

## NATIONAL SELF-PROTECTION.

THE doctrine of protection to home industry, no matter by what means, grows directly and inevitably from the idea of nationality.

The nation exists of itself and for itself, not by the grace or for the benefit of any beyond its boundaries.

Although nations may agree between themselves to unite their efforts permanently for certain purposes, such as the suppression of piracy, and though some of them may from time to time form temporary alliances for specific objects, these arrangements are always based upon the advantage to be derived by each contracting party. No voluntary and gratuitous bestowal or surrender of an advantage is for a moment thought of, and when a pretense is made of a so-called nobler motive, it may safely be assumed to cover schemes that would not bear the light.

It cannot be seriously disputed that this exclusive property of each nation in itself, this assiduous caring by each for its own special weal, and this watchful, semi-antagonistic attitude of each towards its neighbors, have the same beneficial effect upon each that comes to individuals from each person being perfectly convinced that his fate depends upon his own exertion of his faculties; that his task is to till his own field and mind his own family and business, being well assured that he and his, and not others, shall reap the harvest and enjoy the fruits of diligence and thrift.

Rivalry, perhaps without enmity, and antagonism, perhaps without animosity, constantly animate the nations in their attitudes toward each other; each standing ready to win from another wealth, population, or territory which the other may be unable to retain.

The old-fashioned way of gaining population from a neighboring country by invading it and carrying off its inhabitants as slaves is no longer practiced in Europe, and the acquisition of terri-

tory by similar means is perhaps not so frequent as it once was, but the newer style of aggrandizement by winning the wealth of a neighbor through industrial assaults and trade invasions is now in the fullest activity.

In this modern and highly civilized style of warfare, improved machinery takes the place of improved artillery; the enemy's forces — his industrial population — are driven from their guns by missiles of textiles and metal wares, and are destroyed in their homes by starvation rather than by bullets in the field.

It is clear that the patriotism which can sleep through this industrial warfare and suffer this trade spoliation, and can only be roused into activity by the danger and passion of flagrant war, which can vote the public money to maintain rarely used armies, navies, and forts, but cannot give the slightest aid or comfort to the real and constant defenders of its country's independence, — its industrial soldiers, — is a patriotism belonging to periods long gone by, and is of little more present use than a bow and arrow. The spirit of loyalty is forever the same, but it must now learn to promote its country's welfare by the arts of peace, pursuing its ancient and honorable aim by the new methods.

One branch, or perhaps the main trunk, of the controversy between free trade and protection begins here, for some moralists count this peaceful patriotism as of doubtful propriety, it being in their opinion not consonant with the spirit of universal philanthropy which ought to rule in Christendom. But against this view stands the patent fact that no less in peace than in war all mankind have knit themselves into nations, and have found self-preservation as necessary for nations as for individuals. Any community holding slipshod ideas on this point dissolves, and perishes as a body, from incompetence to survive.

Doubtless the most important peaceful

means by which a modern nation protects itself is that of tariff legislation. By tariff laws, which exact in advance from the foreign producer or his merchant a part of the price to be paid for his goods in the protected country, the native producers and their factories are sheltered at their work somewhat as are the crew, engines, and armament of a modern war vessel by its armor.

Without looking deeply into the history of tariff laws, we find that import duties were levied for revenue by Greeks and Romans, and that in the Middle Ages, when Europe was split into countless petty jurisdictions the same rudeness marked the tariffs of its different parts as characterized their other legislation, the transportation of merchandise being thereby grievously harassed. It was subject not merely to a single payment of uniform, regular, and publicly declared duties on passing the frontier from one great nation to another, but capricious and complicated charges were made even in passing from one province to another of the same kingdom.

The abolition of all those internal transit duties and complications, and the substitution for them of a single clear law governing a whole great empire, — “the removal of all custom-houses to the frontier,” as was done for France by Colbert, in the reign of Louis XIV., — was a gain for the solidity of states and for humanity which at this period can with difficulty be appreciated.

The latest and one of the most beneficent instances of the removal of such internal tariffs is the formation in Germany of the Zollverein, or Customs-union,<sup>1</sup> by the numerous states which now compose the German empire. Upon this point, as on so many others, the United States started where older nations arrived after long efforts; that is, with perfect free trade between all parts of the great nation, and an absolute cordon of separation from all other nations around its entire frontier, in respect to tariff laws as to all other laws.

It must be observed that only when the common interests of contiguous regions so prevail over their differences as to draw them into political unity, with a common treasury and boundary, may the customs frontier between them be abrogated.

The provinces of old France were at least semi-independent states, and the abolition of their inter-provincial tariffs was merely an incident of their coalescing into a compact nation. The Zollverein was but the precursor of a union of states even more independent, now composing the German empire.

Tariffs for entire kingdoms or empires having been thus generally established, each nation has experimented upon revenue tariffs and protective tariffs as the good pleasure or policy of its rulers from time to time dictated; England especially, after having acquired the Protestant industrial refugees of France and Flanders, who brought with them so many valuable arts, having been perhaps more ferociously protective than any other country until about a generation ago. A temporary superiority over all other nations in its resources of coal and iron and in the development of its skilled labor then induced its rulers, the manufacturing and trading classes, to make its tariffs much less restrictive, while yet kept in exactly the condition deemed most advantageous to England (for England at this moment draws a considerable part of her national revenue from import duties upon our tobacco and whiskey), they hoping to tempt other and less developed nations to follow by removing their tariffs upon British manufactures.

The system of regulating the commerce and influencing the industry of a nation by import duties, while at the same time replenishing its treasury, has grown up by slow degrees to such completeness as we now find, and covers each nation as the skin covers an animal; it is an integral part of the plan of government in every country that is even slightly raised above barbarism;<sup>2</sup> to

<sup>1</sup> See Professor Thompson's *Social Science and National Economy*, pages 337-341, for an account of the Zollverein.

<sup>2</sup> The most recent testimony that I find as to the universality of the protective system is that of George T. Clark, for twenty years an ironmaster in

abandon it would be not merely to renounce an important part of the public revenue, but also to leave to chance, or rather to the mercy of rivals and enemies, the maintenance of industries necessary to independence. It would at the same time be an abandonment, by any nation not already at the head, of all attempt to reach equality with other nations in the difficult but lucrative and constantly advancing arts of modern civilization.

After all the grievous toils and varied experience of many countries in their struggles to attain industrial independence and to share in modern progress, it would hardly be necessary to reiterate the story of those which fail and those which succeed, if the one way to success and the principal way to failure were not persistently misrepresented by a clique of false teachers, as clamorous, as regardless of facts, and as illogical as the crowds of sophists whose wordy disputations marked the decadence of Grecian supremacy.

What are their claims? I understand them to be —

1. That, in regard to free interchange of commodities, man has certain natural rights, and that no interference should be tolerated by the individual who wishes to exchange anything he has for anything that another possesses and is willing to give for it.

2. That this inherent right is the same between individuals of different nations as between those of the same nation; that hence no restrictions or impositions should be laid upon international exchanges.

3. That, by the removal of all barriers to trade, a world-wide and open competition is established, by means of which each country and region finally succeeds in defeating all others in the production of certain commodities, by the exchange of which for the similarly

cheapest productions of other regions, universal and cheap plenty of all desiderata is to be attained.

