

What Henry George Could Teach Today's Protectionists

Trade is the furthest thing from war.

by Gary M. Galles | February 11, 2018

Americans have heard a great deal of protectionist rhetoric from Donald Trump. Now, with tariffs on Chinese solar panels and Korean washing machines making it clearer how such acts will compare with his words, we are about to see how the consequences compare with the hype.

That is reason for trepidation, as economists' centuries-old understanding of gains from voluntary arrangements is sharply at odds with the President's views. To see this in a way that avoids some of the complexities in which economics is often presented, it might be beneficial to go back to older explanations, that lack some of our modern barriers to understanding.

A good person to turn to is Henry George, considered by some the most important economist of 19th century America. In his 1886 *Protection or Free Trade?* he provided a devastating critique of the arguments of protectionists, using an analogy to war to show what trade was unlike (he called trade "the extinguisher of war") and an analogy to the body's circulatory system, to show what trade was like.

Trade Is Not Like War

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. . . [we need not] force the people to trade, but to force their governments to let them.

Free trade consists simply in letting people buy and sell as they want...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 times of war.

Can there be any greater misuse of language than to apply to commerce terms suggesting strife. . . 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 take it kindly if any one should assume to protect him by driving off those who wanted to bring him such things?

When ...we speak of individuals or communities protecting themselves, there is always implied the existence of some external enemy . . . disposed to do what the protected object to.

. . . What [trade restrictions] defend a people against is not external enemies or dangers, but what that people themselves want to do.

Trade and the Social Body

There is, beyond national direction . . . a performance of functions which are to the social body what the vital processes are to the physical body.

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 . . . 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 . . . finding in trade the possibility of social advance.

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.

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 . . . impel men to take the easiest way open to them to reach their ends.

To assert that the way for men to become healthy and strong is for them 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.

The Takeaway

In *Protection or Free Trade?* Henry George used analogies to war and the human body to show that protectionism is “prevention by a people not of what others want to do to them, but of what they themselves want to do.” Using such analogies, he communicated the case for free trade in a way anyone who cared to could understand. Unfortunately, the misunderstandings he addressed live on via politics. But if Americans are to, in fact, “win” more from our President’s acts, there are few better places to start than George’s summary of such government “protection:”

Protection [is] to . . . 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.

Gary M. Galles is a professor of economics at Pepperdine University. His recent books include *Faulty Premises, Faulty Policies* (2014) and *Apostle of Peace* (2013). He is a member of the FEE Faculty Network.

Source: <https://fee.org/articles/what-henry-george-could-teach-todays-protectionists/>

Protection or Free Trade is available from schalkenbach.org, as a download and as hardcopy.