

FREE TRADE

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Boston

ADDRESS OF HENRY GEORGE

BEFORE THE

NEW ENGLAND

TARIFF REFORM LEAGUE

AT THE

AMERICAN HOUSE, BOSTON

APRIL 20, 1893

BOSTON

PRESS OF GEO. H. ELLIS, 141 FRANKLIN ST.

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THE closing dinner of the season of the New England Tariff Reform League was given at the American House, April, 1893; and Henry George, of New York, was the guest of the occasion. A distinguished company was present. Hon. Henry L. Pierce presided, and at the head of the table among others were Col. Charles R. Codman, Brooks Adams, Henry C. Thacher, Osborne Howes, Jr., Wm. Lloyd Garrison, Jabez Fox, Harvey N. Shepard, Robert Treat Paine, Berthold Schlesinger, Henry W. Lamb, and James R. Carret. The President introduced Mr. George, who spoke as follows:—

## ADDRESS.

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*Mr. Chairman and Gentlemen of the Tariff Reform League,*—I am to talk to you a little while about free trade. What is trade? Why, if you want to indicate the gulf which separates man so widely from the brutes, you may define him as the only trading animal. Trade! Trade is that mode of production that has enabled man to rise from the lowest savagery. Take away trade, and how would you bring such a body of men together as I see before me here? — each man carrying his own provisions, and each man the architect of his own clothes? Trade! It is trade that makes human advance possible. It is as trade arises that civilization begins. It is as trade extends and widens and develops that civilization grows. And trade, in its essence, in its very nature, is free. Trade is the exchange between men of services or commodities. It is trade only when carried on by the free will of both parties; and, under that condition, it must always, save in case of accidental misadventure, benefit both.

What is the incentive for me to trade? It is that I want something that the other party has to give me more than I want what I am to give him. By such exchange both are benefited. It is only by trade and

through trade that we can gain the advantages of differing climes, of different natural opportunities, of differences in skill and acquirement. It is only by trade, through trade, and by reason of the enormous increase in power that trade gives us, that capital can grow, that great works can be undertaken, that knowledge can increase.

And free trade,—what is free trade? Free trade is no more than natural trade. Free trade consists in simply permitting men to trade as they want to trade! And is not the freedom to trade the first of natural rights? Freedom to trade not merely involves the sacred right of property: it is essential and vital to it. If a thing is mine, it is mine to hold, it is mine to give, it is mine to bequeath, or it is mine to sell; and my right in my property is infringed and denied when any man or body of men attempt to interfere with that right, and fix for me to whom I shall sell or from whom I shall buy.

Now, consider it. How many tariff reformers there are over all this country who talk about free trade as though it were some monster. They say: "Oh, no! we are not free-traders. Tariff reform is not free trade!" No, tariff reform is not free trade. Excuse me. There is no use in my coming here unless to speak frankly. Tariff reform! Why, to me it is like cholera reform or burglary reform, or as in his younger days it would have been to your president or to this man here [pointing to William Lloyd Garrison] to hear about slavery reform. Tariff reform! The only way to reform the tariff is—behind the ears. Tariff! Why, it means a denial of the free-

dom of trade, it means a violation of a natural right, it means an impairment of the right of property. Why should you try to reform it? No, that is not free trade. Free trade means *free* trade. It means that men may trade in freedom. It means that they shall buy and sell and exchange as they please, and with whom they please, and without either pirate or highwayman or custom-house officer stepping in between them.

In the Boston *Herald* of yesterday I find an editorial saying of me, "He is a free trader, but he is aware that even free trade has to be approached by progressive steps." No, I am not aware of anything of that kind. Nothing is easier than free trade. It is letting men do as they please, simply removing restrictions. Sweep away your custom-house as soon as Congress is in session, and you would have free trade. Then the *Herald* goes on: "And it will be interesting to learn how, as a free trader, he would adjust the schedule which the next Congress is to prepare." Well, I would like to have the adjusting of that schedule. I would call my friend, Mr. Garrison, into my counsels, if needed; and we would make a schedule against contagious diseases, a pretty heavy tax on vermin of all sorts. And there I think our tariff schedule would end.

Now, what terrible thing would follow? Free trade would follow. That is to say, the American people would buy and sell where they pleased. There would be no wonderfully wise government to tell them when it was good for them to trade, with whom it was safe for them to trade. Is there anything very

dreadful in that? Surely, the great American people are not infants that they must needs have a baby act. Surely, the great American people—and, of all the American people, you Yankees of New England—ought to know how to trade. If the American people do not know with whom to trade and how to trade, where are Congressmen elected by popular suffrage to get wisdom to tell them?

