

THE PHILOSOPHY OF THE SINGLE TAX.

By J. Farrell.

No. V (Continued). THE HUMBUG OF PROTECTION.

The claims put forward on behalf of protection are many and contradictory, among the principal being the building up of a nation, the securing of a market and the increasing of the prices of commodities to the producer and the lowering of them to the consumer. The degree or nature of it varies from the moderate tax, which "scientific" or "discriminating" protectionists would put upon the class of articles we can produce, instead of upon those which we cannot, to the wall of everlasting fire reaching from the earth to the stars which the more hardened and hopeless some times pray should be placed around our borders. In either event what is striven for is isolation; the difference is but one of degree. It is either sought to prevent us from interchanging products with our neighbors in some given lines, or it is sought to shut us off from our neighbors entirely. The object of protection is to partially or completely prevent trading between communities on the ground that the welfare of each, or of one of them will be served by declining to participate in that division and reduction of the labor of production which trade implies. In order to realize the absurdity of such a proposition it is necessary to thoroughly understand that trading, the exchanging of their products by two sets of producers is but an expression of the natural law that human desires seek gratification with the least possible exertion.

This becomes obvious when we consider any single case. One community has special facilities for the production of, say, wheat. Another has special facilities for the production of iron. In one case a given application of labor to raw material will produce much more wheat than in the other, in the other case much more iron. The growth of knowledge and civilization has suggested to the community which can most easily produce iron that it will get the best wages in the shape of wheat by exchanging its iron with those who can most easily produce wheat instead of by growing wheat itself under disadvantages. Similarly the wheat-growing community will realize that, although it may possess iron ore it will be more profitable to grow wheat and send it in exchange for iron to the other community, than to dig and smelt such ore itself. Each community naturally finds out by what means to get the best return in the shape of iron and wheat for the expenditure of a given amount of its labor. Thus it is true that if a man is growing wheat in Australia, requiring to use iron in some of its forms, buys it from wherever he can get it most cheaply, that man has produced that iron as absolutely as if he had devoted his labor specifically to its production in Australia. What has happened has been this. He has produced a given quantity of wheat, in return for which he gets certain coins which are merely tokens that he has added to the general store of wealth to a certain extent in the supplying of wheat, and is entitled to take from that store an equal portion of wealth in any form which he values most. He values iron most, for some reason, and in being free to take iron from that quarter of its production where he will get the largest quantity in return for the price of his wheat, he thus secures the highest wages.

The wisdom and the truth and the humanity of the doctrine of buying in the cheapest and selling

in the dearest market are continually being impeached by political chatterers, whose deep ignorance of principles and elements only escapes notice in the ignorance around them. It is the true law. This rule embodied in the homely phrase of buying in the cheapest and selling in the dearest market is one that has stood and will stand to the end, becoming more and more obvious, and claiming more universal obedience as the field of inquiry is widened. To buy in the cheapest and sell in the dearest market is to gratify desire with the least possible expenditure of labor and pain: it is to ensure a mutual gain to buyer and seller; it is to get the highest possible wages and the largest possible degree of leisure and well-being. Trade is a voluntary exchange between two producers, each of whom is enriched and benefited, inasmuch as in return for what he does not desire he gets something which he does desire. To sell in the dearest market means to dispose of the product of your labor in the place where it is most highly valued; to buy in the cheapest means to get the largest share of the things you require in return for what you have sold. Whoever seeks to fetter this liberty of buying and selling is not a friend to humankind, whatever he or they may think. Any logical mind can see at once that that which is a benefit when carried on between individuals cannot be otherwise when carried on between communities which are but aggregations of individuals.

