

not to the people who in the mean time had bought and paid for the goods thus enormously enhanced in price, and millions of the people's money have gone back in that way to importers and to spies and informers; a careless wording in tariff-descriptions has again and again covered goods not designed to be touched, as the lastings and rubber webbings of the shoemakers to the consternation of that great interest, which asked for no protectionist privilege for itself, but wanted its raw materials at their natural price; and the iron industry of Pennsylvania was bitterly angry at Secretary Sherman, who construed a line of the tariff relating to cotton ties used at the South more favorably to the planters than to the iron-workers, although the latter were strongly privileged at every point of the tariff (even at this) in the teeth of the interests of the consumers of iron, and the later honorable ambition of the Secretary to become a candidate for the Presidency of the United States was largely thwarted in consequence by the hostility of these miserable and revengeful monopolists.

There were fifty descriptions of iron and steel taxed by the tariff in 1879, and the average rate of tax on these at that time was 77% *advalorem*, and this was about the average rate for the thirty years under the consideration. On special articles of prime necessity and universal consumption, as steel rails, the tax varied under the rate of \$28 per ton put on in 1870 from 85% to 100% *advalorem*; and the purpose of this particular tax was plainly seen in an average price of domestic steel rails in this country \$24.44 a ton higher than in England for better rails under a longer guarantee for the eleven years, 1870-80; in other words, 87% of the tax paid on the smaller and better part imported was added to the average price of the larger and worses part produced at home during those eleven years.

That the English rails were better and even regarded as cheaper under their guarantee with the \$28 a ton added to their price, is proven by the fact that the N. Y. Central railroad company relaid their tracks with the English rails, and were putting them down in Detroit in plain sight of simultaneous track-laying across the river in Canada, where the same kind of English rails were costing \$28 a ton less. Every passenger and ton of freight carried by steel-track roads in the United States in this interval contributed his and its share to make up to the roads this *extra* price paid for steel rails. In 1883 the tariff-tax on steel rails was reduced to \$17 per ton. That this enormous artificial price of iron and steel products under tariff-taxes redounded wholly to the profit of the capitalists concerned, and not at all to the benefit of the laborers concerned, is shown by the Census of 1880, which gives \$393 as the average pay for that year of the persons employed in the iron and steel industries of the country; and the late Senator Beck of Kentucky demonstrated on the floor of the Senate, *nemine contradicente*, that only 8.8% of the value of the products of the Bessemer steel industry in 1881 went to the laborers employed in it, while 66.9% of the same went to the capitalists as profits. Let the thoughtful reader remember at this point, that iron and steel products are only one of an indefinite number coddled and privileged by the tariff at the expense of the masses of consumers.

It is impossible to tell exactly *how much* more the people of the United States were compelled to pay for their commodities under tariff-taxes, whose ground-thought was to compel them to pay more and the more the better, than the Treasury received as the direct product of these taxes during 1861-90, but an approximation can be made within the truth whose results are fitted to startle the minds of all good citizens. For convenience' sake only, and because the

official figures are complete for the shorter period, let us take for comparison the twenty years, 1863-82. The annual average tariff-income for those 20 years was in round numbers \$158,000,000; but the ground-thought of the tariff-scheme in all those years was not to get an income for Government, but factitious prices for capitalists privileged by law; and during the last half of the time there were no tariff-taxes on Tea and Coffee, which had been before the principal revenue taxes. If, now, we may fairly suppose, that for each *one* foreign article paying a tax into the Treasury there were *four* domestic articles raised each in price as much as the foreign article paid in customs-tax, then it follows, that the People paid in each of those 20 years under customs chiefly protectionist, \$632,000,000, or \$12,640,000,000 in all, no penny of which went into the Treasury of the United States. That this supposition of 4:1 is wholly reasonable, appears partly from the known proportion (officially reported) between Domestic and Imported as to several leading articles, for example, of steel rails in 1880 the Domestic was 20 times the Imported, and the People paid 19 times more under the tax than the Treasury got; and on woollen blankets in 1881 the Treasury took in less than \$2000, while the People paid in the *extra* price of blankets more than 1000 times that sum that year; and on iron and steel goods of all kinds the average tariff-taxes were about 77% in that interval of time and the vast bulk of the iron and steel goods consumed was boasted to be of domestic production.