4. That full compliance by all mankind with these rules would result, as obedience to divine law must, in the greater happiness of all mankind; that all nations and individuals so believing should, therefore, strive by all means to cause other nations to adopt the system of free exchanges.

Descending from these lofty and world-wide considerations, the free traders further contend that —

5. The nation which undertakes to collect revenue by duties upon imported goods takes the most costly and absurd method of taxing its people, out of whose pockets all that revenue comes.

6. In charging import duty upon foreign products, especially manufactures, the government is paying bounties from the treasury to those natives who are engaged in producing similar commodities, since the amount charged as duty is invariably added by the native to what would otherwise be his price.

7. Thus the government actually takes money out of the pocket of one of its citizens and puts it into the pocket of another; confiscates one citizen's property for the benefit of another.

8. The result is to foster at the public cost industries not suited to the mineral, vegetable, or climatic resources of the country, and to force consumers to pay perpetually to the producers of such articles higher prices than they otherwise would have to pay, and that mostly for inferior goods.

9. The agricultural class is the one principally aggrieved, since its products are usually unprotected, while it must consume protected goods.

10. The laboring classes in general, even those employed in the protected manufactures, are plundered by import duties, since by import duties prices of

South Wales. In an article in the *London Economist* of March 13, 1875, lamenting the condition of the English iron trade, he says: —

"Unfortunately, foreign countries are all at this time far behind England in their appreciation of the benefits of free trade. To it almost all foreign nations are, at the least, indifferent, and all for-

ign governments, whether monarchical or democratic, are opposed."

At the last meeting of the Cobden Club, the chairman, Right Hon. W. E. Baxter, remarked, "My friend, Mr. Potter, said that this Cobden Club was the nucleus of free-trade sentiment all over the world. Gentlemen, there is no other nucleus."

all commodities and necessities of life are raised, so that the laborer's wages, even if nominally higher, will not buy so many necessities and comforts as the wages of similar laborers in free-trade countries.

11. General stagnation, destruction of industry, corruption of morals, and ruin must end the scene in all protected countries, while free-trade countries must attain high prosperity.

So far as space will permit, I shall now pass in review these several points, referring to them by the above numbers.

1. "I assume that there are such rights as are called natural, and that these are the inalienable conditions under which individuals take part in social life. No one questions the natural right of free exchange."<sup>1</sup> The right to property being itself conventional, a product of society and by no means inherent, since possession in the savage state is limited by the power of forcible holding against all comers, it is idle to talk of such an attribute of property as the right of free exchange, belonging inherently and unconditionally to its owner.

Society has indeed allowed and guarantees the exclusive possession of property by an owner, but that exclusive possession has always been accompanied by just such conditions as the community thought expedient to impose, the exclusive possession as well as the conditions being justified in the last resort not by the convenience of the individual, but by the good of the community.

Taxes form one of these conditions which all are familiar with, and these have been imposed not only on the property once for all, as in excise, but very frequently upon sale or conveyance of property, as by stamps, license, or otherwise.

Instead of the right of free exchange being an inherent right or necessary adjunct to the right of property, it would be much more nearly correct to say that an inherent quality of all property is its liability to taxation, and even more so when in the act of being exchanged than when reposing in a settled ownership.

<sup>1</sup> Professor Thorold Rogers.

Freedom of exchange exists, then, to just such degree as the state ordains. Some exchanges or sales it absolutely prohibits as injurious to the community; others it strictly limits, others it taxes, others it freely permits. All is conventional and by virtue of law, not by natural right.

2. If exchanges between fellow-citizens are conditional and subject to law, it will hardly be contended that those between citizens of different nations are less so. Right of property being limited, and subject to the lien of the state, the exchange or sale of that property to foreigners may be absolutely prohibited by the state, and this has, in fact, frequently been done. Many states forbid the holding of real estate by foreigners, and many have at one time or another prohibited the export of certain sorts of personal property, such as coin or labor-saving machinery. Thus England formerly prohibited the exportation of sheep, under penalty for the first offense, by the Statute of 8th Elizabeth, c. 3, of forfeiture of goods, imprisonment, and cutting off the offender's left hand. France has so lately as March, 1875, prohibited the export of horses, because Germany wishes to buy them, and would pay satisfactory prices to French owners. Many other states impose an export duty on certain sorts of property: *e. g.*, Brazil levies such a duty on coffee, and Spain on sugar and cigars.

These are cases of preventing or burdening the sale of property to foreigners. Familiar instances of limiting the power of acquiring property from foreigners are afforded not only by the general practice of imposing import duties, but by actual prohibition when public policy seems to require it, as in the case of obscene publications. A recent instance of prohibiting importations is given in the newspapers of March 12, 1875, its object being to prevent, if possible, the introduction of the potato-bug into Europe:—

"The Secretary of the Treasury is advised through the Department of State of the adoption by the Federal Council of the German Empire of an ordinance

prohibiting the importation of potatoes from the United States into Germany."

France, Spain, Russia, and other European countries have also prohibited the importation of American potatoes.

The existing French tariff, which is in many respects properly considered a model law, prohibits the importation of white sugar from foreign countries, tobacco for private account, both cast and wrought iron except specified sorts, fine glass and pottery, and numerous other articles, including all unenumerated chemical products.<sup>1</sup>

However abstractly desirable it may seem to some minds that international exchanges of property should be unrestricted, such exchanges can surely not be claimed as an inherent right or as established by custom.

3. "Every individual will be richer and happier, when each portion of the globe devotes itself to the creation of those products for which it has the greatest natural facilities."<sup>2</sup> What the capacities of any country are is nowhere fully known, since all are in transition, — some developing and advancing, some positively or relatively retrograding.

One of the most important factors in the capabilities of a country, and one which some minds appear unable to appreciate, is the character of its inhabitants. While they remain spirited and intelligent their country does not reach its limit of achievement, or become doomed to industrial and financial subjugation. They refuse to accept their country's present condition as a finality, but holding fast to that which is good they move onward.

Because France was once dependent upon the tropics for sugar, should she have accepted, as one of the ultimate

<sup>1</sup> Those who believe the invectives which represent our tariff as unequaled in its enormity may be instructed by the following incident: —

Late in the year 1873, I sent to Paris a small invoice of nickel-ammonia sulphate. Shortly after, I heard that my customer had died, that the goods had been seized by the French government for violation of the customs laws, and that a fine of six hundred francs was levied upon the consignee, simply because that substance was not named in the French law; it was therefore not only prohibited but was confiscated. My application to be

facts, that nature had imposed upon her this dependence by making her soil and climate what they are? Or did her ingenious people act wisely by finding a way through toil and self-denial to a splendid independence of sources controlled at the time by her antagonist, England? Because America once produced no cotton, should she have rested content never to produce it, but have gone on winning a few muslins indirectly and at great cost, through the export of wheat and tobacco to England? Because Bessemer steel was first made successfully in Europe and the difficulties of producing it in the United States were great, should this country, though urgently needing steel rails, have refrained from attempting to make them; and should Illinois have gone on paying to England three hundred bushels of wheat for a ton of them, which she can now buy within her own borders for one hundred bushels?

