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GOVERNMENT FOR THE PEOPLE

The Seeds of War

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Part 5

Man is a creature of habit. He tends to accept that which his father before him accepted, not because it is good or even desirable, but because of its antiquity and tradition.

Too frequently the inventor is neither welcomed nor thanked, and his gift to humanity is withheld by this mistrust of something new. Nowhere do we see this more clearly exemplified than in the field of taxation. It has indeed been well said that any old tax is good and any new tax is bad.

That the theory of protection is wrong many for years have been proclaiming, and while free trade is not new, it receives the same mistrust that welcomed the steamboat and flying machine. As veritable words of prophecy Prof. Sumner of Yale in 1881 had this to say: "Habit goes for a great deal in taxation. Take for instance tin. Tin has not been found, so far as I have yet heard, in the territory of the United States, but we have plenty of it. We buy it with wheat, cotton, etc. If some one should find a tin mine, all experience warns us that he will go to Washington and get our representatives to pass a law to make us give him more wheat and cotton for his tin, than we now have to give for it. Every new "resource" which has been found here has been hailed as a new sign of the bounty of nature to us. Every one has been the occasion of making it harder for us to get the thing in question than it was before. These taxes, these tariffs, are taxes on industry, on labor, in its germ. They are multiplied over in trade profits and fall on the consumer with their whole accumulated weight."

Could more be asked of prophecy when 50 years later an industry that produces less than 20,000 tons of a vital ore is given \$12,200,000 dollars worth of protection, and to use that domestic ore the hundreds of thousands of tons of ore that are brought to this country in exchange for our products must be made \$12,200,000 dollars worth more costly?

We speak of extending loans foreign powers and never be paid back, but here in our protection we are dumping our natural wealth into the sea, we are cutting off our nose to spite our face. For example, a few years ago we bought annually \$560,000 of anchovies from Italy. Had we reduced our prohibitive tariff, for a domestic industry that virtually did not exist, we could have purchased \$1,000,000 worth and in exchange increased our exports to her.

But before pursuing this further let us consider more precisely what protection and free trade really are. By protection we mean defending, shielding—a private law that aids one side. And by a protective tariff is meant the restraint or hindrance offered to bringing in from other countries articles that are domestically produced.

It is indeed a paradox that WE MUST BE PROTECTED FROM OURSELVES, for trade is a volitional act; it is human effort dedicated to human gain; it is not war, pestilence, fire or flood that we must wall it out. Yet we class the Englishman, the Russian, the South African, the Chinaman and the Hindu exactly as though he were a scourge to be kept away under all circumstances.

We must protect American labor from having cheap foreign goods forced upon them. We are told that all foreigners are trying to flood our markets with their products and thus cause unemployment, suffering and poverty here while producing a fortune abroad. But to trade means to exchange.

For every man who wants to sell a pair of shoes he must find some one who wants to buy, trade means a meeting of minds, a reciprocal action. If Americans do not want to buy foreign goods, foreign goods would soon cease to be imported, would cease more quickly than under the most stringent tariff. Desire makes exchange and trade. Why then must we be denied our desires? For in very truth protection really prevents what the protected themselves want to do.

The Japanese glass hypodermic syringe that years before Pearl Harbor was imported, and at a cost of 17 cents competed well with our domestic dollar syringe was not stopped by the tariff. As prejudice and public sentiment arose physicians refused to buy these syringes, the Japanese seller could find no American buyer and trade ceased. It is a misconception for

us to think that we forced Japan to trade with the world, or to think that England forced China to trade. Our respective governments forced the respective Oriental governments to permit our peoples to trade with their people. If the peoples had not wanted to trade no British or American fleets could have induced it.

We do not use our armies and navies to compel our neighbors to trade with us. We use them rather to wall them in so that they cannot trade. Free trade is the exchange of desirable commodities. Protection is the application of force whereby this free exchange is stopped, diverted, or restrained. "Protective tariffs," as Henry George put it, "are as such 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."

Man by his very make up must trade to survive. He is a creature of desires, desires which alone he cannot satisfy—desires which may only be satisfied by the mutual effort of countless men through out the ages.

In order to attain his goal he must be prepared to work for others, and to exchange the product of his toil with the product of the toil of others. This interrelationship, and interdependence among men is the highest proof, if proof is necessary, that trade, free trade in all the word implies, is natural and therefore most productive toward the human goal.

Without trade there could never be division of labor and without the division of labor civilization in even its rudest forms would never have risen. Then if protection is injurious to trade, if it is opposed to everything for which civilization and Christianity stand why is it that we tolerate this social cancer in our midst? The answer to this important question will be found as the subject of tariffs and trade are further discussed.