

## South American Dynamite

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HATCHING IN THE MINDS of our Washington economists is a diabolical international troublemaker. It is being called the "All-American Economic Cartel," but its real name is Mars and it was spawned in the harlotry of the protective tariff.

The purpose of the plan is to bar Germany from



South American trade. To do this it is proposed to pool all export commodities and put them under the control of a governmental agency. The agency will go into the South American market and will deliberately undersell German products, subsidizing the American producers for the losses sustained by such merchandising. The American taxpayer, as usual, will make up the deficit.

In return for this bounty the South Americans will sell their products only to the United States, or to such customers as our cartel managers may designate. Germany, apparently, will be black-listed.

Besides, the South American countries will be told, because of our gratuity, just how much and what to produce. Thus we shall attempt to extend to foreign countries the controlled economy idea which domestically we have found expensive and unworkable—that is, the AAA. We shall attempt to institute national production quotas in the Western Hemisphere. All for the patently war-like purpose of establishing a Pan-American embargo against Germany.

Now, Germany may not like this arrangement. And as Hitler is a past-master of this controlled economy madness, it must be assumed that he has some tricks up his sleeve. Since his is a totalitarian economy under which he can force his workers to live on a subsistence wage and toil as many hours as endurance will permit, he can always undersell us; for American laborers want more and still have the strike-weapon in their hands. We are not yet slaves of the State.

Germany has an advantage, too, in that she would gladly take the great agricultural surpluses of South America, while we, to "protect" our farm vote, must re-sell these surpluses elsewhere at a loss, or dump them into the ocean.

When Germany does undersell us, and we are stuck with our pooled commodities, will we send our fleet to chase her merchantmen from South American waters? Are we ready to back up with force of arms our economic war measure?

How silly the whole thing is! Trade statistics show that the largest customers for our surpluses have not been the comparatively poor agricultural

states to the south, but the more productive countries of Europe, and Japan. A salesman does not prefer to travel the Dakotas when he can have New England; customers are people. Unless we are itching for a fight why should we bother with South America, which parallels our surpluses, when Europe needs our products?

Suppose Germany is foolish enough to dump her products into South America to keep us out of that market. Well, let her. If she robs her labor to bestow a gift on South Americans, the latter will be the richer thereby. With all that added wealth, they will find ways of spending some of it—in spite of controlled barter agreements—for things Americans make better or more cheaply.

Now, then, if we had wit enough to break down our tariff walls—for the whole world, including Germany — our 133,000,000 productive people would make a wonderful market. Everybody would be anxious to sell to us. And to sell to us they would have to buy from us. If we didn't bar Argentine wheat and beef, think of the automobiles and tractors that country would order here; thousands now idle would be working at high wages

in Detroit. If we didn't have a prohibitive tariff on cameras, every American boy would be able to have a fine German camera, and every German boy would have nice shirts made of American cotton.

Ah! But Hitler will not change from a war economy to an exchange economy after the war. He has become used to living by theft. Well, let's try it. Nobody yet offered to do business with him on a free exchange basis. In fact, the economy of Germany which produced this monster is the product not only of an internal system of monopoly similar to ours, but also of the blockade and tariff measures from without which since 1918 were intended to humble and pauperize the Germans.

If Hitler does not want to do business on an equitable basis, then we can fight him. But why assume that free trade with him won't work when it has never been offered? Why start an economic war in which if we win we must lose? Can it be because our own fascist-minded protectionists have their eyes on the lucrative subsidy which the cartel idea promises? Can it be that they, and not Hitler, have designs on our wages?