

Tariff Fallacies

(From "What Is the Single Tax," by Louis F. Post)

Protective tariffs are crude schemes for raising the prices of home-produced commodities and thereby—so the argument runs—of home wages. By levying taxes upon imports from other countries, thus increasing their prices—for taxes on products add to the prices consumers must pay—advocates of protective tariffs infer that high prices on home products will be encouraged and that therefore high wages for work will be paid by home employers.

The characteristics of that remedy for social defects are fully discussed from the Single Tax point of view by Henry George in *Protection or Free Trade*, which was published in 1886 when protection policies were extremely popular in the United States.

Tariff protection is not even a superficial remedy for social disorder. Nominally designed to encourage wealth production at home by lessening competition from abroad, it in fact chokes production at home by abnormally increasing the prices of "protected" home products and thereby lessening effective demand for their consumption.

What can protective tariffs be in practice but a check upon delivery of foreign products in exchange for domestic products? They obstruct trade for the benefit of domestic monopolies. Only in so far as world trade is free can home producers be free. Trade being absolutely essential to diversified production, the freer it is the better it must be for all producers.