In the simple case of two individuals, each having special power of producing a certain thing, or special advantages for its production, agreeing to exchange their special products with each other, the gain to each is apparent enough. It is seen that a man who is a good shoemaker would waste his time deplorably if instead of getting bread from a good baker and giving him shoes in return he tried to bake his own bread, and the same rule would apply to the baker if instead of baking bread to give the shoemaker in return for his shoes he tried to make them for himself. There would be a waste of natural adaptability perhaps, and certainly of training. The shoemaker would not make as good bread, nor the baker as good shoes as either could, with far less labor, have got from the other. It will be seen clearly in such an illustration as this that labor is interchangeable, and that no man can "give work," as our protectionist friends say, to a foreigner, without that foreigner in turn "giving work" to him. The Australian who buys imported cloth or boots or ironware does so for the sole reason that he is satisfied that he thus gets better value for his money, or, in other words, a higher wage, in the shape of the particular articles enumerated, for his work. And to the English workman he gives in return for the boots, or the cloth, or the ironware, something which that workman could not as cheaply get elsewhere — wool, wine, copper, gold, perhaps, but something. In a more primitive state of civilization the operation of this exchange, being made at first hand between the two parties concerned, would be simple and manifest; now it is obscured by the use of money and the complexity and manifold intricacies and intersections of the channels of exchange. Now, between the two exchanging parties stand many others through whose hands the things exchanged must pass, and the real nature of the transaction is thus lost sight of. The producer of gold, wool, wine or copper here may send his products to Germany or to America; Germany or America may keep them and send timber, cotton or any other products to England; but the cloth, boots or ironware that come from England here represent payment for the wool, wine, copper or gold produced by us. Thus the Australian who buys "pauper-made" boots from England is as certainly, by his labor here in Australia, producing them as though he were a shoemaker working at his trade. Everything that is imported

by us is produced here, inasmuch as that it is the earnings of Australian labor — the wages which Australian workers take for their work from the hand that will give them most. If an Australian works for £2 a week, and the Chinese, under the influence of ages of scientific protection, works for 5s, a week's work of the Australian, measured in interchangeable commodities, will be equal to eight weeks of the Asiatic. If the Chinaman could get the particular things wanted by him in his own country with the same trouble he would not apply to the Australian; and if our worker could get tea or rice as cheaply elsewhere he would not send to China. But neither of them can. They know what is best for themselves and try to do it. Any interference with free exchange would diminish national wealth and lower wages by compelling labor to engage in less profitable fields than it would choose for itself.

To illustrate this in a familiar way: A farmer in New South Wales buys an English-made plow for, say, £10. This farmer has himself produced that plow, because he has grown wheat which has been changed into money, which in its turn has been changed into a plow. Similarly the plowmaker in England has produced wheat, because he has made a plow which was turned into money and afterwards into wheat. Or, if the exchange was not direct in the shape of exports and imports between England and Australia, the Australian farmer might have sold his wheat to Africa, which purchased it with money obtained by selling something to India, which bought this something with money representing a sale of something else to England, which bought that something with money derived from the sale of plows to Australia. The protectionist mind does not seem to be able or does not want to assimilate this fact for the truth it involves — namely, that every penny's worth of anything that is imported here from China, Belgium, Prussia or anywhere *is produced by our own workers and its wages paid to them for work done right here in our midst*. They cheerfully recognize half of the truth; indeed, they most volubly and constantly proclaim it from the housetops. They never tire of telling us that when we import goods we are giving employment to foreigners, but they forget to say that these foreigners employ us to make what is sent in return to them. Reduced to its elements, trade is the act of exchanging one man's labor, exerted upon one particular branch of production, for that of another man, exerted upon a different branch. But science, knowledge and invention have enabled the two exchanging parties, who formerly could only exchange as near neighbors from hand to hand, to stand far apart from and out of sight or knowledge of each other, perhaps at the very opposite limits of the world. But let it be remembered that when we employ a Chinese, or a Belgian, or an Englishman to make anything for us he employs us to make something to pay him with, and no matter how many hands it may pass through or who may intervene that something, or its equivalent, will surely reach him.