It is curious to note that the philosophers who pretend to embrace the world in their far-seeing theories can never extend their vision beyond the price-current of to-day.

A small, weak, or timid nation yields to foreigners in such matters, and patiently buys from them at high prices such meagre supplies as it can afford. A great nation, aiming to be self-centred and independent, carefully examines its own resources and develops them through struggle and sacrifice if necessary, undeterred by the obstacles raised by those foreigners whose profits are threatened.

The claim by another country of possessing superior fitness to conduct a lucrative business is no doubt a legitimate trade device to suppress rivalry,

allowed to take back the goods was refused except on condition of first paying a duty of thirty-six per cent. Finally, as a favor, the goods were surrendered to me for sale in France, on my paying, in addition to thirty-six per cent. duty, a fine of four hundred francs.

France thus prohibits the entry of goods, no matter how innocent and useful, which her laws do not explicitly name as admissible, and punishes by confiscation the shipper and, by fine, the receiver of such goods.

<sup>2</sup> Wayland, p. 91.

though a shallow one; my own experience affords several instances of its unsoundness.

Fifteen years ago, when I was undertaking to introduce the manufacture of spelter, or metallic zinc, a French chemist kindly explained to me the impossibility of extracting zinc from the ore I had to deal with (the silicate); the New York agent of the largest foreign producer set before me, in the course of a very courteous visit, the great probability of my failure; even the American consumers were so persuaded thereof that they opposed the import duty, equal to the average of that on other imported goods, which seemed necessary to enable the new industry to survive.<sup>1</sup>

When twelve years ago I undertook to establish here the manufacture of nickel, similar predictions of loss were made from similar quarters, and similar objections to import duty urged. One of my foreign rivals said to me, "You will sink a hundred thousand dollars and then you will give it up and sell us your matte" (concentrated ore). If I had been unable or unwilling to sink more than a single hundred thousand he would have been quite right.<sup>2</sup>

These two enterprises, as useful to the country as the capture of two frigates in time of war, both succeeded, and the industries are thoroughly naturalized. In each case the protection of an average rate of import duty was denied or delayed for years, and until the battle was already won; but won, for lack of that protection, at a sacrifice of wearisome toil and of capital which it is not reasonable for a nation to exact as a condition of bringing needful industries into it.

When, eight years ago, an iron com-

pany in which I am a director thought of making Bessemer steel, we were deterred by the assertion of English experts that ores containing as much as .03 per cent. of phosphorus were unfit for that manufacture. Ores containing less phosphorus were not cheaply obtainable here, and we hesitated; but the average of nine analyses of highly approved English Bessemer rails, costing about one hundred and twenty dollars, gold, per ton, laid down in a railroad in front of our works, showed us nearly double that percentage of phosphorus, and we have since found English steel rails containing as much as .115 per cent. We determined to make our own experience, and are now selling steel rails better than the English at about sixty-five dollars, gold, per ton, though indeed without profit.

These instances could be corroborated by many others, illustrating how grossly short-sighted would be the national policy that would discourage a desirable industry, because it seemed at the moment difficult or unpromising of gain.<sup>3</sup>

Given the natural resources or conditions (and if not apparent they must be sought), the absolute condition of national prosperity is that the nation shall conquer as rapidly as possible from nature and from man whatever is needful to fortify and perfect itself.

The nation dependent upon others is never certain of being able to satisfy its wants, for it cannot always, even by the power of money, control the action of those nations from whom its supplies are drawn.

England was grievously tried when its cotton receipts were diminished during our civil war, and it finds even yet no escape from the false position of having

<sup>1</sup> See American Journal of Science and Art, 1871, cii. p. 168.

<sup>2</sup> It is a curious incident that Germany, which gives its name to the principal alloy of nickel, and whose miners and chemists first discovered and investigated it, is now paying for nickel, to make its coins, nearly double the price paid by the United States for its coin nickel, which was mainly purchased during the period when my establishment was fighting with foreigners for its life, and when free traders in Congress were fond of asserting or insinuating that the mint was being bled for the

benefit of a Pennsylvanian. The very important German-silver industry of this country, which was at first almost hostile, would for several years past have been unable to procure an adequate supply of nickel but for the existence of my works, which have during that time supplied our German-silver manufactories at as low an average price as has been paid by their rivals in England or on the Continent.

<sup>3</sup> See Bentham's letter to Adam Smith on Projects in Arts, for a defense of projectors.

engaged so large a fraction of its population in the business of cotton manufacture, which is so greatly at the mercy of foreign accident or policy.

At this moment the United States are in the precarious position of requiring from abroad ninety-two million dollars' worth annually of sugar and molasses, all of which might be produced at home with the greatest advantage to our agriculture as well as to our balance of trade. To naturalize the beet-sugar culture seems indeed to be the most important achievement now demanded of us.

Turning from the consideration of those first products which are sometimes called raw materials to that of manufactured goods, it is first to be observed that each live population has its own tastes and requirements, which are sure to be better satisfied by its own manufacturers than by foreigners, who cannot so accurately or promptly know what is wanted. When a nation sinks to accepting its tastes from abroad, of course the dictator of taste can probably best supply what is needed to gratify it, and can to a great extent be the dictator of price also. This is one great source of France's constant prosperity, for Colbert truly said that the fashions of France were worth to her as much as were the mines of Peru to Spain.

The combats between the industries of different countries which are approved by philanthropic free traders as the appointed means for determining the survival of the fittest are often of the most dreadful character.

The undefended artisans of India or of Turkey, engaged in a hopeless contest with the hurrying machinery and the mercantile facilities of England, were simply doomed to extermination; driven from their own occupation and unable to find another, they perished by myriads as certainly as a naked horde would under the artillery of a modern fort. The cunning brain and the nimble, dexterous fingers, which produced for many ages fabrics superior to any known elsewhere, went down in bitter defeat and ruin before the industrial weapons of Europe. Legislative interference to defend them while learning the new arts might have

saved their lives, and have saved to their countries the treasure which England henceforth drains away for her cheaper (if also inferior) goods; but such interference English policy was able to prevent; her trade philanthropy rules, and "order reigns in Warsaw."

But in these wars of conquest which England constantly wages, her own combatants also suffer, for the condition of her success is that her goods shall be cheapest; and when her antagonist has resources and courage, her industrial armies are made to endure the extreme of toil and penury. Particularly when assailing the fortress of a protected or partially protected country like the United States, must the assaulting army suffer, even though skillfully guided to attack the weakest points at the most favorable and unguarded moments. My readers are probably too familiar with the pictures of English pauperism to require a rehearsal of its horrors here; but they may profitably remember that it is for declining to compete with her, in experimenting how far the laboring classes may be degraded without extinction, that philanthropic England upbraids us.

The desperate strikes and the trade-unions of England are but the inevitable mutiny of human nature against insufferable oppression. That those methods of warfare against employers should have spread to this country is an instance of the propagation of evil like the spread of disease from a foul neighborhood to a cleanly one.