Let us confirm these striking results by another more than reasonable supposition taken from the opposite quarter. The census of 1870 gave \$4,232,000,000 as the value of home manufactures for that year, which we may fairly take as the average of the 20 years under consideration; now, if we throw off one-third of those home

products as not affected by the tariff at all, and reckon that the rest were only raised in price 22%, which was only one-half of the average rate of tax on dutiable goods, — the average rate on these was officially pronounced in 1880 at 44%, — then almost precisely the same results will follow as before: two-thirds of \$4,232,000,000 is \$2,880,000,000, and 22% on that sum is \$633,600,000. An acknowledged statistical expert of national reputation, Mr. J. S. Moore, calculated from data quite diverse from our own, that the People paid \$1,000,000,000 in the one year, 1882, *extra* to the sum reaching the Treasury that year, under protectionist tariff-taxes. We see, then, clearly the *methods*, by which Protectionism reaches its ends, and we cannot but conclude, that these methods issue in monstrously unjust burdens on the masses of the People.

It remains, under this second general head, to examine the *motives* of those men, who have gotten the protectionist tariff-taxes put upon the different classes of imported goods in this country. Fortunately we have data of unquestionable authority, covering the entire first century of our national existence, which prove these two propositions: first, *that no protectionist tax has ever been PUT ON by our Congress from the first day until this day except at the instance and under the pressure of the very men personally and pecuniarily interested to secure thereby an artificial rise of price for their own domestic wares*; and second, *that these very men have been almost, if not quite, as active and determined TO KEEP OFF protectionist taxes on other goods used by them in their processes of production, whether raw material, machinery, or accessories*. These two propositions, taken together, demonstrate beyond a cavil the motives of the protectionists as a class. Of course, they have had their dupes and tools. Out of their own mouths and out of their own actions are they to be judged. One hundred

years is long enough of time in order to display perfectly the motives of a prominent and persistent class of men, under that Government of the world, whose key-note is Exposure, and under that maxim of the world, Actions speak louder than words.

Thomas H. Benton, a United States Senator from Missouri for 30 years, 1820-50, himself in all that time a prominent leader and debater, and always an indefatigable investigator, published an *Abridgment of the Debates in Congress from 1789 to 1856* in 15 large volumes. Each important tariff Debate for the first 70 years of our national history is distinctly brought out in these volumes, and the impulses and motives behind each leading speaker may be discerned as clear as day. The present writer has been over these debates with great care, and has mastered them in their substance and motives on both sides; and he has been besides a deeply interested reader and excerptor of all Congressional tariff-debates for more than 30 years just past; and now invites his present readers to take a cursory glance over this broad field, and satisfy themselves as to the motives personal and associate of the protectionist debaters from the first to the present time.

Because the new Constitution prescribed that "*all bills for raising revenue shall originate in the House of Representatives,*" the main debates on the first tariff-act of 1789 were in that branch of the national Legislature. Nothing could be simpler or sounder than the basis of the new tariff as proposed by Madison, the acknowledged leader in the debates, namely, the so-called Revenue System of 1783, as adopted by the old Congress, and ratified by all the States in succession, excepting New York. That was, small specific taxes on eight articles, namely, Wines, Spirits, Tea, Coffee, Cocoa, Molasses, Sugar, and Pepper. In the earlier part of the discussion no other end than

revenue was mentioned in connection with the taxes. Madison said: "*I own myself the friend of a very free system of commerce: if industry and labor are left to take their own course they will generally be directed to those objects which are most productive, and that in a manner more certain and direct than the wisdom of the most enlightened legislature could point out; nor do I believe that the national interest is more promoted by such legislative directions than the interests of the individuals concerned.*" It is significant of after times that the first word in this debate respecting any other word than revenue through the tariff-taxes came from Pennsylvania; and equally significant, that the next and strongest words for something else than revenue came from Massachusetts; and more significant than either was the junction of the two States in influence and votes when it came to the final adjustment of the actual tariff-rates. Pennsylvania had already gotten well forward in the manufacture of iron and steel products, particularly of nails, and wanted "*encouragement,*" that is, protectionist taxes upon the foreign products corresponding. Said Hartley of Pennsylvania: "*I am therefore sorry that gentlemen seem to fix their mind to so early a period as 1783; for we very well know our circumstances are much changed since that time: we had then but few manufactures among us, and the vast quantities of goods that flowed in upon us from Europe at the conclusion of the war rendered those few almost useless; since then we have been forced by necessity, and various other causes, to increase our domestic manufactures to such a degree as to be able to furnish some in sufficient quantity to answer the consumption of the whole Union, while others are daily growing into importance. Our stock of materials is, in many instances, equal to the greatest demand, and our artisans sufficient to work them up even for exportation. In*