Protection would say to the farmer, "You must pay £11 for your plow and have it made in Australia instead of importing it. By this means more employment will be given in our own country, wages will be raised and an increased demand for your wheat will arise." On the surface this looks like truth, but no further than that. Anyone who has closely followed what I have already written will, I venture to think, see that it is all the same to the farmer so long as his wheat really is exchange for a plow whether the man with whom he makes the exchange lives beside him or in Kamschatka. The only question of interest to him is — from whom can he get

the largest return in labor devoted to making a plow for his own labor devoted to growing wheat? If, deluded by the fair rind of the sham apple offered, he accepted it and consented to pay an extra pound — so much more of his wheat — for the plow, it would only mean that he had given so much of his substance just to import his plowmaker instead of his plows. No employment would have been created except the utterly unprofitable pound's worth represented in the difference in cost between making the plow in England and making it here. One more unit would have been added to our population, though, and rent would have risen a fraction in consequence of the appearance of a new claimant for room to live. The protectionists would tell you that the plowmaker would not be attracted here from England, but that we have plowmakers now in plenty who cannot get work to do, and who under a protective tariff on manufactured plows would be able to do so. The answers to this are that the persons who propose to keep out plows and throw the English plowmaker out of employment do not propose to prevent him from coming and pursuing his avocation at the new center of production created. And it is obvious that, being deprived of work in England, he would have to seek it elsewhere, and in the guise of a considerably impoverished and therefore "cheap" tradesman. What "protection" does this offer to the individual for whose special benefit it is being advocated — the unemployed mechanic? None, save until his foreign rival mechanic, starved out by our refusal to take his plows, is brought here by the protected manufacturer to compete with and take the starch out of him. The other answer is this: If plowmakers in our midst stand idle, because plow-users can get their implements more profitably from England, it is better that they should be allowed to remain so than that as subsidy from another class, or other classes, of the community should furnish them with an employment which, truly judged, is unproductive. Every farmer who gave a pound more for a plow than he need have given would have a pound less to spend in any other direction, and what the plowmakers gained would be taken away from other industrial classes. Not only this, but the cost of administering this cumbrous and Chinese system of idiotic tyranny would be loss also, as it would be payment for unproductive labor.

It is as well, after having glanced at what is chiefly the economic aspect of protection, to look for a moment at it in the light of morality. False and worthless as it is economically, it is seen to be more than false when regarded ethically. Just as every truth squares with every other truth for good, so every falsehood fits in with every other for evil. As an expedient, as a method adopted by one people to advantage themselves, it is a failure; but as a weapon directed by them against another people it is warfare, cruel as warfare can be made. Its effect upon those in favor of whom it is designed is injurious, inasmuch as that it necessarily reduces their wages; but what of its effect upon those against whom it is directed? Your average protectionist has much compassion for wage slaves of other countries, and he speaks of the misery, degradation and suffering of the English especially in a voice that wavers from deep emotion. From the bottom of his soul you can see that he pities the poor wretches who are sweated to the verge of death, but all he proposes is to make things worse for them. Mr. Traill once said very publicly that he felt at times ashamed to wear a shirt knowing how the women who make shirts live and the horrible sufferings they undergo. And the remedy Mr. Traill and the party he is allied with offers is to deprive these women of even *that* miserable means of sustaining life. That is all. From the sewing woman who, wretched as her lot is, choose it as the best that she can choose, take away