Again, the effort to make goods cheap — to undersell at all events — has been the fruitful source of degradation in quality, and of dishonest work. "Cheap and nasty" is an English phrase; "shoddy" is an English term, for England invented the tearing up of old rags to spin and weave into shoddy cloth; railroad iron made of mill-cinder is an English production; and, in short, the old English pride in solid good quality is in danger of disappearing from all branches of their industry.<sup>1</sup>

<sup>1</sup> Carlyle says, writing to Sir J. Whitworth, in January, 1874, concerning the latter's intention to pay to his work-people a bonus in addition to wages:

Supposing, however, the war to have been fought out, and the industries to have been at last apportioned among the nations, each nation having been defeated upon certain points and having retained certain others, — this one not allowed to make clothing from its own cotton or wool, and that one not permitted to make railroads or ships from its own ores and forests, — would the prosperity and happiness of all be promoted? Would a saving of human labor result? Answer 1. The conquering country in these contests conquers not merely on one point, but on most or all, and takes for itself the most profitable industries, leaving only the ruder and less remunerative to the defeated, whose prosperity and aspirations for development naturally perish or are postponed. One overfed and many needy do not constitute a happy world. Answer 2. Instead of a saving of human labor, a vast expenditure of quite unnecessary effort is required to carry back and forth the materials and products; as when America sends cotton and corn to England, taking back in payment a fraction of the product as cotton cloth, or when Australia sends thither wool, taking in payment a fraction in woolen cloth.

4. "Every means should be taken to circulate free-trade publications and promote free-trade measures in other countries."<sup>1</sup> Each nation and people has its own prosperity to look after, and has very little occasion or right to meddle in the affairs of others who know better what they want. To a Manchester philanthropist, with his moral pocket-handkerchiefs and his relentless extermination of the simple habits and industries of weaker people, — nay, consequently, of the people themselves, — this may be heretical doctrine. We will look, however, at the practical working of English interference to promote free

"A sadder subject than either that of the coal strike or any conceivable strike is the fact that, loosely speaking, all England has decided that the profitablest way is to do its work ill, slimly, swiftly, and mendaciously. What a contrast between now and say only a hundred years ago! At that latter date, or still more conspicuously for ages before that, all England awoke to its work with an invocation to the Eternal Maker to bless them in their day's labor, and to help them to do well. Now all En-

commercial intercourse in a few of its most conspicuous instances; and here, instead of affecting original research, I shall simply extract from the most recent repository of facts, namely, Prof. R. E. Thompson's *Social Science and National Economy*: —

INDIA. — By 1833 not a single piece of cloth was exported from India, and for the ruin inflicted on its artisans Lord William Bentinck, the Governor-General, could find "no parallel in the annals of commerce." English writers tell of "the enormous and undeniable falling off in the commercial activity of India; the decay of those flourishing marts with which the whole coast was once studded; . . . the contraction, and in great measure the ruin, of trade; the neglect of public works; the depreciation of agricultural produce;" which last "is observed to be a marked feature of our rule. . . . The numerous local markets created by the existence of the native princes," and by the wide existence of a class that had other means of subsistence than farming, "which, by serving as centres of money circulation, enhanced the value of produce on the spot, disappeared." "The trade of India is so trifling, as compared with its agriculture, that the trading classes, except the village bankers," or usurers, "form a very small item." (J. M. Ludlow.)

In fine, there is nothing left in India save an impoverished agriculture and a lifeless trade. The Hindoo cotton-grower produces the raw material to clothe his countrymen; but it reaches them by way of Calcutta and Manchester; the skill of his wonderful manufactures is being lost. (Page 323; see also pp. 321-329.)

Two European countries enjoy the unhappy distinction of illustrating the miseries inflicted upon nations industrially weaker when engaged in free competi-

gland, shopkeepers, workmen, all manner of competing laborers, awoken as if with an unspoken but heartfelt prayer to Beelzebub: Oh, help us, thou great lord of shoddy, adulteration, and malfeasance, to do our work with a maximum of slowness, swiftness, profit, and mendacity, for the devil's sake, amen!"

<sup>1</sup> Right Hon. W. E. Baxter, at the last Cobden Club dinner.



tion with those that are stronger. (Page 346.)

PORTUGAL. — In 1703, after the death of Ericeira, Portugal negotiated the Methuen Treaty with England, by which Portuguese wines were admitted into England at lower rates than those of France, and English goods into Portugal at the old rates of duty. The aristocracy, who were large wine-growers, were chiefly interested in the new arrangement. "Their own fabrics," says The British Merchantman, "were perfectly ruined, and we exported one hundred thousand pounds' value in the single article of cloths the very year after the treaty. The court was pestered with remonstrances from their manufacturers; . . . but the thing was passed, the treaty was ratified, and all their looms were ruined." One of the first effects was such a drain of silver from Portugal that "there was left very little for their necessary occasions," and this was followed by a drain of gold. Exchange stood at fifteen per cent. against Portugal, and her export of coin to England rose to fifteen hundred thousand pounds a year. Goods were not paid for in goods, as free traders allege.

Her people were reduced to the monotony of a single occupation; the amount of their productive labor was vastly diminished; their power of association and mutual helpfulness was destroyed. (Page 346.)

Nor has England gained as much as Portugal has lost: the country is too poor to be a good customer. The Portuguese demand for English goods is now of no importance, and has no effect on the English market. The country is a sucked orange, a thing to be got rid of, — "a burden and a curse to England," Mr. Cobden says. (Page 348.)

TURKEY. — Turkey, Mr. Cobden thinks, is also "a burden and a curse" to the commercially powerful nation with which she has long enjoyed free trade. Turkey was once a burden to nobody; was one of the chief commercial nations of the world. "Greece and Asia Minor furnished us with their manufactured products, together with those of India,

long after their conquest by the Turks, and up to the period when the industry of Europe reached its development. Today their manufactures have all but disappeared, and those unhappy countries have nothing but farm products." (Constant.) (Page 348.)

"Trade degenerated into peddlery, enterprise into swindling, banking into usury, policy into intrigue; lands untilled, forests wasted, mineral treasures unexplored, roads, harbors, bridges, every class of public works utterly neglected and falling into ruin; pastoral life with nothing of the Abel about it, agriculture that Cain himself and metallurgy that his workman-son might have been ashamed of; in public life, universal venality and corruption; in social life, ignorance and bigotry; and in private life, immorality of every kind: not 'something' but everything 'rotten in the state of' Turkey. Such is the picture" drawn by Dr. Lennep. (Page 350; see pp. 348-353.)

The majority of modern wars have been undertaken, not for national honor or pride, but for the sake of trade, — "the fair, white-winged peace-maker." The communities most at war with the rest of the world have generally been those in which the spirit of trade predominated — Tyre, Carthage, Venice, England, etc. A great English military historian and general, Sir W. Napier, lays it down as a rule that the traders have begun the wars and the soldiers have ended them. (Page 240.)

With such results before us, "the interference theory of government," by which I mean the interference of trade propagandists of one nation in the commercial policy of other nations, can hardly be defended, and they surely afford no indication of the near approach of that millennium promised by the free traders as the consequence of their doctrines. Instead of the greatest happiness of the greatest number, free trade produces but too certainly the ruin of multitudes for the gain of a few — those few happening to be the Manchester prophets of the universal brotherhood of man.