these cases, I take it to be the policy of every enlightened nation to give their manufactures that degree of encouragement necessary to perfect them, without oppressing other parts of the community."

Massachusetts was not a whit behind Pennsylvania in asking for discriminations in her own favor at the obvious expense of the rest of the country. New England rum was made out of molasses, and Jamaica rum was its competitor in public favor; distillers in the neighborhood of Boston and Salem wanted therefore a *high tax* on Jamaica rum, and a *low one* on the imported molasses used in the home manufacture. Madison was willing to discourage rum-making and rum-selling both in the interest of temperance, and proposed a tax of eight cents a gallon on molasses and fifteen cents on Jamaica rum, which called out this indignant burst from Goodhue of Massachusetts: "*Molasses is a raw material, essentially requisite for the well-being of a very extensive and valuable manufacture. It ought likewise to be considered a necessary of life. In the Eastern States it enters into the diet of the poorer classes of people, who are, from the decay of trade and other adventitious circumstances, totally unable to bear such a weight as a tax of eight cents would be upon them. I cannot consent to allow more than two cents. Massachusetts imports from 30,000 to 40,000 hogsheads annually, more than all the other States together. Fifteen cents, the sum laid on Jamaica spirits, is about one-third part of its value: now eight cents on molasses is considerably more: the former is an article of luxury, therefore that duty may not be improper; but the latter cannot be said to partake of that quality in the substance, and when manufactured into rum is no more a luxury than Jamaica spirits.*"

The Senate in the First Congress sat with closed doors, and was thus more open than the House to the influence of interested petitions which soon began to pour in upon

it, asking for amendments to the House bill in the line of protectionism; and through such amendments the Massachusetts and Pennsylvania members, with a few other members similarly inclined, partially carried their points into the first Tariff. The tax on molasses was fixed at 2½ cents a gallon, and on Jamaica rum at ten cents a gallon; nails were taxed one cent per pound imported; and an accepted Senate amendment classed Hemp and Cotton together as two products of the soil worth "encouraging," hemp at ⅓ of a cent per pound and cotton at three cents a pound; yet hemp constantly "encouraged" to this day at the cost of ship building and other industries has never risen to the rank of a staple. Coal was also taxed protectionistly, at the instance of Virginia, then the coal-producing State. Note the three universal features of Protectionism in the original application of it to the United States; (1) the purely selfish call to tax one's neighbor in order to lift the price of one's own wares (nails), (2) the equally selfish resistance to such a tax as falls on one's raw materials (molasses), and (3) the final log-rolling among those legally privileged at different points (Massachusetts and Pennsylvania and Virginia).

Take a second instance of the same general point from our second Tariff, passed in 1816. Two Massachusetts young men, Lowell and Jackson, brothers-in-law, had started a modern cotton-mill in Waltham, near Boston, in 1813, and constructed in it, with the help of an ingenious mechanic named Moody, a power-loom; as soon as the war with England was over, and Congress in consequence began to talk about a new Tariff, Lowell went to Washington, and by personal influence with Mr. Calhoun, then the leading man in the House, with Mr. Lowndes his colleague from South Carolina, who afterwards reported the new bill, and with other members of Congress, contributed largely to the intro-

duction into this Tariff of protectionist features towards cottons. Lowell struck strong at the start. He represented (doubtless with entire honesty) to Calhoun and Lowndes, both from a cotton-planting State, that a domestic market for raw cotton *in addition* to the foreign market would raise the price of that agricultural staple. Both were easily convinced that such would be the case, although both found ample reasons afterwards for altering their opinion in that regard. Lowell, the "cotton city" on the Merrimack, founded in 1821, was named from the successful lobbyist of 1816. Lowndes reported a tax on cottons of $33\frac{1}{3}\%$ *advalorem*, with a proviso that all cottons should be assumed at the custom-house to have cost at least 25 cents to the square yard. This was the famous principle of the "minimum," a device to increase the protectionism without seeming to do so.