And you men of the Tariff Reform League—I know you mean well; but, really, if you want to do anything, if you want to get towards free trade or somewhere in that direction, you are wasting your strength by advocating tariff reform. What you must appeal to the people on, is not on a question of schedules and rates: it is on a great, clear principle. And, inevitably, you will find that, wherever the discussion really begins, as soon as it gets warm, the popular debate comes to this: Is protection right or is free trade right? You cannot minimize opposition by declaring that you are only tariff reformers, and not free traders.

The protectionist, the man who really believes in protection, has the courage of his convictions. He wants protection, not a tariff reform, unless it be a reform of the sort Mr. McKinley gave us; and you lose the strength, the beauty, the harmony, the appeal to justice of a great, clear principle, when you attempt to fight him with tariff reform. You are discussing a matter of rates. And what do you gain when you convince a man that by this change in the tariff and that addition,—by cutting off, let us say, the duties on the raw materials that he uses,—you are

going to benefit him? Nothing that will last. You are merely appealing to the selfishness of the man. If you get him for the moment, he won't stay. You have gained nothing that you can build on. If you get him with you for a little time, you have merely got a whitewashed protectionist. Better let him go. Let him go with the people with whom he belongs! Let him go with the protectionist! For every faint heart you lose in that way you will gain free traders.

How do we stand to-day? The American people in the last election gave a clear and decisive vote against protection, and yet you will hear among the victors such talk as this: that you must not go too fast in reducing the tariff, that you must be careful of the manufacturers. Heavens and earth! Is it not time that we were a little careful of the consumers? Is it not time that the great masses of the American people who earn their bread by the sweat of their brows had some little consideration? Not go too fast? Would not abolish the tariff at once? Because I have been robbed all the days of my life, is that a reason that I must continue to be robbed till I go down to the grave? Because I have suffered from protection all these years, shall I have no hope that at last, before I die, I may see freedom of trade in this country? Care for the manufacturers? Yes, all legitimate care. Give them all that the manufacturer ought to have as a manufacturer: give them their raw materials, give them the liberty to trade with the rest of the world as fast and as much and as far as they can. But continue to them the right to levy a tribute upon us? No. There is no justice in that, no fair-

ness in that. As to this idea of American manufacturers being injured by freedom,— why, if the American people or any section of the American people cannot stand up as against all the world in a free field and with no favor, it is time they sold out and retired.

How shall we raise our revenue if we have free trade? Well, this at least is clear: we could raise a revenue if we had no tariff. But, if we once concede, as many tariff reformers concede, that a tariff is necessary for revenue, the youngest man now living cannot live long enough to see even a protective tariff abolished in the United States. A tariff for revenue in a country like this grows necessarily into a tariff for protection; and to admit that we must have a tariff for the sake of revenue is virtually to give up to protection. To me, and to men of my way of thinking, a tariff for revenue is only a little less objectionable than a tariff for protection; and it has less to defend it. When protectionists say that a tariff for protection is going to improve wages, to add to the wealth of the country, to promote the development of its industries, they have at least the claim that their tariff does some good. But you cannot make that claim for a tariff for revenue. You cannot even claim that it is a good way to raise revenue. It is not. To raise public revenue by a tariff on imports is a bad and unjustifiable way of raising revenue. It taxes men not in proportion to what they receive under the government or from the government, it taxes them not in proportion to what they have: it taxes them in proportion to what they consume.



And the poorer the man, the less of this world's goods he has, the greater the proportion of his income is necessarily taken up by his consumption. Those least able to pay must, for this reason, under a tariff for revenue, pay most; and not merely that, but, by fiscal necessity, tariffs that are to raise revenue must impose heavy rates upon those cheaper commodities that are used in greater proportion by the poor, and less rates upon those valuable commodities that are only used by those of abundant means.

I do not think it possible to make any clear distinction between luxuries and necessities. I do not believe that the one class of things ought to be taxed more highly than the other, even if you could make the distinction. But, by the necessities of a tariff for revenue, duties must be imposed on the reverse principle,—heavily on articles of larger bulk and less value, and lightly on articles of high value and small bulk.