5. The chief part of the revenue collected for import duties comes from the pockets of foreigners and not from citizens. To that extent it is a clear gain to the nation collecting it, as if it were fished out of the sea at merely the cost of collection. Indeed, it is more than this, for, while the rival is thus forced to pay tribute, he is at the same time deterred from throwing in so great a quantity of his goods, disturbing home labor, and drawing away so much money as he otherwise would.

The collateral convenience, that no individual is obliged to pay the impost who chooses to abstain from using the goods, belongs equally to that class of internal revenue known as excise, and need not be dwelt upon here. To the extent that the import duty is paid by citizens, it closely resembles excise.

This branch of the subject, though much insisted on by some writers, seems to call for no further consideration, since it is obvious enough that, if the foreigner pays the duty by receiving for his goods after payment of duty no more than he would have got if no duty were exacted, he contributes the whole amount of the duty to support his customer's government, and a more satisfactory way of replenishing the treasury could hardly be imagined.

6, 7, and 8. Who pays the duty? Dr. Wayland says (*Political Economy*, page 392): "A tax, or as it is called a duty, is laid by this country on various goods imported from abroad immediately on their arrival. This duty is paid by the merchant who receives them; and he adds this duty to the cost of the goods when he sells them to the next purchaser. Thus the price of the product is raised, by this amount, when it comes into the hands of the consumer. If broadcloth pay a duty of two dollars a yard, he who buys a yard of broadcloth pays two dollars a yard more for it than he would pay if there were no duty to be paid. If coal be taxed two dollars a ton, as it is at present, every consumer of foreign coal pays two dollars a ton more than he would pay if no such tax were exacted. The effect of this tax is also to keep the

price of all other coal two dollars a ton higher than it would otherwise be."

$X$  being the value of a certain quantity of foreign goods in New York free of duty, and the duty being fifty per cent. *ad valorem*, then to find the selling price of the goods,  $x + \frac{x}{2} = 1\frac{1}{2}x$ ; but  $y$  represents a similar quantity and quality of domestic goods; then to find the selling price of those goods, as  $y = x$ ,  $y + \frac{x}{2} = 1\frac{1}{2}x$ .

This charming little equation would be quite free from blemish if men would only consent to be as fixed and rigid as  $x$  and  $y$ . But they are operated on by factors unknown to algebra, and shift about under change of circumstance with a freedom and an elasticity that are bewildering to the pedagogical mind.

Much of the practical gist of the whole question lies, however, just here; for though it is undoubtedly true that the government may for public benefit bestow upon one class of men the money drawn by direct taxation from another class, or from all, as in the familiar case of maintaining armies and civil officers; and though some of the tasks demanded for the more perfect security or development of the state may be so difficult and unremunerative that bounties may be offered with perfect propriety to those citizens who, although not in the employment of the state, will undertake them, as in the case of rewards for killing dangerous animals; and though even J. Stuart Mill says, concerning the introduction of new manufactures, "A protective duty, continued a reasonable time, will sometimes be the least inconvenient mode in which a country can tax itself for the support of an experiment;" and though it is also true that, when import duties are levied upon foreign goods, every citizen is free to engage in the production at home of similar goods, — thus passing at pleasure out of the class whose property is confiscated into the class receiving the benefit of the confiscation, — and many are sure to do so if more than the average reward for labor is probable: yet a natural feeling of uneasiness under taxation cannot fail to be aroused, if a citizen find himself obliged to pay permanently to his neighbor a

higher price than the same commodity could be got for from the foreigner.

"The duty collected on imported goods," says the free trader, "is added to the price which the consumer would otherwise pay for those goods. Also all domestic goods of similar nature are to the same extent charged dearer to the consumer. The nation pays to the

producers of those domestic goods a bounty equal to the rate of import duty reckoned upon the entire mass of the domestic goods."

Mr. Burchard, of Illinois, working upon these axioms, figures up a list of articles with the bounty paid to each person engaged in producing them, from which I extract.

## TARIFF PENSIONS.

Articles.	Value of Domestic Production, 1870.	Duty per cent.	Increased Cost.	Persons Employed.	Ann. Bounty per capita.
Cotton goods . . .	\$165,000,000	40	\$51,241,000	171,000	\$300
Silk . . . . .	30,000,000	60	11,250,000	16,000	703
Woolen . . . . .	176,000,000	69	50,286,000	120,000	419

If the absurdity of this position is not apparent upon the mere inspection of it in this form, it will become apparent

when other articles are inserted in place of those selected by Mr. Burchard, namely:—

Articles.	Domestic Production.	Duty.	Increased Cost.	Persons Employed.	Ann. Bounty per capita.
Crude petroleum, gallons	181,263,505	20 cts. per gall.	\$36,252,701	4,487	\$8,079
Oats, bushels . . . . .	282,107,157	10 cts. per bus.	28,210,715	150,000 <sup>1</sup>	188
Potatoes, bushels . . . . .	143,337,473	15 cts. per bus.	21,500,620	150,000 <sup>1</sup>	143

No idiot has ever imagined that these duties produce the slightest effect upon the market prices of our enormous products of these articles.

Crude petroleum, for instance, frequently sells at three cents to five cents per gallon; yet Wayland, trained to know that the greater contains the less, here makes the less contain the greater, for somehow that price of three to five cents must include the twenty cents per gallon import duty.

Oats and potatoes come to us from Canada, but her people know perfectly well that the whole of the duty upon these articles, as upon all of her products sent to this country for sale, comes out of their pockets, and they want a reciprocity treaty to relieve them of that contribution to our treasury.

But take merchandise of another class—say Bessemer steel rails, as they have

been particularly discussed in this regard.

Mr. Marshall, of Illinois, in his speech of June 6, 1870, upon the then pending tariff bill, says, "But the great outrage of this bill is in the proposed duty on steel rails." After rehearsing the great advantages of steel rails over iron in safety and durability, he proceeds: "Legislation interposes to deprive us of these benefits. . . . If government would withhold its interference, and the laws of trade were left free to operate, we would have this fine Bessemer steel rail for all our new roads. . . . The present duty on steel rails is forty-five per cent. ad valorem. . . . The bill before us, instead of reducing or abolishing this duty, actually proposes to increase it to \$33.60 in gold per ton, increasing the cost thereof of course to that amount, . . . a robbery, Mr. Speaker, of such gigantic

<sup>1</sup> As about six million persons are reported by the census of 1870 to be engaged in farming, it may be nearly fair to estimate one twentieth as engaged

in raising oats and potatoes—or say the full time of one hundred and fifty thousand persons at each crop.

proportions that it is amazing that any one would dare to champion it."