The debate on this feature of the bill was a marvel in many ways. The penetrating reader will not be at a loss for the reason of this. John Randolph moved to strike out from the bill the proviso for the cotton *minimum*, and argued at some length "*against the propriety of promoting the manufacturing establishments to the extent and in the manner proposed by the bill, and against laying up 8000 tons of shipping now employed in the East India trade, and levying an immense tax on one portion of the community to put money into the pockets of another.*" Calhoun rejoined: "*Until the debate assumed this new form, he had determined to be silent; participating, as he largely did, in that general anxiety which is felt, after so long and laborious a session, to return to the bosom of our families. It has been objected to that bill, that it will injure our marine, and consequently impair our naval strength. How far it is fairly liable to this charge, he was not prepared to say. He hoped and believed it would not, at least to any alarming extent, have*

that effect immediately; and he firmly believed that its lasting operation would be highly beneficial to our commerce. The trade to the East Indies would certainly be much affected; but it was stated in debate that the whole of that trade employed but six hundred sailors. The cotton and woollen manufactures are not to be introduced: they are already introduced to a great extent; freeing us entirely from the hazards, and in a great measure, the sacrifices experienced in giving the capital of the country a new direction. The restrictive measures and the war, though not intended for that purpose, have by the necessary operation of things turned a large amount of capital to these new branches of industry. But it will no doubt be said, if they are so far established, and if the situation of the country be so favorable to their growth, where is the necessity of affording them protection? It is to put them beyond the reach of contingency."

Thus Calhoun goes on, making the greatest mistake of his life which he regretted to his dying day, to give plausible reasons for his insistence and his vote, but he does not even touch upon the *real reason*. If he had detailed his conversations with Lowell, it would have been far more to the point. His motive, like that of every other man in Congress who has urged protectionist schemes, was the special benefit of some of his constituents at the more or less concealed expense of their countrymen. But, as always happens when men really act from unavowed motives, he was suspected of having them; and he guarded himself: "*He was no manufacturer; he was not from that portion of the country supposed to be peculiarly interested. Coming as he did from the South, and having in common with his immediate constituents, no interest but in the cultivation of the soil, in selling its products high, and buying cheap the wants and conveniences of*

life, no motives could be attributed to him but such as were disinterested." But Randolph still charged, that the discussion showed "a strange and mysterious connection" between this measure and the National Bank bill which had just passed. This was a loophole of escape for Calhoun: "he wished merely to reply to the insinuation of a mysterious connection between this bill and that to establish the Bank. He denied any improper or unfair understanding, and could challenge the House to support the charge."

A beautiful instance of the confession, which all protectionists make in action when it comes to the pinch, that a rise of price is at once the object and the result of protectionist tariff-taxes, is found in the awkward attempt of Congress to relieve indirectly the burnt-out citizens of Chicago in 1871. The great fire occurred in October of that year. In the winter following a bit of legislation took place in Congress in consequence, which is too instructive to be passed by without notice, because in all the parts of it taken together we have in epitome the motives and the processes and the prompt confessions of Protectionism. Contributions were taken up all over the country, and even in Europe, for the relief of the people of Chicago. As Whittier puts it:

"From East, from West, from South and North,
The messages of love shot forth,
And, underneath the severing wave,
The world, full-handed, reached to save."

But cannot Congress do something to help rebuild the ruined city? April 5, 1872, President Grant set his signature to a congressional bill enacted to last one year only, and for the express benefit of Chicago alone, to exempt all building materials except lumber from the operation of tariff-taxes. As a public and emphatic confession on the part of

