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Tariffs vs. Competition

By Lancaster M. Greene

Mr. F. J. Challinor, in a letter to the New York Times, regards competition with low wage countries as impossible and requests restriction of foreign competition, especially in his field of hand-made glass ware. He also says he speaks for thousands of American manufacturers.

I know many manufacturers who believe in freedom of competition and who believe they can and should compete with all comers at home and abroad, gaining customers solely on merit and efficiency and not by tariffs.

The motor car companies regularly beg Congress to free them from the world disadvantage of a U. S. tariff on motor cars.

A great valve company finds its employees in England must work about 144 hours to produce what its U. S. workmen produce with the same tools and methods in 44 hours.

A business machine company finds its U. S. employees produced much more per dollar of wages than its employees in other countries before the war, when they could compare. The wages paid here were about three times those in other countries; and they were forced to pay less elsewhere, because wages come out of production and these other people could not produce as much as our similar labor.

The Lincoln Electric Company is a sample of the American idea of paying labor as much as it produces, thereby increasing incentive to produce. In the last eleven years they have cut the consumer's price of their welding rods to one-third, and at the same time have tripled the average wages of factory labor to about $5,000 a year. This company has publicly welcomed free trade competition without regard to wages or nationalities of its competitors.

I would ask whether Mr. Challinor believes in economic planning, which Professor Hayek calls "The Road to Serfdom"; if not, does he believe that tariffs are not economic planning?

New York, N. Y.