the sewing and in the name of "scientific" protection tell her to go on the streets or to the overcrowded workhouses. From the ironworker of Belgium or England, hardly living above the beasts that perish, take away his work and let him starve or beg. That is the highly civilized and Christian way of settling the social difficulty preached by the champions of protective tariffism. The spoils are for the victor, they tell you, therefore fight your brethren and trample them down, for there is no other way to live but by trampling down some. No sophistry of statement, no oratorical becloudment can make the doctrine of protection mean anything but that. "Eat or be eaten," is the crude barbarism of thought on which the protected idea is based. As Henry George has so well shown in his "Protection or Free Trade," a book that everyone who is desirous of finding what is truth about the fiscal question should read in connection with the best works from the opposite point of view — in times of actual war only do we see protection in its true character as a weapon of strife and mutual injury. Let a war break out between two nations that have hitherto existed in friendly relations to each other and one of the first things done is a blockading of ports. Each side recognize that it will injure and weaken the other to cut off the supplies of commodities which they get from the most advantageous sources. Protection seeks to do in a smaller way and indirectly the very thing which in a larger way war does honestly and directly for purposes of destruction. Even though one nation could benefit by forcing the workers of another lower and lower into the depths of misery, by taking away their employment, it is the expedient of the man who pushed his brother off the life-raft in order to get his place. Mr. Traill's tears for the sewing women do not bear analysis well if he has nothing better to back commiseration up with than taking away their poor livelihood.

Protection does not protect labor, and never in the world was there a more brazen and impudent sham than the pretense on the part of certain of its advocates that it does. How can it protect labor when labor is the only thing that is allowed to come from abroad without any restriction and compete with local labor? Here is the matter in the smallest of nutshells. If the wage earners of New South Wales were to band themselves together and insist that no wage earners in their own particular trades were to be allowed to enter the colony, save under payment of a heavy tax, there would be immediate outcry against them by the employers. These would say that the workers were endeavoring to secure an undue advantage by increasing their wages at the cost of the manufacturer and capitalist, and would fight against such a proposition vigorously. Well, at present the employers — the manufacturers and capitalists — are demanding that the commodities which they wish to produce shall be heavily taxed, while the labor shall continue to come in free. And the astounding thing about all this is that a good many of the wage earners believe them and are willing to help them to get protection against commodities and free ports for the labor with which to produce these commodities. This some of the workers are ready to accept as protection. With unction and an excess of sentiment about Australia for the Australians and much talk of a blue flag and a kangaroo and emu, and some mental reservation about a cock and a bull, certain of the protectionist party posture as defenders of labor by the popular proceeding of shaking their fists in the faces of the Chinamen. "We will keep out the Chinese," they say, "so that our workers shall not be forced into competition with those whose scale of life is so low." And this crumb is swallowed as sufficient by the dupes who do not realize that if trade ceases with the workers of

some other country, and those workers are allowed to come in here, the level of living will soon come to near Chinese point, as in Belgium, Germany, England and America. It is not the Chinese whose competition the skilled engineer, watchmaker, or type-setter need fear so much as the competition of skilled white labor in his own line. Where there is work for one bootmaker, he who is engaged in it fears more from the coming of another bootmaker than from the coming of two pauper Chinamen. But all this is kept in the background, and they make strong anti-Chinese speeches amid the enthusiastic cheers of those who never will be made slaves or fools.

Protection does not protect. If the people of New South Wales agree to pay so much — a more trifle if you like — per head to establish certain industries here, they have so much per head less to expend on some of those that are already established. Someone must go down in the raising up of others. And to what end after the industries were established? To the end that rent would rise and take any benefit accruing from their establishment. If any locality is made the center of new activities from any cause, rents in that locality rise in exact proportion. If manufactories that now only work in a desultory and half-hearted way for the reason that consumers can get what they want more cheaply from somewhere else were suddenly made to work continuously by means of a contribution levied upon the whole people the ground rents of those factories would rise. And if 1000 workmen were employed wherever there are now 50 or 100, the personal well being of each of the 1000 would be less than is now that of each of the 50 or 100, because rents would have so risen that a larger proportion of the wages received by him would be taken from him. Rent has nullified the effect of wonderful progress and mechanical advancement; it has taken to itself every gain arising from increased knowledge and production. Protection just plays into its hands beautifully by changing the center of production from one country to another to the loss of the people, and the gain of the landowners.