A tariff for revenue involves the interference with natural rights that characterizes all tariffs,—searchers and seizers and spies. It involves the blocking up of our harbors. It involves custom-house oaths and all the perjuries that attend them. It involves scheming and lobbying and bribing; for, as I said before, you cannot possibly, in this country, really have a tariff for revenue only. The moment you admit that there must be a tariff or revenue, then comes the idea of imposing that tariff so that it will discriminate in favor of American producers.

No: the only way to get rid of protection is to strike at the tariff,—to strike for free trade. It may

be a long time before we shall come to that; for there is a large mass to educate, and the American people have long been told that all that was great and good in this country, or almost everything, from Bunker Hill up, was due to our beneficent tariff, that kept the hungry pauper producers of Europe from deluging us with all the articles of merchandise that, individually, we and our wives are all so glad to get cheap. It may take some time to educate the people up to that point; but we shall educate them the quicker by standing for the clear principle, by standing not for a modification of the tariff, but for free trade. Let us do the demanding for free trade: let the protectionists do the holding back. There are enough of them, and they are strong enough to do some pretty effectual holding back without our help. There is no use, no wisdom, no sense, in men who want reform in the tariff talking about the danger of going too fast. The danger is not of going too fast: the danger is of not going at all.

How shall we raise a revenue without a tariff? I have no wish to avoid that question. There ought to be some just way of raising revenue. If there be in the order of this world a guiding and governing intelligence, there must be some way of raising revenue that will not interfere with moral law. There ought to be, there must be, some way of raising public revenues which will not provoke false oaths and bribery and evasion,—some way of raising revenue that will not interfere with the right of property. For that the State needs revenue comes from a natural law. The State and its needs are not accidental. They

arise in the progress of civilization. They are in the natural order of human development.

Until men come together and begin to live in communities, there is no need for public revenue. The Indians whom our people succeeded on this coast had no fixed public revenues and did not need any. Every individual took care of himself; and in time of war the warriors of the tribe gathered, each man bringing his own provisions or providing them as he went along. But, as soon as that rude stage is passed, as soon as civilization begins to dawn, as soon as men begin to integrate into close and settled societies, then roads and other public works are needed, then some regular provision must be made for the administration of justice, some regular provision for education comes; and, as civilization goes on, so by a natural law the demand for public revenues becomes greater and greater. Now the development of man's powers is by and through civilization. That is to say, the art of living peaceably together is clearly in the order of the universe, for it is only in that way that man can develop his powers or attain his destiny.

Look to-day at the wonders of our civilization. Take a man of intelligence and comfort in any of our highly civilized communities. How much greater are his powers, how much larger his knowledge, how much wider his opportunities, than those of his ancestors of two or three thousand years ago! Yet I think the closer you look, the clearer you will see that this advance is not in the individual. Neither the physical powers nor the mental powers of the individual have increased. The advance has been in the

society, in the garnering of knowledge, in the development of industries, in the rise of arts,—advances that only come by and through civilization and inhere in civilization.

Now, if this be — and, I think, the more you look, the clearer you will see that it is — the appointed way by which man rises in the scale; by which human progress goes on; if you see, as you also must see, that, as civilization advances, there is a greater and greater need for public revenues, — then you must conclude that, if there be an originating intelligence, if there be design in the natural order, then some provision must have been made for that need. There must be some way of raising public revenues without interfering with the right of property, without interfering with production, without making unjust and unequal distinctions, without stimulating all that is bad and vile!

And there is. What is the one thing that rises in value as civilization advances? Here Boston has been growing larger and larger since I first saw it. What value has been growing? Not the value of manufactured goods. On the contrary, year by year, with the progress of civilization and development of the arts, manufactured goods tend to decrease in value. Not houses: the buildings that existed in Boston ten years ago are less valuable than they were then. But the one thing that has been increasing in value is land. Here is a universal law. You may see it wherever you go. If there be a natural order, this rise in land values must be a part of that order. What does it mean? Put two and two together. As

civilization advances, as people come closer and closer together, as communities grow, as the arts are developed, there arises the need for greater public revenue. And there arises at the same time an enormous value which attaches to land,—a value belonging to whom? Belonging to the community, because it is by the growth of the community that it comes. Is it not clear that here is the intended source of public revenue? Here is a value that grows by the growth of the community, that belongs to the community, and that can be taken for public uses without provoking perjury, without stimulating fraud, without corrupting our governments, without demoralizing our people.