Mr. Marshall I believe to be an honest man, but he quotes Mr. Wells in this speech, and had apparently been misguided. Against his invective I will set an extract from the Report of the Secretary of the Iron and Steel Association for 1871. He speaks of the huge profits derived by English railroad iron makers from increased prices charged to our railroads, after breaking down our rolling-mills by forcing down the market in periods of low tariff, and continues (pp. 9 and 10):—

"A more recent illustration of the principle in question is found in the history of the production and prices of steel rails. In 1864, just before the completion of the first Bessemer steel works in this country, the price of English steel rails in New York and Philadelphia was one hundred and sixty-two dollars in gold. In 1865 two works were in operation here, and foreign rails were lowered to one hundred and twenty dollars. Two years later, in 1867, a third works started, and two or three new companies were organized to further extend the manufacture, and foreign rails fell to one hundred and ten dollars, gold, per ton. In 1869 the capacity of our works was equal to the American demand, nearly five million dollars had been invested in the business, and foreign rails were put down to eighty dollars, gold, per ton. At that price they could not be made here, and the business was threatened with destruction. Ninety-five intelligent consumers of steel rails, alarmed at the prospect of being placed at the mercy of foreign makers, appealed to Congress to save our manufacturers by increasing the duty on imported rails. This was done, our works responded with renewed vigor to the increasing home demand, the price rose to a point at which a moderate profit could be made (about one hundred and five dollars per ton), and has since fluctuated but little. There can scarcely be a doubt that, had Congress not acted promptly in the premises, our works would have been closed, the capital invested in them sunk,

their skilled labor driven into some other occupation, and the business so disorganized that, before resumption of operations could have taken place, American consumers would have suffered as severely as in the two instances previously given."

To this I need only add that maintenance of the duty at one and one fourth cents per pound caused still other Bessemer works to be erected in this country, including two in Mr. Marshall's own State of Illinois, and all the blessings of abundant and cheap steel rails, which he wrongly imagined were to come through free trade, have come from the opposite policy of protection; for the best steel rails are now selling at seventy-five dollars, currency, or about sixty-five dollars, gold, per ton, a lower price than that of iron rails two years ago, but little higher than steel rails could be landed here now from England duty free, and doubtless twenty-five dollars per ton lower than they could be had duty free if our works had not by protection been called into existence.

It cannot be doubted that the foreigner pays the duty in this case and in all similar cases.

The writer of *What to do with the Surplus*, in *The Atlantic* for January, 1870, wished to abolish the duty on pig iron, because it was a tax "to secure higher profits to the manufacturers by restricting the amount available for consumption within the country to the capacity of Pennsylvania and a few other scattered furnaces," and because it prevented this country from building iron bridges and iron ships.

He spoke too soon; henceforth he should prophesy only after the fact.

Encouraged by the duty, ironmasters improved their furnaces and built others in not one but a dozen States, in consequence of which there is now a surplus production, and pig iron is cheap enough to please the most fastidious, and to make us expect that other wail of the "still vexed" free traders, "You have diverted the industry of the country from its proper channels into something unremunerative."

Iron bridges are now made in this country so cheaply as well as abundantly that our builders take contracts for erecting them in Canada, and iron ship-building has become in Pennsylvania an established industry, producing vessels which according to the highest European authority are superior to the best English vessels, and compete successfully under our own flag with the most firmly established English lines.

The beet sugar manufacture of France is another most conspicuous instance of the cheapening of a product at home by import duties upon its foreign rival, but the story is so hackneyed that I hesitate to repeat it here. It is, in fact, less an illustration of the question of "Who pays the duty?" than an example of the legitimate final result of a steady protective policy, namely, complete independence of foreigners for an article of prime necessity, while the entire cost of it is saved to the nation, and profitable employment of the most permanent kind is given to a large fraction of the people in thus supplying their own want. In brief, foreign sugars were from 1816 to 1833 subjected to duties of five to eight cents per pound, from 1833 to 1840 to duties of two and one half to five and three fourths cents per pound, and then from 1840 to 1860 to duties of one to three and one half cents per pound. In April, 1866, the price of beet sugar in France was four and three fourths cents per pound, though from being protected it had passed into the condition of being heavily taxed, and of being, in fact, one of the principal sources of internal reve-

nue.<sup>1</sup> An excess over home consumption being now produced in France, Belgium, and Holland, those countries pay export bounties upon it, and it is exported in great quantities to England, competing there with tropical sugar so vigorously as to cause most serious alarm to the English refiners of colonial sugars, a deputation of whom lately declared, in an interview with Lord Derby, that the "enormous increase" in the sugar-producing power of France "would, if it continued, swamp the West Indies."

The real effect of import duty on prices is about this:—

In the case of articles produced only abroad, the duty is usually but not always added to the price, for when there is no supply except through the custom-house, either the duty must be paid, or the article be dispensed with. Now the fear of this latter event often causes the foreigner to pay the whole or a part of the duty by abating his price.

For instance, while coffee was subject to import duty here, the price in Brazil was decidedly lower than when that duty was abolished, the Brazilians having apparently preferred to abate their price rather than have their market curtailed by a higher price here. In 1870, when our import duty upon coffee was five cents per pound, the price of coffee at Rio was nine cents per pound, and our importations from Brazil only were 224,235,000 pounds; in 1874, our import duty having been meantime abolished, the price at Rio was twenty cents per pound, and our importations were 199,073,280 pounds.<sup>2</sup>

sive, with the total value thereof, and the average price per pound in the countries of their production:—

<sup>1</sup> See E. B. Grant on Beet Sugar.

<sup>2</sup> The following table exhibits the annual imports of coffee and tea from 1871 to 1874, inclu-

Statement of Imports of Tea and Coffee during the four fiscal years (ended June 30) 1871 to 1874, inclusive

Fiscal Years ended June 30.	Coffee.			Tea.		
	Pounds.	Aggregate Cost at Place of Shipment.	Average Cost per Pound at Place of Shipment.	Pounds.	Aggregate Cost at Place of Shipment.	Average Cost per Pound at Place of Shipment
1871 . . . . .	317,992,048	\$30,992,869	9.74 cents.	51,364,919	\$17,254,617	33.60 cents.
1872 . . . . .	298,805,946	37,942,225	12.69 "	63,811,003	22,943,575	36.00 "
1873 . . . . .	293,297,271	44,109,671	15.00 "	64,815,136	24,466,170	37.74 "
1874 . . . . .	285,171,512	55,048,967	19.34 "	55,811,605	21,112,234	37.82 "

In the case of articles produced both at home and abroad, home competition, which is at first made possible by the duty preventing foreigners from crushing it in the bud through temporary lowering of prices,<sup>1</sup> or even by its causing an absolutely higher price, soon forces the foreigner to abate his price or totally lose his market. Later, it constantly obliges the foreigner to accept, not what he would wish to charge, but what the home producer is willing or able to sell at. Finally, in many cases, after quite driving the foreigner out of the field, domestic establishments competing among themselves force prices down to a lower point than foreigners could deliver at free of duty, even though they too have meantime improved and cheapened their processes. This result has almost been attained, as has been said, in the case of Bessemer steel rails, and has been fully attained in the case of divers other articles.

Why then in such cases do American producers desire the retention of the duty? I might say, For the same reason that makes a man prefer to keep his house-roof sound even in fair weather, but will rather say, —

First: In order that they may not in times of storm see their prosperity destroyed by vicissitudes growing out of the policy or accidents of other nations; nor would the public interest brook their being so destroyed.

