

CHAPTER XXI.

INADEQUACY OF THE FREE-TRADE ARGUMENT.

The point we have now reached, is that at which discussions of the tariff question usually end—the extreme limit to which the avowed champions of the opposing policies carry their controversy.

We have, in fact, reached the legitimate end of our inquiry so far as it relates to the respective merits of protection and free trade. The stream, whose course our examination has been following, here blends with other streams, and though it still flows on, it is as part of a wider and deeper river. As he who would trace the waters of the Ohio to their final union with the ocean cannot stop when the Ohio ends, but must still follow on that mighty Mississippi which unites streams from far different sources, so, as I said in the beginning, really to understand the tariff question we must go beyond the tariff question. This we may now see.

So far as relates to questions usually debated between protectionists and free traders our inquiry is now complete and conclusive. We have seen the absurdity of protection as a general principle and the fallacy of the special pleas that are made for it. We have seen that protective duties cannot increase the aggregate wealth of the country that enforces them, and have no tendency to give a greater proportion of that wealth to the working-class. We have seen that their tendencies, on the contrary, are to lessen aggregate wealth, and to foster monopolies at the expense of the masses of the people.

But although we have directly or inferentially disproved every argument that is made for protection, although we have seen conclusively that protection is in its nature inimical to

general interests, and that free trade is in its nature promotive of general interests, yet if our inquiry were to stop here we should not have accomplished the purpose with which we set out. For my part, did it end here, I should deem the labor I have so far spent in writing this book little better than wasted. For all that we have seen has, with more or less coherence and clearness, been shown again and again. Yet protection still retains its hold on the popular mind. And until something more is shown, protection will retain this hold.

In exposing the fallacies of protection I have endeavored in each case to show what has made the fallacy plausible, but it still remains to explain why such exposures produce so little effect. The very conclusiveness with which our examination has disproved the claims of protection will suggest that there must be something more to be said, and may well prompt the question, "If the protective theory is really so incongruous with the nature of things and so inconsistent with itself, how is it that after so many years of discussion it still obtains such wide and strong support?"

Free traders usually attribute the persistence of the belief in protection to popular ignorance, played upon by special interests. But this explanation will hardly satisfy an unbiased mind. Vitality inheres in truth, not in error. Though accepted error has always the strength of habit and authority, and the battle against it must always be hard at first, yet the tendency of discussion in which error is confronted with truth is to make the truth steadily clearer. That a theory which seems wholly false holds its ground in popular belief despite wide and long discussion, should prompt its opponents to inquire whether their arguments have really gone to the roots of popular belief, and whether this belief does not derive support from truths they have not considered, or from errors not yet exposed, which still pass for truths—rather than to attribute its vitality to popular incapacity to recognize truth.

I shall hereafter show that the protective idea does indeed derive support from doctrines that have been actively taught and zealously defended by the very economists who have assailed it (who, so to speak, have been vigorously defending protection with the right hand while raining blows upon it with the left), and from habits of thought which the opponents no less than the advocates of protection have failed to call in question. But what I now wish to point out is the inadequacy of the arguments which free traders usually rely on to convince working-men that the abolition of protection is for their interest.

In our examination we have gone as far, and in certain respects somewhat further than free traders usually go. But what have we proved as to the main issue? Merely that it is the tendency of free trade to increase the production of wealth, and thus to permit of the increase of wages, and that it is the tendency of protection to decrease the production of wealth and foster certain monopolies. But from this it does not follow that the abolition of protection would be of any benefit to the working-class. The tendency of a brick pushed off a chimney-top is to fall to the surface of the ground. But it will not fall to the surface of the ground if its fall be intercepted by the roof of a house. The tendency of anything that increases the productive power of labor is to augment wages. But it will *not* augment wages under conditions in which laborers are forced by competition to offer their services for a mere living.

In the United States, as in all countries where political power is in the hands of the masses, the vital point in the tariff controversy is as to its effect upon the earnings of "the poor people who have to work."³⁰

But this point lies beyond the limit to which free traders are accustomed to confine their reasoning. They *prove* that the

³⁰I find this suggestive phrase in a protectionist newspaper. But it well expresses the attitude toward labor of many of the free-trade writers also.

tendency of protection is to reduce the production of wealth and to increase the price of commodities, and from this they *assume* that the effect of the abolition of protection would be to increase the earnings of labor. But not merely is such an assumption logically invalid until it is shown that there is nothing in existing conditions to prevent the working-classes from getting the benefit of this tendency; but, although in itself a natural assumption, it is in the minds of "the poor people who have to work" contradicted by obvious facts.

In this is the invalidity of the free-trade argument, and here, and not in the ignorance of the masses, is the reason why all attempts to convert working-men to the free-tradeism which would substitute a revenue tariff for a protective tariff must, save under such conditions as existed in England forty years ago, utterly fail.

While both sides have shown the same indisposition to go to the heart of the controversy, there can be no question that so far as [the] issue is joined between protectionists and free traders, in current discussion, the free traders have the best of the argument.

But that the belief in protection has survived long and wide discussion, that it seems to spring up again when beaten down and to arise with apparent spontaneity in communities such as the United States, Canada and Australia, that have grown up without tariffs, and where the system lacks the advantage of inertia and of enlisted interests, proves that beyond the discussion there must be something which strongly commends protection to the popular mind.

This may also be inferred from what protectionists themselves say. Beaten in argument, the protectionist usually falls back upon some declaration which implies that the real grounds of his belief have been untouched, and which generally takes the form of an assertion that though free trade may be true in theory it fails in practice. In such form the assertion is untenable. A theory is but an explanation of the

relation of facts, and nothing can be true in theory that is not true in practice. But free traders really beg the question when they answer by merely pointing this out. The real question is, whether the reasoning on which free traders rely takes into account all existing conditions? What the protectionist means, or at least the perception that he appeals to, when he talks in this way of the difference between theory and fact, is, that the free-trade theory does not take into account all existing facts. And this is true.

As the tariff question is presented, there are indeed, under existing social conditions, two sides to the shield, so that men who look only at one side, closing their eyes to the other, may continue, with equal confidence, to hold opposite opinions. And that the distinction between them may, with not entire inaptness, be described as that of exclusively regarding theory and that of exclusively regarding facts, we shall see when we have developed a theory which will embrace all the facts, and which will explain not only why it is that honest men have so diametrically differed upon the question of protection vs. free trade, but why the advocates of neither policy have been inclined to press on to that point where honest differences may be reconciled. For we have reached the place where the Ohio of the tariff question flows into the Mississippi of the great social question. It need not surprise us that both parties to the controversy, as it has hitherto been conducted, should stop here, for it would be as rational to expect any thorough treatment of the social question from the well-to-do class represented in the English Cobden Club or the American Iron and Steel Association, or from their apologists in professorial chairs, as it would be to look for any thorough treatment of the subject of personal liberty in the controversies of the slave-holding Whigs and slave-holding Democrats of forty years ago, or in the sermons of the preachers whose salaries were paid by them.