Land lies out of doors. You cannot cover it up, no matter how high you pile buildings upon it; you cannot carry it away; and a tax upon its value can be assessed,—for the value of land is more clearly and definitely ascertained than any other value,—can be more fairly assessed, and more easily and cheaply collected than any other. Is not this the place to look for public revenues?

Look! A tax upon land values does not check production. Nay, on the contrary, it will stimulate production; for, to leave the unearned increment, that value which attaches to land by the growth of the community, to the mere owner of land, is to stimulate speculation in land,—is to set up a speculation which, everywhere anticipating the future, everywhere withholds land from those who would use it, turns back labor in a country that, even in the present stage of the arts, would hold the population of Europe, and

causes us to talk and think as though there were too many people here, and not natural opportunities enough to go round.

We who believe in raising public revenues from this source, we who are called single-tax men, believe in the sacredness of property. We believe that what a man owns he owns, not merely against individuals, but against the State. We see no power in acts of Parliament or laws of Congress to set aside the Ten Commandments, to legitimize theft. That which the individual owns ought not to be taken from him by the State save in the presence of that dire danger and calamity in which all laws are abrogated but the law of self-preservation. And, for the same reason that we are opposed to tariff laws that take property from the man who chooses to exchange, we are opposed to all taxes that take from the producer what he produces, from the capitalist what he has rightfully acquired. We would resort to no tax upon wealth, to no tax upon labor. We would not say to a man: "Because you have worked while another has idled, you must pay so much more. Because you have saved while others have spent, you are taxed the more. Because you have erected a mill or a factory or cultivated a field or made a machine, because you invested capital in this way or that, you should be fined for it." What we would say would be simply this: "What you have belonging to us all, in proportion to that shall you pay toward the public expenses." We would raise revenues by a tax that would take the unearned increment of wealth,—that value which attaches to land irrespective of improve-

ment, not because of what the owner has done, but because of what the community has done. That is the clear way, and that is the easy way, to a true and full free trade.

The principle of free trade goes further than the mere abolition of taxes levied at custom-houses. They are to be condemned, because, as trade is but a mode of production, they fall upon production, and therefore lessen the wealth of the country; because they are unjust in taking from the owner the property that is his, and his alone, and thus impair the sacredness of property. But in the same way these taxes that we levy or try to levy upon the rich are unjust and injurious,—these taxes upon capital, these taxes upon machinery, these taxes upon houses and buildings, these taxes that impose a fine upon the farmer who makes two blades of grass grow where one grew before, upon the little homestead owner when he newly paints his house. Free trade, to be full and true free trade, must go so far as to abolish them all. Ay; and, in going that far, we go farther yet,—farther than many who have been discussing this tariff question dream of going!

All over the civilized world to-day there is unrest and disquiet. Everywhere there is a deep feeling, not confined to those who are ground down at the base of our social edifice, but recognized in some way even by those to whom are open all the advantages and opportunities that this civilization gives,—a deep and wide feeling of injustice. What we vaguely call the labor question, what we mistakenly call the strife between labor and capital, is looming up as the

great question of the future. All over the civilized world inventions and discoveries, crowding on the heels of one another, are making this century now drawing to its close the most marvellous period in the history of man. Yet these material advances are but widening the gulf between the rich and the poor. On the one hand, wealth is concentrating in such enormous masses as were never seen since the civilization that preceded ours was drawing fast towards its decline; and, on the other hand, in the midst of wealth such as was never seen before, men and women and little children are condemned to the deepest and most debasing poverty. Such a condition of things cannot possibly long continue. It is not in the order of the universe.

All over the world, notably in such cities as this, there are well-intentioned, high-purposed men and women, who, by building churches, by establishing charity organizations, by opening model tenement-houses, by getting up societies intended to go in among the poor and work among the poor, are trying to bring about healthier conditions. They might as well try to bail the ocean. In the nature of things there can be but one remedy; and that remedy is justice! The trouble to-day with the masses of mankind is simply this: that the masses of mankind are robbed. At the bottom of this great social question, deepening and darkening with every year, is the great fact that the masses of men are deprived of their natural rights.