Second: In order that, having assurance of a certain measure of defense from foreign assaults, they may confidently enlarge their operations, and by means of those larger operations derive adequate profits even at lower prices. It is notorious that most of the gains of successful manufacturers go into extensions and improvements of their mills

This record of foreign prices for coffee tends strongly to the conclusion, making due allowance for the effect of short crops on prices, that the duty repealed by the act of 1872 was added to the selling price abroad, with no advantage to consumers here, while the country, as a whole, has paid more than before for the entire stock. The repeal of the duty on tea caused little or no reduction of prices to consumers here, but an increase of prices abroad. (Report of the Secretary of the Treasury for 1874.)

and factories, by which they afterwards serve the public cheaper.

My limits forbid the further prosecution of this interesting branch of the subject. It has been treated at some length by John L. Hayes, in his Protection a Boon to Consumers, but it should be taken up afresh, and elaborated by the light of recent facts.

9. A purely agricultural nation can hardly exist at the present day, and those nations which most nearly approach that character are the most miserable. Our own Southern States were held as nearly as possible in this condition under the slave régime, and fell so far behind the current of the age that many years must pass before they can come up to the front. Of the plight of Turkey and India, after the extinction of their manufactures, enough has been said, and we all know the story of Ireland's wretchedness since the deliberate destruction by England of her manufactures;<sup>2</sup> let us rather look at Egypt, that ancient granary of the world, and at present almost a purely agricultural country.

How she fares in this modern era of commercial and industrial strife is well shown in the following abstracts from a valuable paper by Alexander Delmar, communicated to the American Philosophical Society, October 2, 1874: —

“The dominion of man over nature is so feeble in that country, that immense tracts of once fertile land are now abandoned for want of power to command the needful means to hold them in cultivation. ‘One half the Delta is said to be uncultivated.’ ‘Part of the lower territory, now being reclaimed by the Suez Canal Company, was known in ancient times as the fruitful land of Goshen.’ Though the area of Egypt is

<sup>1</sup> In a preamble and joint resolution relative to the plate glass industry of New Albany, Indiana, which was passed by the Legislature of Indiana, February 23, 1875, occurs the following: “And whereas, the foreign manufacturers of polished plate glass have united, and publicly say, *We have had a long and profitable trade in America; we can afford, and will sell polished plate glass for years at a loss rather than yield this trade to American manufacturers.*”

<sup>2</sup> For Ireland, see Thompson, pp. 309-321.

nearly five hundred and ninety-three million acres, and its population but 8,442,000, the cultivated land is but nine tenths of an acre *per capita*, which is but one half the ratio in Great Britain, one fourth that of France, and one twelfth that of the United States.

"The misery of the inhabitants may be partly inferred from this, when it is further remembered that the product per acre is less in Egypt than in the other countries named, and that of the product a much smaller proportion is consumed by its cultivators. So little are the field laborers able to defend themselves, and so fixed is the Khédive's fondness for foreign trade, that they are obliged to cultivate such crops as he considers best for export, looking to his own interest as chief land-owner and tax-recipient.

"Wages in 1873 were for —

Field laborers	per diem, 7 to 15 cts.
Unskilled laborers in salt works or factories	" 15 to 40 cts.
Mechanics, namely, masons, carpenters, blacksmiths, etc.	" 60 to 100 cts.

"While in the United States fifteen persons out of one hundred produce abundant food for all, in Egypt at least three times as many are needed to produce a vastly inferior supply.

"The peasant has usually nothing but dates and *dourra* for food. His 'home is far less comfortable than that of some wild animals, for instance, the beaver. It is of the same character as the latter — a mud hut — and teems with vermin. Great numbers of the people live in the ancient tombs, with darkness and the bats. The dress of the people (about the frontier between Egypt proper and Nubia) consists of a piece of leather about six inches wide, cut in strings and tied about their loins.' 'The rate of interest ranges between ten per cent. on the most desirable government securities to sixty and even one hundred per cent. on fair commercial risks.' When the peasantry get any coin they usually bury it.

"The most antiquated tools are used; the crops, in spite of the Nile mud, are

but meagre; wheat, for instance, eleven and one fourth bushels per acre, and other things in proportion. The total export of wheat has seldom been as much as five million bushels, mainly, of course, to England.

"Yet the population has great natural aptitude. The young Arabs are of quick intellect, and easily learn. 'They show considerable dexterity.' 'The young Egyptians show great skill, and often surpass their masters in cleverness.' "

This doleful picture is of a country once among the proudest of the world, and of a people whose ancestors were conquerors of many nations; but they are destitute of the machinery of modern civilization and industrial warfare. The few factories in the land belong to the Khédive, and no opportunity exists for the people to attempt industrial advancement.

The inhabitants of our prairie-land Egypt, more fertile than its prototype, and almost as destitute of manufactures, should ponder upon these results. They are, fortunately for themselves, politically wedded to the manufacturers of New England and the Middle States, who stand between them and England, and are better purveyors for their grain and better purveyors of wares and textiles; being so by virtue of that protective policy against which our Egyptians chafe. Without such defense, how many generations would elapse before British philanthropists had taken out of the land everything worth having? And how could the dwellers on those rich plains, unsupported by the metals, the manufactures, and the arts of their compatriots, resist any form of subjection or indignity which foreigners might choose to impose upon them?

That foreign traders should seek to seduce those regions from their fidelity may be comprehensible, but what shall we say of the domestic treason which tries to delude the Western farmers into believing that their real friend and ally is the English manufacturer, and their real enemy the Massachusetts mill-owner or the Pennsylvania ironmaster?<sup>1</sup>

<sup>1</sup> It is remarkable that while the Pennsylvania pig-iron monopolist has always aided in the west-

ward and southward march of the iron industry, rejoicing in the success of a varied industry in any

Hog and hominy may be plenty, but it is written that "man shall not live by bread alone," and the mere food producer, unaided by those who can satisfy his other cravings, sinks into meanness as well as penury. General Jackson, writing to Dr. Coleman, said, "Common sense points out at once the remedy. Draw from agriculture the superabundant labor and employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs, and distributing labor to a most profitable account."

Having been myself a farm laborer for three years, and remembering well the long summer days, and the labor that goes to make a bushel of wheat, remembering also the feeling of mingled respect and envy with which I regarded the apparently easy lives and large profits of paper-mill owners and boiler-iron makers near by, I appreciate the farmer's misgiving as to whether it is quite a fair deal between him and the manufacturer; but I know that successive owners of those iron-works have since then failed, and that only the best of the paper-mills succeeded, while the farmers have held on steadily, and the old names still keep the old places, better schools having been set up, more industries established, and the whole region advanced in comfort and prosperity.

This advance of the arts and industries; the home market, the neighboring saw and grist mill, mechanics, teachers, implement factory, and woolen mill; a varied industry and varied opportunities, — are the farmer's needs. For them he could well afford, if need were, to pay temporarily higher for some few of his necessities, while his neighbors are learning to make them, especially as they, meantime, are paying him better for his crops; but shortly, as we have seen, his neighbors sell to him cheaper than the stranger, and if they seem to him prosperous beyond their share, they have part of our country, the free-trade teacher, Wayland, says, p. 92, "Could not one of our old States supply one of the new States with manufactures cheaper than the new State could produce them itself?" Also that such free-trade sentiment as ex-

shown to him or to his son the way to go and do likewise.

