

# GOVERNMENT FOR THE PEOPLE

The Seeds of War

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Part 11

For those who feel that I have stressed irregularities of trade too strongly as a seed of war let me quote no less an authority on war than Rear Admiral Yates Sterling Jr. of the United States Navy who way back in the mellow days of 1936 had this to say: "I've always felt that naval conferences were bound to be failures because they never considered the important points—the underlying causes of national rivalries—economic and political problems. It's like working out the effects without being able to consider the causes." And later he had this to say: "Threats of war in Europe have as one of their foundation stones the increasing violence of economic competition. Fanatical nationalism has given birth to intolerance and hates. This volcanic situation has provided the opportunity by governments which have been set up vastly restricting men's lives and liberties. Thus regimented nations are led along the paths that bring them into violent physical contact with each other. Nationalism when carried to an extreme, produces prohibitive tariffs. It thrusts nations into economic depressions and creates unemployment. In Europe this results in despotic materialism. A multitude of unemployed men are quickly converted into an armed force. Idle factories are quickly turned to the production of instruments of war. Governments so minded can alleviate the distress of their citizens by giving wholesale employment to build up the nations' war machines. Such acts eventually lead to an even deeper depression through currency inflation, or else to war to gain coveted territory claimed necessary for economic security. Raw materials and rich markets become the goal." This is a soldier speaking, not a learned pundit driveling economic rot.

Now in the light of his words let us examine our own policies, that we may, standing before our own conscience, declare that we had no hand in bringing to pass the present horrible slaughter. In spite of everything Secretary Hull has been able to do we, here in America are fiercely nationalistic. Consider our tariff barriers, that he has been

patiently trying to break down, if proof of this statement is necessary. Yet while we will do everything possible to prevent the European from selling his goods in our country, we are inconsistently international in our claim and our willingness to fight for our right to sell our goods in his country.

This attitude of "You must let me sell in your country, but you cannot sell in my country" was all that was needed for a showdown fight with Japan. But this abstract philosophy of the protectionist that it is good to export and bad to import has yet a more sinister application. After the last war we were the great creditor nation. Name the country in the world that was not in our debt. We had shipped them everything the wit of man could devise, and after the war the day of reckoning arrived. What did we do?

Thanks to our protective tariff system we continued to keep up the artificial conditions created by the war. The debtor nations that were ready and willing to make some show of payment of debt found that nothing they manufactured or extracted from nature was desirable, and that all the while they were being flooded by our exports. It might well have been that we were the debtor nation paying the world by shipping out our wealth as fast as we could hoist it into the holds of the countless ships, forcing them to take it, but refusing to accept their goods in return. A debt cannot go unpaid forever. Nations that want to pay their debts and are prohibited from so doing soon find other avenues for disposal of their wealth. By forcing other nations to accept our goods, we deepened their debt and in refusing to accept theirs in return we heightened the difficulties of our own people.

We cannot force our cake on our friends, refuse to accept their food in exchange and still expect

to have a solid meal. What has happened in the past should be a sobering lesson for the future. For those optimists who think that they can gladhand away the present economic imbalance let them consider that again we, who actually are the creditor nation, are pouring out the riches of our land and are even now fearfully concerned lest some of those nations who are accepting our life's blood may try to repay us in kind. If we deny them free trade after this war, why even, talk about a permanent peace? For the balances in trade will be so distorted that war will of necessity be the inevitable result following a transitory truce.

Thanks to our tariff barriers it was possible for the Russian government before the last war to purchase battleship armor plate from Carnegie Steel Co. at \$249 a ton while the same armor plate for United States battleships cost us \$520 a ton.

In other words, thanks to our protective tariff, our "infant steel industry which, along with other vested interests, paid \$80,000,000 annually to prevent or smash labor unions, contributed their share to the prohibitive cost of sheathing our men of war in armor plate. If it cost us twice as much to armor-plate a warship as it does to supply the foreign nations how is the protective tariff benefiting any one other than the privileged few? Thus it may be seen that the protective tariff not only injures us individually but injures us collectively, injures the defense of the nation, and plays right into the hands of potential enemies.

It was this same protective tariff lever that enabled British arms makers, Armstrong Whitworth & Co. to bid a price of \$255 a ton for building two battleships for Turkey, while the price to be paid by the British Government for the same class of ships was \$315 a ton. It may be remembered that Turkey and England were not on the best of terms. How then could a protectionist, a man who believes in the protective tariff, claim that the tariff was a boon to England?

Thus we find that while the tariff has a suicidal effect upon trade, while it cripples home industries by making raw materials from outside difficult to secure, while it fosters hard times by making it difficult for us to export, thanks to other nations' retaliatory acts, while it raises the cost of living by enabling our domestic industries to charge more than they could charge in a free field, while all of these miseries are piled one upon another, we add to our misfortunes by making the defense of our homeland more costly than the arming of our enemies.

Should a nation wish to commit suicide could it find a better way than to pauperize its people, create a house of privilege and wealth and a house of poverty, make enemies with all of its neighbors and then while stripping itself it arms its enemies? If we would live in peace, if we would be strong, then we must prepare ourselves to trade fairly with all men. There can be no greater assurance to peace than just trade, than free trade.

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