

Henry George On Trade Restriction

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IN "Protection or Free Trade" Henry George shows by illustration how absurd it is to expect a nation to benefit by placing restrictions against the free flow of commerce.

"To attempt to make a nation prosperous by preventing it from buying from other nations is as absurd as it would be to make a man prosperous by preventing him from buying from other men. How this operates in the case of the individual we can see from that practice which, since its application in the Irish land agitation, has come to be called "boycotting." Captain Boycott, upon whom has been thrust the unenviable fame of having his name turned into a verb, was in fact protected. He had a protective tariff of the most efficient kind built round him by a neighborhood decree more effective than Act of Parliament. No one would sell him labor, no one would sell him milk or bread or meat, or any service or commodity whatever. But instead of growing prosperous, this much-protected man had to fly from a place where his own market was thus reserved for his own productions. What protectionists ask us to do to ourselves in reserving our home market for home producers, is in kind what the Land Leaguers did to Captain Boycott. They ask us to boycott ourselves."

Henry George thus by a simple illustration demonstrates the absurdity of any nation being self-contained. During a war we blockade the ports of our alleged enemies and prevent goods from entering into their countries. This is supposed to be bad for our opponents. Yet in time of peace we blockade our own ports with tariff restrictions to prevent goods from coming into our country, and this is supposed to be beneficial to the people "sheltered" by the tariff wall. Where is the difference? Are not both acts "trade restrictions?"

REMOVAL OF TARIFF BARRIERS NOT SUFFICIENT

Free trade means more than the removal of tariff barriers. Before a person can trade he must have something to trade with. Before he can have this commodity he must produce it. Production means free access to land, and so long as land—the source of all wealth—is kept from those who desire to use it, we cannot logically say we have freedom of trade. Dealing with this aspect of the subject. Henry George said:—

"The mere abolition of protection—the mere substitution of a revenue tariff for a protective tariff—is such a lame and timorous application of the free-trade principle that it is a misnomer to speak of it as free trade. A revenue tariff is only a somewhat milder restriction on trade than a protective tariff.

"Free trade, in its true meaning, requires not merely the abolition of protection, but the sweeping away of all tariffs—the abolition of all restrictions (save those imposed in the interest of public health or morals) on the bringing of things into a country or the carrying of things out of a country.

"But free trade cannot logically stop at custom-houses. It applies as well to domestic as to foreign trade, and in its true sense requires the abolition of all internal taxes that fall on buying, selling, transporting or exchanging, on the making of any transaction or the carrying on of any business, save, of course, where the motive of the tax is public safety, health or morals.

"Thus the adoption of true free trade involves the abolition of all indirect taxation of whatever kind, and the resort to direct taxation for all public revenues.

"But this is not all. Trade, as we have seen, is a mode of production, and the freeing of trade is beneficial because it is a freeing of production. For the same reason, therefore, that we ought not to tax any one for adding to the wealth of a country by bringing valuable things into it, we ought not to tax anyone for adding to the wealth of a country by producing within that country valuable things. Thus the principle of free trade requires that we should not merely abolish all indirect taxes, but that we should abolish as well all direct taxes on things that are the produce of labor; that we should, in short, give full play to the natural stimulus to production—the possession and enjoyment of the things produced—by imposing no tax whatever upon the production, accumulation or possession of wealth (i.e., things produced by labor), leaving every one free to make exchange, give, spend or bequeath."

Professorial Simplicity

OUR attention has been called to a radio discussion of our economic plight and the cause thereof, in which discussion Prof. Irving Fisher participated. The honor of having the economic wisdom of this gentleman incorporated in the Congressional Record goes to Mr. Jerry Voorhis, Representative from California. The reader, we believe, will enjoy the following excerpts.

MR. VOORHIS. This particular broadcast took place on Tuesday, March 7, 1939, the guest speakers being Senator George W. Norris, of Nebraska, and Prof. Irving Fisher, professor emeritus of economics at Yale University, both of whom are depended upon in a great degree to guide our great Nation in the solving of its economic and social difficulties. . . .

RADIO DISCUSSION OVER WOL

MR. BINDERUP. . . . I introduce Prof. Irving Fisher, professor emeritus of economics at Yale University, from whose words and pen we have gleaned the plan for