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# GOVERNMENT FOR THE PEOPLE

The Seeds of War

By DR. HENRY GEORGE III

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It might well be said in the description of the creation of man that God made man a creature of desires and to satisfy those desires man created society. For society is in truth the end of human endeavor. Man wants, and because he is weak and puny, because his span of life is short, because his individual experiences are shallow, he must cooperate with his fellows if he is to satisfy his wants.

It is only through cooperation and sympathy of purpose that man may secure his desires and the degree of cooperation will determine the degree of satisfaction.

Recognizing this to be true, what would we think were we to meet a man who works hard, produces goods that we all can use, but who considers it a dangerous and injurious trade arrangement to accept in trade as much as he gives? We would think him a fool and a sucker.

What would we think of him were he to agree to let us have his goods, but would not accept our goods in exchange? If we wanted what we had we would try to reason with him, but if he were obstinate we would soon look for goods similar to his from another man who would be more reasonable.

In other words while we want what he has, and can give him our produce in exchange, he would have none of it and so trade ceases, and enmity ensues.

This crude analogy does not even scratch the surface of our false reasoning when our protectionists say that the virtue in PROTECTION IS THAT IT DIMINISHES IMPORTS BUT NEVER DIMINISHES EXPORTS.

For years we have been told

how we are suffering or prospering depending on whether the balance of trade is in our favor or against us. We are told that when exports exceed imports we have a favorable balance of trade.

In other words this strange fellow will unload on us more than he will accept and he says that he has a favorable balance of trade. Were we to surfeit him with more goods than he gives us he will consider it an unfavorable balance of trade.

Were you or I to be given more in exchange that we give we would feel that we were fortunate. How queer this fellow is who thinks that to be getting more than he gives is upsetting his balance of trade? How queer indeed he is and how queer every nation is that expounds the virtue of protective tariffs, for that is what they practice.

The child who laughs when his toy is taken from him and weeps when crowded with gifts would be rushed to a psychiatrist. But where is the psychiatrist who can reorient our sense of values when we speak of national trade? For when the good things made by men across the water are brought to our shore we are told that we are being injured, and when we get rid of our good things by sending them to him we are told we are helping ourselves.

If to refuse imports is good and only to permit exports is good, then why do we not just drive our automobiles, our reapers, and harvesters, our typewriters and electric motors and everything else we make right into the ocean? Yes just take them out and scuttle the very ships in which they are consigned, for that will even make more work for our ship yards, thus increasing our prosperity. According to the protectionists' theory to be really prosperous we should dump a share of what we make into the ocean; at least we might as well, for under no circumstances should we accept the wealth of other nations in exchange. How much shall we dump this year in order to be prosperous next year?

It must be kept in mind that imports and exports are correlative. Each is the cause and compliment of the other, and injury to one is injury to the other. You cannot stop imports without damaging the export business, nor can you stop exports without producing a like slowing of imports.

It is assumed by most protectionists that it is a fair balance of trade when there is more valuable export than import. In reality just the reverse is true. In profitable trade the value of imports always exceeds the value of exports that pay for them. For in a natural course of events commodities are delivered not to the lowest market but to the highest. If the Persians rugs sell in Persia for \$14.50 each, it is natural that in this country the Persian rugs will be exported from Persia where they have little value and imported to America where they have much greater value. Likewise, our automobile costing say \$1,000 in the United States will bring a higher price abroad. If it did not,

why trade at all? Chrysler, General Motors, or Ford do not make cars to sell to any one just for the joy of making cars; they make them so that in the process of making them they may secure a fair return, and if they can get a better price for their commodities by shipping them to Australia than by selling them in New York, to Australia they will go.

But the seeds of war may be gleaned from yet another aspect. Let us consider Japan, with whom we are in a death struggle. Let us examine some of the economic facts that brought about friction and created a war of economic reprisal long before Pearl Harbor.

Topographically speaking Japan is about the size of our State of Montana, and has a population of about 50,000,000. All of the land is not usable, and so the majority of the population live on the single island of Honshu, an area of 87,000 square miles, or about half of the land of Japan.

To make it worse much of the island of Honshu is privately owned and wrack rents are charged, thus making for further crowding, and making the struggle for existence much worse than nature intended. Our government forced the government of Japan to allow her people to trade with ours, and thus we introduced her to the western methods.

Japan is ambitious and determined to attain a place of equality with the great nations of the world. With better sanitation, and hygiene, with a falling death rate and with a growing population she had the manpower to feed her newly developed industrial systems, which in part depended upon us for her exports, as she depends upon trade for her life, having little of the natural resources to sustain her. But with her rapid growth in industrial fields came the moment when the great western nations raised a barrier against her, a barrier of the tariff.

Her people could remain employed only if Japan could export, and by exporting import the things she needed. As each tariff barrier was raised against her and her exports stopped, by just so much her imports ceased and her people became hungry. If she could not get raw material from us through trade, then she must get it by force, and so China, sprawling out unorganized, and possessed of great potential resources, received all the pent-up fury of a desperate people. This is in no way a defense of Japan. But as we and other nations made it difficult for her to get the things she needed we made it inevitable for her to try to take by force what she could not secure by trade. Under similar circumstances any nation would do the same, possibly and we hope probably, not with the same sadism and blood-just that Japan exhibited toward China—but economic necessity would compel a nation to fight rather than collapse.

We cannot shut men off from their fellows without making trouble, and as we foster tariffs, we create artificial conditions which will be followed inevitably by war.