Congress, that tariff-taxes raise the prices of protectionist goods, and that the remission of such taxes lowers the prices of such goods and becomes a boon to the buyers, all this is refreshing and satisfactory; but why was *lumber*, by much the most important of the building materials needed, excepted from the bounty of the legislators to the unfortunates of Chicago? The bill applied to Chicago only, and was to last but one year at best! The bill as drawn and debated included all building materials. Why was lumber excepted? Because, while the bill was still pending, a special car filled with the lumber-lords of Michigan and Wisconsin was rolled to Washington in haste, and the potent influence of these men was sufficient to cause the express exemption of their product from the intended cheapening (for one year) of the building materials for desolated Chicago. The brief official record of this curious transaction will be found in U. S. Statutes for 1872, page 33. It needs no comment but the obvious one, that here is the whole matter of protectionism in a nutshell; — the motive, the open confession, the greedy lobby determined to thrive on their neighbors' misfortunes, the inhumanity, the spirit of monopoly, the infernalism, — a game of grab from beginning to end!

Shameless as the protectionist debates in Congress have been from the start, in letting it be plainly seen, that the sole motive of their efforts is an artificial rise of price in certain goods which their fellow-citizens would be compelled under the law to pay, the debate in the House of Representatives in the spring of 1883 was by far the most shameless and avowed in this respect of any that ever transpired there. In the last days of that debate all pretence of any action for the good of the country at large dropped utterly out of the discourse; the old fallacies and disguises and subterfuges of "home markets" and "higher

wages" and "commercial independence" were no longer put forward even in word under the clash of selfish interests, and in the eagerness to secure for their wares a factitious price to be paid by their countrymen; proposed reductions in tariff-taxes were fought off by these men, and in many instances still higher taxes were urged on, under their unabashed avowal that, unless home prices were thus stiffened and uplifted, they could not make and sell their wares at a profit; one honorable member from New Jersey brought his pottery wares upon the floor of the House, and tried to demonstrate to his fellow-members that, unless these very goods were hoisted in price, by taxes on his foreign competitors, he could no longer tread his clay and work his wheels with profit to himself: in other words, he and others like-circumstanced, by lobbying and log-rolling, persuaded Congress to pass so-called laws to compel their countrymen *to hire them to carry on what they publicly alleged were unprofitable branches of business*. By their own confession, the only trouble with their goods was, that they were inferior in quality and superior in price to otherwise similar goods in the open market of the world.

One more, and the latest instance, out of hundreds equally accessible and equally conclusive, will suffice for a demonstration of the point in hand. In the early summer of 1890, a Massachusetts member of the House of Representatives, an avowed protectionist from an alleged protectionist district of that State, waxed so warm in arguing against a protectionist tax upon a certain raw material useful in tanning leather, that he took off his coat and proceeded in his shirt-sleeves! One would suppose, both from his zeal and the tenor of his speech, that he was a veritable free-trader! But no! He had argued a hundred times that protectionist taxes (to be paid by other people)

were a good thing for the payers, and enriched the whole country; but lo! it turned out in this case that he himself was a buyer of this particular material, and lo! he did not relish the tax-lifted prices caused by the tariff. They were all wrong. They must be fought off at all hazards, even in the hottest weather! This is a very respectable gentleman, well thought of by his neighbors in Worcester County, but his protectionism is *not* respectable. It is chameleon-colored. It is one thing in one light, and an opposite thing in another light. Indeed, the protectionist congressman has never yet been discovered in this country, who was fond of paying protectionist taxes himself, or willing that his immediate and powerful constituents should pay them! It has been proven many times over, that the very strongest friends of a Free List in this broad land have been certain so-called protectionist Senators and Representatives.

From these few sample-examples, the reader of penetration will perceive, that there is no element of logical coherence or moral decency or even outward respectability in Protectionism. There is no *principle* in it or of it. It does not hang together. It walks in darkness and not in light. It is full of deceit. It is fond of disguises. It is contrary to common sense. It offends justice. Morality frowns at it. It has no basis in any Science, least of all in the Science of Buying and Selling, whose best impulses it feebly tries to deny, and whose largest and most innocent gains it fain would destroy.

