that what is known as the "orthodox political economy" strengthens protection. While condemning protective tariffs it has justified revenue tariffs, and its most important teachings have not merely barred the way to such an explanation of social phenomena as would cut the ground from under protectionism, but have been directly calculated to strengthen the beliefs which render protection plausible. The teaching that labor depends for employment upon capital, and that wages are drawn from capital and are determined by the ratio between the number of laborers and the amount of capital devoted to their employment;—all the teachings, in short, which have degraded labor to the position of a secondary and dependent factor in production, have tended to sanction that view of things which disposes the laboring-class to look with favor upon anything which, by preventing the coming into a country of the produce of other countries, seems, at least, to increase the requirement for work at home.