The farmer, however, enjoys more perhaps of the paternal and protective care of his government than any other citizen of this country. Not only are all of his products which are liable to foreign competition in our markets directly protected by import duties, but vast sums have been paid by the government to protect from Indians the farmers of those Western States which have successively been upon the frontier, while by selling millions of acres of lands to settlers at a nominal price, government has actually bestowed upon farmers the chief part of the capital needed in their business.

It is belittling as well as falsifying the question to insist that the farmer should mutiny against his neighbor and his government because that neighbor, aided by the government, is supplying his wants at prices lower indeed than they were formerly supplied by the foreigner, but at prices higher perhaps than the baffled foreigner now protests that he would supply them, if permitted. Without descending to confute the free trader's details as to the robbery inflicted on the farmers by the grasping manufacturers (that is, by the domestic ones, for the gains of foreign manufacturers never hurt the feelings of your free trader), I will close this part of the argument by some quotations.

Wayland says, p. 95, "Let the productiveness of labor in any department be ever so great, where labor and capital are free, competition will always reduce profit in one department to the same average per cent. that it affords in other departments."

In the discussion, February 12, 1875, of the tax and tariff bill, then before the House of Representatives, Mr. Parker, of Missouri, said, "I believe that the true solution of this question of getting the full value for the products of the farmer depends in the end . . . in

ists in New England among practical men grows mainly from the belief that European competition will be less dangerous to New England than that which protection is developing in the South and West.



placing the farmer side by side with the consumer."

10. When we remember that English free-trade economists hold the normal rate of wages to be that which just suffices to prevent the extinction of the laborers, and that English employers have usually followed with perfect obedience the rule of conduct thus laid down,<sup>1</sup> — when we contrast the degraded working people and the swarming paupers thence resulting, with the well-nourished, well-clad, well-housed, and well-taught American working people, — the hardihood of the free-trade tenet now under review is most amazing. From the labor expended in the endeavor to prove it (labor which is apt to take the form of calculations as to the quantity of luxuries unused by laborers, such as wines, silks, and Brussels carpets, that could be procured here or in Europe by a month's work) I suppose there must be some who are expected to credit this proposition, but if such intellects exist it were vain to argue with them, for "*gegen die Dummheit kaempfen die Goetter selbst vergebens.*"

Let it suffice to point to the enormous and rarely checked emigration from Great Britain to this country, to the similar immigration from Canada, to the huge deposits in our savings-banks and payments for life-insurance, and to the streets of comfortable houses owned by working people in American manufacturing places.

Supposing the ratio of inevitable outlay to possible earning to be as large here as in England, — which is by no means the case, — it is clear that the amounts of both being larger in the protected country, the absolute saving and power of attaining competence must be greater here.

11. The revolt of our ancestors against Great Britain a century ago having been caused in part by their determination not to submit to free-trade plunder and the suppression of their infant manufactures, and the policy of this country

having been ever since protective of our manufacturers, the general result of our hundred years of independence is fairly to be brought into court to testify whether degradation or advancement is the fruit of such a policy. Let those who prate of the prosperity arising from free trade produce a free-trade country showing attainments comparable to ours, or hold their peace for shame.

That our progress might have been yet greater is most true, for our policy has vacillated in the degree of protection established at different periods, and our growth has been accelerated or retarded in a similar degree, as has been sufficiently demonstrated by Henry C. Carey.

A free trader, writing from Melbourne, Australia, says: "I have only to add that at present our prosperity is something wonderful. *We defy all economical laws by protective tariffs* and inconsistent land legislation, and the revenue shows no sign of decrease."<sup>2</sup>

We have seen in the instances mentioned above, of Turkey, India, and Portugal, what prosperity attends the practice of free trade. Lack of space forbids the introduction of further examples.

It must not be understood that, because the rightfulness and expediency of national self-protection by means of import duties levied upon foreign goods are shown, everything that goes by the name of tariff must be defended. In nothing is it easier to show stupidity than in the framing of a tariff law, while to build up a judicious and harmonious one is a most difficult task, as Mr. Morrill or Mr. Dawes would probably be willing to testify.

Such ideas as occurred to me upon this subject may be found in my essay on International Industrial Competition,<sup>3</sup> p. 26, *et seq.*; I will now add merely that, of all modes of tariff legislation, that by commercial treaties which would deprive us for long terms of the power to regu-

<sup>1</sup> See Report of Abm. S. Hewitt, Commissioner to the Paris Exhibition of 1867, on the Iron and Steel Industry.

<sup>2</sup> New York Nation, April 29, 1875.

<sup>3</sup> Published by Henry Carey Baird, Philadelphia.

late our finances in accordance with our own interest is evidently the most dangerous and the least fitted to our circumstances, besides being unconstitutional, since such treaties are in violation of the exclusive privilege of originating revenue legislation, which belongs to the House of Representatives.<sup>1</sup>

National self-protection versus free trade is no debating-club topic, resultless whichever way decided, but is a most serious question, fraught with earnest verities and consequences. That Americans, accustomed to look sharply to the main chance, will in the future as in the past generally decide this great question aright cannot be doubted, though Mr. Cobden's calm British affectation of superior wisdom and virtue may impose upon the indifferent with an overbearing assumption of absolute right for the free-trade doctrines which his own nation dares not practice; though Mr. Mill's logical cobwebs may be spun all round and round the little parlor which British trade obligingly invites the world to enter; even though Mr. D. A. Wells's formidable statistics may demonstrate

how disastrously tariffs affect the American laborer by making a family of parents and four children almost twice as costly to maintain as a family of parents and six children.<sup>2</sup>

Let England by all means take for herself such course as she thinks likely to promote her interest. It is her right, and though we, seeing the unbalanced and distorted development which she has reached in attempting the industrial and financial subjugation of other nations, may indulge the hope of her mending her ways before it is too late for her self-preservation, we refrain from fomenting disturbances among her people by insisting on their adopting our policy.

We shall take for ourselves, without asking her leave, the same privilege of consulting our own interests and doing our own thinking. We shall grow in strength and in national completeness and independence, despite the groans and growls of the Cobden Club, after England shall have distinctly failed in grasping at universal domination through trade. We decline to be her victim or her imitator.

Joseph Wharton.

<sup>1</sup> An attempt to fasten upon us a commercial treaty is simply an attempt to get the better of us in a bargain, and though such treaties are usually urged by free traders, they are in violation of the principles of free trade, as is thus shown by The Melbourne Age:—

"The free traders of England do not yet quite understand their own principles. If they ever did, the secret is lost to them. They are still clamorous for commercial treaties which shall secure advantages to English commerce, without inquiring too curiously into their effects on free trade with the rest of the world. . . . They do not see that the principles of free trade demand the abrogation of all commercial treaties, and that the making of a

bargain with any other country for the remission, imposition, alteration, or continuance of any impost on either side is objectionable *per se*."

After showing how England has been hampered in her European policy by her free-trade propagandism, the Age continues:—

"The result of it all will be that England will be taunted with the decay of her influence as a European power, whereas she is only unsuccessful in the management of her hobby-horse. We look in vain for evidences of success in any quarter for the spread of the Manchester confession of faith."

<sup>2</sup> See his report for 1868 as Revenue Commissioner; also Kelley's Speeches, pp. 271, 272.