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GOVERNMENT FOR THE PEOPLE

The Seeds of War

By DR. HENRY GEORGE III

Part III

"Every political truth must be a moral truth," thus wrote Henry George in 1886, and he added a question that today might well be repeated: "Who can accept the protective theory as a moral truth?"

Fifty years later Mr. B. C. Forbes, in Forbes Magazine, has this interesting comment: "Since the war to end war international commercial war has been waged with wholly unprecedented bitterness—and with wholly unsatisfactory fruits all around.—The darkest international economic cloud is irrational nationalism. Nationalism had degenerated to sadism.—The world's total volume of foreign trade is little more than half what it was 20 years ago. The United States cannot be held entirely blameless. Early this century America incensed the rest of the world by erecting unconscionably high tariff barriers. When other nations began to institute reprisals we were resentful! Our politicians, especially, were obsessed by the notion that building commercial Chinese walls against imports was our exclusive prerogative.—Almost universal has become the fantastic notion that all exports are a blessing and all imports a curse; that a nation can permanently continue to sell abroad more than it buys, without even lending money to foreign purchasers wherewith to pay.—Fundamentally there is every reason why each nation should, and no reason why it should not, exchange with other nations those things that it is adapted to produce as abundantly and economically as other nations. I, for one, am hopeful that nationalistic commercial madness will shortly begin to subside, before it becomes still more suicidal."

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Forbes like many other shrewd observers, knew the danger in our tariff. But let us consider the aspect of protection from yet another aspect. What is the effect of the tariff or duty upon morality?

Any one who has traveled out of the country even across our borders has encountered those who upon their return are prepared to smuggle in foreign goods and thus escape that formidable toll, that goes under the name of duty. The man is considered a fool who will not try to smuggle in wines, liquor, cigars, cameras, instruments and a thousand other articles either for his own use or later to be sold to the hungry American markets. No one knows how many honorable American women have been guilty of trying to cheat the customs house of the tariff by attempting to smuggle or bribe their way in with lace, perfume, lingerie, etc.

They resent the fact that after

traveling abroad, haggling with merchants in some dirty little street in Madeira, or carefully selecting a fine watch in Geneva, they are stopped at the border of their own country and compelled to pay out a tribute for the benefit of American lace makers or watch manufacturers. If they have a friend in the Customs House, or by any means can bribe or bring pressure to bear they feel that they have accomplished a real feat and return to their home towns boasting how they not only got an article dirt cheap on the other side but put one over on Uncle Sam. In prewar days it was the practice for women buyers for American department stores to go to Paris, purchase clothing as their own and wear it back in the effort to circumvent the barrier at our border. If the Volstead amendment was pernicious in that it fostered bootlegging and built up lawlessness and contempt for government, how much more subtle and therefore more dangerous is this tariff virus from which we suffer? Why is it a crime for a man to bring across our border a fine Swiss watch when it is no crime for him to carry it once he is within our limits?

Just before France was crushed American merchants tried frantically to buy up everything for our domestic markets. Why? Because the French work was unmatched by anything made here and because the exchange, and the labor market gave us a decided advantage. I recall reading in our local paper about a man who was stopped at the New York Customs House and upon baggage inspection it was found that he had nothing but women's lingerie. When questioned—for by his Custom's House oath he had stated that he was bringing back only his own clothing—he explained that he was bringing in only what he himself wore and preceeded to disrobe to prove his point. Investigation proved that he was in fact a buyer for a large American women's store and had resorted even to this means to escape the American duty. While this may be amusing, it is significant of the trend to

evade the law, and gives new meaning to Henry George's warning of more than half a century ago. "To make that a crime by statute which is no crime in morals is inevitably to destroy respect for law: To resort to oaths to prevent men from doing what they feel injures no one, is to weaken the sanctity of oaths. Corruption, evasion and false swearing are inseparable from tariffs."

Let us illustrate it from another example. William Randolph Hearst has consistently demanded a high protective tariff to help American labor and industry. He has filled his columns with his plea to "Buy America." For years before the war we were told that the surest and safest way to recovery was to Buy America! Now does Mr. Hearst practice what he preaches? Mr. Hearst, let it not be forgotten, is the owner of the largest group of newspapers and magazines in the United States and of necessity is the largest buyer of newsprint paper in America. Newsprint is dependent upon pulp wood, and where does the pulp wood for his newsprint come from? If Mr. Hearst is consistent with his advice to us he would Buy America or go without. He would buy it all here irrespective of price. But does he? No, he does not! He buys it where he can secure it at the lowest price—from Canada and before the war from Finland.

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In 1934 the United States imported \$76,000,000 of newsprint and there was not one cent of tariff revenue that went to our treasury because there is no duty on newsprint. Yet if a tariff on sugar is necessary to assist American labor or a 20 per cent duty on shoes, a 73 per cent ad valorem duty on olive oil from Spain is of benefit to all of us Americans why should not there be a good fat duty on newsprint that Mr. Hearst uses? Why does he not have a lobby in Washington along with the lobby for steel, sugar, tobacco, wool and almost everything you can think of? Why, I ask, does he not have a lobby in Washington interested in protecting the American pulp industry from the terrible menace of cheap newsprint? Possibly one answer may be found in the fact that the duty on newsprint would in large measure have to be sustained by the publishers themselves as it would be a tax not so easily shifted to their readers, and so while he advocates Buy America for the rest of us he is an out and out free trader when it comes to the purchase of what he needs in his own business.

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But in this clearing ground let us consider our tariff problem from yet another angle. Why do we have steam engines supplanting horse cars? Great trucks instead

of men with wheelbarrows, bridges that span broad rivers instead of slow moving ferry boats? Why do we deepen our harbors, and welcome as geni bent on lifting our loads the leviathans of the air that are yet to come? Are these things desirable? Do we want faster, cheaper railroad transportation? Should our cities be linked with highspeed roads and mammoth tunnels? Why have the ocean greyhounds stop their throbbing engines in the heart of our cities, where their cargoes may be carried directly to the counter? If protection is desirable, if we must keep out the foreign competition, if we must make the French perfume cost more, make the English cutlery more scarce, why bother with improvements in our social intercourse?

Every day science is making us more dependent upon each other, not just here in America, but through out the world, and with every discovery there is driven home the realization that we cannot shut ourselves off from our fellowmen. A tariff and everything it stands for is only a hindrance, a piracy, a tribute a deterrent that stands in the way of exchange—that takes from him who makes and denies to him who would buy—and gives to him who does nothing constructive for the common wealth. This condition cannot go on! For every moral wrong there is a day of reckoning, and before it is too late, let us take our lesson from the terrible pages of history.

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