Next in order we will examine, in the third place, a few of the chief FALLACIES AND FALSEHOODS, by which Protectionism has striven to give itself a standing in the commercial world. In our day at least, these are, without exception, afterthoughts and subterfuges. We have just seen under the last head the real impulses, plain as a moun-

tain peak, which put on and keep on and pile up these taxes on the masses of the people; but these real motives will not bear inspection and public criticism, and so plausible reasons must be found or at least propounded, which shall do the double duty of covering the real reasons, and of seeming to convince while they only perplex the victims of the scheme. These plausibilities we propose now to analyze and to expose. The test of any alleged truth is its harmony with acknowledged truths: the test of any propounded error is its incongruity with and contradiction of acknowledged truths. On a logical comparison, therefore, of any false proposition with any known truth, the latter will be sure to fling out its flat contradiction and floor the falsehood forever. Protectionism contradicts economic truths at practically innumerable points, but we will now watch the collisions at the principal points only.

Fallacy A: *that a nation may still sell to foreign nations while prohibiting the buying from them.* Protectionism is multiplied prohibitions on the buying of goods from foreigners. Between four and five thousand of such prohibitions deface our national Statute-book at the present moment. All the while, however, the assumption underlies this policy, and the express proposition is often heard in different forms along the lines, that our citizens may still sell their products to foreigners, nevertheless. England has *got to buy* our cotton or starve: the Continent *is compelled* to take our pork products, for they are the cheapest food in the world: how can China or India *help* taking the silver from our mines? Softly. Buying and selling from the very nature of it is never compulsory, but always voluntary. A commercial service is never rendered but in plain view of a return-service to be received. The mental estimation of each buyer is couched in the very terms of what is offered in return by each seller. Buying and

selling from its inmost nature is always one act of two persons acting conjointly and inseparably to the advantage of each. How, then, can the individuals of one country *sell* anything to individuals of another country without at the same instant *buying* of these in return? The act of selling is just as much buying as it is selling, and the act of buying is just as much selling as it is buying. As we have abundantly seen already, the introduction of Money as a *medium* in the transaction makes no difference in the *nature* of the exchange of commodities internationally. The postulate, therefore, that the people of one country can continue to sell products to the people of another while refusing to take their products of some kind in return, is an *absurdity* in the nature of things and an *impossibility* in the world of facts. *A market for products is products in market.*

All known facts confirm this irrefragable reasoning, and discredit utterly the fallacy in hand. When France and Germany a few years ago gave back to our protectionists a dose of their own medicine, and prohibited American pork-products, ostensibly because they feared the trichinæ but really to cajole their own farmers under the plea of protectionism, their brethren in the faith have made up all sorts of faces ever since, have wound up the respective diplomatic clocks to strike twelve against the too presumptuous countries which ventured to restrict American products in their ports, have protested and proclaimed. What is the matter? Is not sauce for the goose sauce for the gander also? Have not American protectionists shut out French and German products 100:1 under the same plea now used on the Continent? "*But we cannot sell our products abroad,*" cry the angered Western farmers. Of course they cannot, because restrictions on buying *are* restrictions on selling; and additional restrictions of the same kind put

on French and German buying are of course still further restrictions on American selling. And the farmers are, as usual, the victims both ways.

To hear an ordinary American protectionist talk, one would think that Great Britain is the enemy of mankind for admitting into her ports practically without let or hindrance the goods of all the world. *Free Trade England!* Let us look a moment. England has to pay for all these goods received from all quarters. In what does she pay? In her own goods, of course. What is her market? The whole world. Is that market ever slack on the whole? Never. Is she ever flooded with cheap goods? The more she buys the more she sells of necessity. How much does she sell *per capita* of her people? More than twice as much as the United States sells *per capita*. How can she sell so much of her own stuff? Because she buys freely other stuff from all the world. What are the limits to her capacity to sell her own goods to foreigners? Precisely the limits of her willingness to take in pay other goods from foreigners. Cannot these limits be overpassed in either direction? By no possibility: when people can no longer pay for what they buy, the buying ceases; and when they are not permitted to take their pay for what they sell, the selling ceases. Is this free trade profitable to Great Britain? Immensely so in every way. Whither has it carried up her ocean-marine? To the topmost notch. Is capital abundant in England in bulk, and are its loanable rates low? England is the richest country in the world, and all nations resort thither to buy. What is the source of this vast volume of Capital? The only source of Capital is savings from the natural gains of Buying and Selling.

