

GOVERNMENT FOR THE PEOPLE

The Seeds of War

By DR. HENRY GEORGE III
Part 13

It may well be said that trade is a form of production. In our desire to exchange that which we want least for that which we want most we add to the aggregate wealth of mankind. For me to make an automobile is actually impossible, and so by exchanging my services in one way for the services of a thousand different men crystalized in a machine I am able to secure my auto.

Now, as trade is a form of production, he who interferes with trade interferes with production, or to put it another way, the government which restricts trade lessens the production of wealth.

But government restrictions do more than just restrict the production of wealth. They alter the distribution of it, by imposing higher prices on some citizens and giving extra profits to others. This manifestly works a hardship on the body politic, for it divides the nation into two camps, those who have nothing and are discriminated against, and those who have the privilege and will see the nation in ruin before losing their franchise. How then can the tariff be defended?

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The claim of all tariff advocates is to enable production to be carried on at a higher level of wages, and that if production is removed our domestic wages would seek the slave level of the worst foreign countries. But while this is the claim, the actual effect is not to raise wages, but rather to raise the price of commodities.

THE AMERICAN LABOR UNIONS HAVE BEEN BLIND TO THIS DIFFERENCE ELSE THEY COULD NEVER HAVE SUPPORTED EVEN A MODERATE TARIFF MEASURE.

The man who works for wages does not sell commodities, he sells labor. How then can the labor movement advocate a tariff system in which the things their men must buy are made more dear, while the wages in which they are paid are forced down?

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If trade is a form of production, then restriction of trade is a lessening of the production of wealth, and the effect of the protective tariff is to lessen wealth, to make the article more difficult and more costly to secure.

Is not the effect of a tariff then to actually reduce wages? How long must American labor wait for leaders to spring forth who understand the fallacies of the protective system? The great tragedy of the labor movement is that it has confused the importing of commodities with the importing of laborers. An increase in commodities means a reduction in their price, while an increase in workers means that there will be more men desirous of fewer articles and the price must go up as the demand increases. The cheap cattle driven in from Mexico call for a protective tariff by our cattle men. What is the result. Beef is no cheaper and the wages of the cowboys are no better. Actually both are worse.

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Yet while our cattle Barons of the great western states lobby and scream in Washington against Mexican, Canadian and Argentine beef, they are quick to import Mexican vaqueros, who at half the cowboys' wage will herd and drive the battle. The Mexicans are not wanted by the cowboys, who, while they cannot explain the intricacies of tariff, know that it works against them, but the great cattle barons will have the poor peons south of the border smuggled in violation of the immigration laws.

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Only the Almighty knows how many Mexicans, Hindus, Chinese, Malaysans and Japs have been smuggled into our ports from lower California or across our border in spite of our border patrols and rangers. In each case it was never the labor unions who wanted these half-starved, miserable specimens of humanity to compete with their highpaid workers and underbid them for the job. It was the great fruit syndicate, the mining interests, the heavy industries who, while screaming for protection, and claiming that only through protection may labor be safe, are undercutting the foundation of life for American labor.

When in the southwest I was told on reliable authority that the smuggling in of alien orientals to provide cheap labor in the great agricultural industries was more dangerous and much more profitable than bootlegging in its heyday. We may have repealed the Volstead amendment and stopped liquor smuggling to some extent, but the smuggling of human chattels in a more subtle but far more vicious form still goes on.

Do we not hear how bitterly the folks in our lower counties speak of those cannery firms which import cheap labor that can and will underbid them for a job?

The effect of the tariff is inevitably to shield the employing producer from competition, while it makes no attempt to lessen the competition among those who must sell their labor, and the industries that the tariff helps are those in which the working man or the man of small means is helpless, while it supports those that command vast equipment, enormous capital or the ownership of natural opportunities.

Can there be anything more ironical or unjust than that we put a barrier to the entrance of Mexican beef, claiming that by doing we are saving American labor from Mexican competition, yet we turn around and employ the very Mexican labor to herd our domestic beef and underbid our domestic labor?

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Wages in the United States are higher than elsewhere in the world, but it is no thanks to the tariff. In our early days, before we had tariffs, wages were higher than in the mother country, and the reason was obvious.

Land was easy to obtain and the

laborer could easily employ himself, and wages in agriculture being thus maintained at a higher level, the general rate of wages was higher. Even today while land is more easily obtained in this country the higher wages in agriculture has kept up a higher general wage rate.

But thanks to the tariff and special privilege land is becoming more and more inaccessible to the little man, and wages—that part of wealth that is left after rent has been deducted—must gradually decline.

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Let us be under no false illusion about the tariff, it is an injustice and never was an injustice that went unpunished. If we continue this suicidal procedure we will create a house of plenty and a house of want, we will impoverish our people and we must of necessity bring down the hatred of all men upon ourselves.