

A Premium Impeding Peace

THE BARTENDER WHO CONTINUED to pay his union dues during prohibition represented the high in optimism in his time, but the present day palm should go to the Carnegie Endowment for International Peace.

The recently issued annual report of that organization shows that the boys and girls running the show are still in there trying. And it is well that they are. Peace will break out again some day and they will have another chance to sell their wares.

But they will have to do a better job than they did last time. It is only seven years since delegates from Berlin and Rome attended the Endowment's conference at Chatham House, London, and subscribed to a declaration of principles calling for a strengthened League of Nations, reduction of armaments and the replacement of war by judicial settlements and consultation.

Today the German and Italian visitors to London are on a different mission. This only shows that agreements between nations to limit armaments and to talk things over before taking a sock at each other are not enough. They have got to stop *wanting* to sock each other. And they will never come to that until they learn what really causes wars.

The basic cause, of course, is economic ignorance, ignorance of the workings of natural laws which, if understood and complied with, would enable the nations of the world to live together in peace and amity and prosperity.

The immediate causes are legion, but the chief is restriction to trade. So let the Carnegie Endowment begin its next campaign by showing the peoples of the world what a tariff is, what it does not for them but to them, and how it leads to war. A prize illustration is at hand, picked from the news of the day right here in our own country. (Consider manganese):

As the greatest steel producer on earth this country is at present largely dependent on imports for supplies of vital ore in the steel-making process. About 1,200,000 tons were imported in 1940. Domestic production amounted to around 40,000 tons. Soviet Russia and British India together produce about three-fifths of the world's manganese.

Russia has always been America's chief source, but exports from that country were reduced to a trickle with the closing of the Black Sea outlet. The threatened loss of Indian manganese is, of course, behind the plans for a hurried drive to open up about fifty low-grade ore mines in this country, with the production of 600,000 tons yearly as a goal.

Note now the part the tariff plays. The duty on manganese averages half a cent a pound, or \$10 a ton. Domestic mines, therefore, were enabled to charge the American public \$400,000 more (they produced 40,000 tons of manganese, remember) than they could have charged had there been no duty.

But that is the smallest part of it. By reason of the \$10 a ton duty, the American people were compelled to pay an additional \$12,000,000 for the 1,200,000 tons of ore imported.

The value of the domestic production was less than \$1,000,000. To "protect" an industry of that size we paid a premium of \$12,400,000.

It would have been far cheaper to have closed down the small American mines, continued the wages of the handful of miners at the full union scale and put them all up at the Waldorf for the rest of their lives at our expense.

That is just one example for the Carnegie Endowment's book. We shall be glad to furnish more from time to time should the Endowment decide to offer a course on "What a Swindle a Tariff Is," in ten easy lessons.

C. O. S.

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