What are the natural rights of men? They are two, — two that are correlative, — the equal right to land, the exclusive right to that which is produced from land



by labor. Imagine any kind of a world you please, give it the name of any star you choose; but imagine a world like this,—a world tenanted by beings like ourselves, who in their physical form are simply land animals, beings who can only live on land and from land, whose production consists in nothing but the working up of land into forms that satisfy their desires. Now, if it be told you that in that world, tenanted by beings of this kind, only some of them have any legal right to the surface of that planet, you could infer from that one fact just precisely the social phenomena that you see here. Ah! you are but bailing the sea with your charities. Charity can do nothing, when justice is denied!

Is not He the All-merciful? Has He no care for his children here? Must He not look with equal eye upon us all? Yet what could He do, were we to ask Him to relieve the poverty that festers in the very hearts of our civilization? How could He do anything to relieve it? How does He do anything for men? What does God give us? We say, in the prayer that our mothers taught us, "Give us this day our daily bread." How does God give us bread? Not by sending it down already baked. He has given us powers that make man the productive animal, powers that link him even to Himself, powers that render him in a sense a maker. These powers has He given to us, and to all of us. And, to enable us to make use of these powers, what does He give us? He gives us the earth ready for man's hand, the use of matter and forces and opportunities that are all summed up in the word "land." But a system which

makes that land itself the exclusive property of individuals, that attaches to it those rights of ownership that justly and by natural law attach to things that are products of labor,—a system that gives the dwelling-place of us all, the storehouse, the workshop, ay, the mother of us all, to only some of us,—when by man's law that system exists, what must become of the disinherited rest? No, not benevolence! What is needed is justice,—not the dole that individuals can give, but free access to the bounty the Father gives.

How shall we secure that? You cannot divide land up in a civilization like this. You could not possibly maintain an equal division if you could. But consider what the right to land is. It is not a common right. We do not own land in common. It is an equal right. Every man is entitled to the use of land so long as he does not interfere with the equal rights of any one else. Now, land value, economic rent, is at once the mark and the measure of a superiority held by the owner of the land to which it attaches. Hence it is not necessary that we should attempt to divide land. We can secure equality of opportunity among men in a simpler way,—in a way perfectly adapted to a civilization like ours,—by abolishing taxes on wealth and the production of wealth, and taking for common uses the accruing value of land, what economists call rent,—economic rent, as distinguished from rent in our common phrase; what John Stuart Mill called the “unearned increment of land values.” Take that for the use of the community; take that for public needs! The

moment we do that, what do we do? Not merely shall we relieve production, exchange, and accumulation of all the unjust burdens now levied upon them; not merely shall we say to men, "Go to work, build, save, accumulate, improve, as you please, and the State won't charge you a penny for it," but we shall put a tax upon mere withholding that will end speculation in land. By taking for the use of the community that value which belongs of right to the community, we shall restore to all their equal rights in every material necessary to their existence. Here is the glory, here is the promise, of free trade!

For free trade as a mere fiscal measure, for free trade that involves merely the breaking down of custom-houses, much as I appreciate how enormously that would increase the growth of this country in wealth, much as it would tend towards the simplification of government and the lessening of political corruption, I would, must it stop there, hardly move a finger. These short-sighted people who are talking of this country being cursed by free trade, these manufacturers who are talking as though they would be ruined by the abolition of import duties, are in error. The production of this country would jump. Our ships would again sail the sea. We would wrest from our brethren on the other side of the Atlantic—New England from Old England—the commercial supremacy of the world; and American products and American merchants would be heard of in the far-off countries where they were heard of in the early days of the republic, but where they are not known now. Wealth would enormously increase. Yet in our own

time we have seen production grow and wealth increase. Invention after invention, discovery after discovery, have added to the power of drawing wealth from nature. And with this we have seen the growth of the tramp, the organization of charities everywhere, and the struggle for existence among the masses of men becoming not easier but more bitter. Could we hope more from free trade of the sort of which I am speaking? It could only temporarily benefit the masses. The abolition of customs would enormously increase production and augment wealth; but, by a natural law that humanity can never escape, the man or the class who own the land can ultimately take all the wealth produced upon it, save enough to enable the laborers to keep in life! But in carrying free trade to its logical conclusion, and the free trade that we single taxers are striving for in England, all free trade that is to us the highest ground, the noblest religion to bring about, the free trade which is a struggle against but another and a wider form of slavery than that which was overthrown in our time by such men as you [pointing to the chairman],—in that we see the destruction of undeserved poverty, we see the reign of peace, we see the blessings of abundance, we see a republic that shall fulfil its high mission of teaching the nations the ways of righteousness. That is the reason why we are free traders,—not tariff reformers, but free traders!