

GOVERNMENT FOR THE PEOPLE

The Seeds of War

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Part 10

19 NOV 1944

A few years ago a book entitled "Capitalism the Creator" was given a sensational boost by Wendell Willkie the then Republican candidate for President. Not only was the title erroneous, but the basic concepts as well were falsely premised. The loose thinking that was so widely accepted by Mr. Willkie and his supporters has in like manner been applied not alone to capital but also to the term "money," and it is well to consider the significance of money in the scheme of trade, both national and international, if we would understand what constitutes the seeds of war.

It cannot be over-emphasized that the protectionists' concept is that for nations just the reverse is maintained, that it is to be desired that a nation floods the foreign market and takes as little as possible in return. How he can consider himself consistent or logical in holding two such opposing views only the protectionist can explain, but while he has neither logic, justice, nor morality to sustain him, he has the weight of public prejudice, and public fear behind him, and in the past as in the present he who can appeal to the passions of the herd instinct usually comes out on top.

As with individuals so with nations, we are prone to put into expression for nations the terms we use for individuals. When we think of a thrifty man who sells but who does not buy. Thus when we think of nations we fall into the protectionists' thinking in considering it a virtue to sell but a vice to buy. So the rich man or nation is one who sells but does not buy, and thus the more we sell and the less we buy or the more we export and the less we import the richer we become. While this may appear plausible let us consider it from another aspect.

To trade is to exchange what we want less for what we want more. Thus money, whether it be the polished turquoise wampum of the Navajo Indians, or strung beads of the South Sea Islanders, the gold coins of the Spanish main or our own greenbacks, is a medium of exchange dedicated to facilitate trade, but having a value peculiarly its own. For while I may have a thousand sheep, and to that degree be a wealthy man, I may find it very difficult to find men with whom I may trade my sheep for what I desire, while money, which represents the value of my sheep, is almost universally acceptable. The shrewd business man, once he has made a sale promptly

looks about for commodities to purchase that he may reinvest his money and accordingly continue his sales. He does not make a sale and then hide his money in a hole in the ground as the United States is doing by building up a veritable pyramid of gold at Fort Knox, gold that has led to a stagnation of trade quite as destructive as a tariff barrier of the worst kind.

But while the protectionist falsely considers money as the ultimate goal of exchange he also considers protection as a necessity to high wages. The protectionist maintains that without our tariff the products of the lowpaid labor of foreign countries would undersell and outsell the products of our highpaid labor and thus force them to the wall and in turn precipitate bad conditions in this country.

And so, in order to perpetuate his system, he hopped on the eight-hour day as justification for the protective tariff, claiming that the increase in wages to which the reduction in hours is equivalent would put our highpaid labor at a great disadvantage when compared with the longer hours of the sweat shops of Europe and Asia. Because he takes the side, or rather what appears to be the side and interest of labor, he secures many working men as active militant protectionists. But here again the laboring man, who has little time to study out the actualities of life, is duped by a false philosophy and a false economy. For there is an ocean of difference between cheap labor and cheap products.

We here in America pay the highest wages of any nation on earth, yet our produce can be shipped abroad and compete favorably in the open market with the produce of any country. We pay the highest machinists' wages, yet we can produce the cheapest yet finest cars. Thus we cannot say that cheap labor is the thing that our labor must fear, for while our workers get ten or twenty times as much as European workers or a hundred times as much as a Chinese coolie, they are able to produce a hundred or a thousand times as much wealth. It is self-evident that it is not low priced labor that gives an advantage in production. It is quite the reverse, low priced labor is a detriment. The truth, as Henry George enunciated it, is "that the country where wages are highest can produce with the greatest economy, because workers have there the most intelligence, the most spirit and the most ability; because invention and discovery are there most quickly made and most readily utilized. The great inventions and discoveries which so enormously increase the power of human labor to produce wealth have all been made in countries where wages are comparatively high."