Is Great Britain willing to take in goods from the United States? Certainly, under the universal conditions of taking

in foreign goods at all. Is the United States willing to take in British goods in pay for her own goods exported thither? She is not, except over protectionist barriers averaging 47%. Is it a good thing for the United States, that Great Britain takes in her goods freely? We should suppose so! Does the former already sell to the latter and through the latter more goods than to all the world besides? Much more. Could this profitable trade be easily increased? It could be quadrupled in a very short time. How? By simply according to our citizens a decent liberty, which is their inalienable right. Would the United States like it to be commercially treated by Britain exactly as the former treats the latter? It would bankrupt the United States in six months. Would our protectionists like it? It would make them howl. Is it the commercial salvation of the United States that Britain is immovably for free trade with her and the rest of the world? Nothing else saves her from commercial ruin. Can the ghost of a reason be given, commercial or other, why the United States should continue to fling double fists into the face of British goods seeking a market and so making one? Not a shadow of a shade of a good reason was ever given for such folly, or ever can be.

It is more than a pleasure to acknowledge at this point the great service done by James G. Blaine, Secretary of State, during the summer of 1890, to Country and Commerce, by his courageous avowal contrary to his own personal record and to the vehement behest of his party, that the economic principle just enunciated is sound, and should be at once applied by the United States in connection with all the countries of Latin America. In a letter to the Senate on the results of the recent Pan-American Conference, he said: "*The Conference believed that while great profit would come to all the countries, if reciprocity treaties*

could be adopted, the United States would be by far the greatest gainer." The principle of reciprocity is the principle of free trade applied by both parties to the trade. It is the sound principle, that goods buy goods and pay for goods at the same instant to a mutual profit. Manifold reiterations of this principle came from the Secretary that summer, especially in vigorous protestations against the McKinley tariff-bill then pending, alleging with truth that "there is not a line or a section in the bill which opens a market for another bushel of wheat or another barrel of pork." The unequivocal statements of a favorite statesman have roused the somewhat indifference of thousands of citizens, and make certain the speedy prevalence in the United States of the unassailable doctrine, that any People must buy freely if they would sell broadly.

Fallacy B: that tariff-taxes are needful in order to start infant industries. There is no analogy whatever between Child-bearing and Child-growing and any form of Buying and Selling at any time, but the deceit in the wretched simile has cost the world billions of dollars of pure loss. To bring up infants from birth to maturity is indeed a good deal of a task for the parents, but it is not in any sense an economical task: the parents neither ask for nor receive a return-service in kind: the transaction is wholly moral in its character, and not economical at all: there is no party of the second part in the premises: there is a free giving, and that is all. Buying and Selling, on the contrary, has no infancy, and no maturity and no old age. This particular Minerva springs at once full-grown and full-armed from the brain of Jove. The conditions of Trading are forever the same; with no reference to the age of the parties, the antiquity of the industry, or any other such irrelevant thing. If any person anywhere (old or young) has got something to sell, and finds (directly

or indirectly) any other person anywhere who wants his wares and can pay for them,—all the conditions of mutual profit are present, and everything else is an impertinence.

Much more than this. Tariff-taxes have to be paid by somebody. Their payment is inexorable at the custom-house, and interest and other charges are added before the sum reaches the ultimate payer. But the ultimate sum however made up is exactly so much *out* of the commercial gains of the payer. The sign is every time *minus* and *not plus*. When egregiously high tariff-taxes are multiplied in number, and all the additions are made to them, they become an incalculably large sum, every cent of which *has to be paid* out of the gains of current Industry. Now, what a queer way that is to foster industries! What a queer way to help start them! It takes Capital to start new industries, and to carry on old ones; but tariff-taxes (with all their accretions) take just so much *out* from what would otherwise naturally become Capital. That is to say, all Capital is savings from the gains of Exchanges; and these gains are *reduced* by every tariff-tax that touches them directly or indirectly. Taxes from their very nature can help nobody. They hurt everybody. What a device this is to start new industries with, namely, to pick the pockets of the very men, who are to start the industries, if they ever are to start at all! Lower your reservoir to begin with, in order to give head and force to your faucet flow!

But this is not half of it. On what industries do the protectionist taxes fall at first to weaken and discourage them? Of course on the natural and profitable ones, which only ask to be let alone in order to maintain a healthful life and growth. If, under natural conditions, any industry is in existence, one may be perfectly sure it is profitable, since Profit is the only thing in the world