

can trusts are in their prospectuses. They must make their money by their economies. They must sell at the lowest prices that obtain anywhere in the world. If they get above the lowest international price, foreign competition immediately checks their advance.

In Germany, trusts do as in this country, they add all that they can to the price, and take advantage of protection, as of all other opportunities. The price of steel to the German consumer is about the same as in this country, and for the same reason—a trust. On steel plates used in ship building, however, the price in Germany is as low as anywhere in the world, even in free-trade England, and why? Because these plates are on the free list and the German trust must make the international and lowest price because of the open market. . . .

The moral side of this issue will not down. No one can speak of it without regret and unhappiness. It is a pleasure to use the clear and sober language of that most august of human tribunals, the Supreme Court of the United States: "To lay with one hand the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprise and build up private fortunes, is none the less robbery because it is done under the forms of law and is called taxation."

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THE WEAKNESS AND STRENGTH OF PROTECTION.

Excerpts on Labor and the Tariff, From Henry George's
"Protection or Free Trade."

I. The Weakness of Protection.

Protectionists claim that it is for the benefit of a community as a whole, of a nation considered as one man, to make it easy to send goods away and difficult to bring them in.

Let us take a community which we must perforce consider as a whole—that country, with a population of one, which the genius of Defoe has made familiar not only to English readers but to the people of all European tongues.

Robinson Crusoe, we will suppose, is still living alone on his island. Let us suppose an American protectionist is the first to break his solitude with the long-yearned-for music of human speech. Crusoe's delight we can well imagine. But now that he has been there so long he does not care to leave, the less since his visitor tells him that the island, having now been discovered, will often be visited by passing ships. Let us suppose that after having heard Crusoe's story, seen his island, enjoyed such hospitality as he could offer, told him in return of the wonderful changes in the great world, and left him books and papers, our protectionist prepares to depart, but before going seeks to offer some kindly warning of the danger Crusoe will be exposed to from the "deluge of cheap goods" that passing ships will seek to exchange for fruit and goats. Imagine him to tell Crusoe just what protectionists tell larger com-

munities, and to warn him that, unless he takes measures to make it difficult to bring these goods ashore, his industry will be entirely ruined. "In fact," we may imagine the protectionist to say, "so cheaply can all the things you require be produced abroad that unless you make it hard to land them I do not see how you will be able to employ your own industry at all."

"Will they give me all these things?" Robinson Crusoe would naturally exclaim. "Do you mean that I shall get all these things for nothing and have no work at all to do? That will suit me completely. I shall rest and read and go fishing for the fun of it. I am not anxious to work if without work I can get the things I want."

"No, I don't quite mean that," the protectionist would be forced to explain. "They will not give you such things for nothing. They will, of course, want something in return. But they will bring you so much and will take away so little that your imports will vastly exceed your exports, and it will soon be difficult for you to find employment for your labor."

"But I don't want to find employment for my labor," Crusoe would naturally reply. "I did not spend months in digging out my canoe and weeks in tanning and sewing these goat-skins because I wanted employment for my labor, but because I wanted the things. If I can get what I want with less labor, so much the better, and the more I get and the less I give in the trade you tell me I am to carry on—or, as you phrase it, the more my imports exceed my exports—the easier I can live and the richer I shall be. I am not afraid of being overwhelmed with goods. The more they bring the better it will suit me."

And so the two might part, for it is certain that no matter how long our protectionist talked the notion that his industry would be ruined by getting things with less labor than before would never frighten Crusoe.

Yet, are these arguments for protection a whit more absurd when addressed to one man living on an island than when addressed to sixty millions living on a continent? What would be true in the case of Robinson Crusoe is true in the case of Brother Jonathan. If foreigners will bring us goods cheaper than we can make them ourselves, we shall be the gainers. The more we get in imports as compared with what we have to give in exports, the better the trade for us. And since foreigners are not liberal enough to give us their productions, but will only let us have them in return for our own productions, how can they ruin our industry? The only way they could ruin our industry would be by bringing us for nothing all we want, so as to save us the necessity for work. If this were possible, ought it seem very dreadful?

II. The Strength of Protection.

The fallacies of protection draw their real

strength from a great fact, which is to them as the earth was to the fabled Antaeus, so that they are beaten down only to spring up again. This fact is one which neither side in the controversy endeavors to explain—which free traders quietly ignore and protectionists quietly utilize; but which is of all social facts most obvious and important to the working classes—the fact that as soon, at least, as a certain stage of social development is reached, there are more laborers seeking employment than can find it—a surplus which at recurring periods of industrial depression becomes very large. Thus the opportunity of work comes to be regarded as a privilege, and work itself to be deemed in common thought a good.

Here, and not in the labored arguments which its advocates make, or in the power of the special interests which it enlists, lies the real strength of protection. Beneath all the mental habits I have spoken of as disposing men to accept the fallacies of protection lies one still more important—the habit ingrained in thought and speech of looking upon work as a boon.

Protection, as we have seen, operates to reduce the power of a community to obtain wealth—to lessen the result which a given amount of exertion can secure. It "makes more work," in the sense in which Pharaoh made more work for the Hebrew brick-makers when he refused them straw; in the sense in which the spilling of grease over her floor makes more work for the housewife, or the rain that wets his hay makes more work for the farmer.

Yet, when we prove this, what have we proved to men whose greatest anxiety is to get work; whose idea of good times is that of times when work is plentiful?

A rain that wets his hay is to the farmer clearly an injury; but is it an injury to the laborer who gets by reason of it a day's work and a day's pay that otherwise he would not have got?

The spilling of grease upon her kitchen floor may be a bad thing for the housewife; but to the scrubbing woman who is thereby enabled to earn a needed half-dollar it may be a godsend.

Or if the laborers on Pharaoh's public works had been like the laborers on modern public works, anxious only that the job might last, and if outside of them had been a mass of less fortunate laborers, pressing, struggling, begging for employment in the brick-yards—would the edict that, by reducing the productiveness of labor, made more work have really been unpopular?

Let us go back to Robinson Crusoe. In speaking of him I purposely left out Friday. Our protectionist might have talked until he was tired without convincing Crusoe that the more he got and the less he gave in his exchange with passing ships the worse off he would be. But if he had taken Friday aside, recalled to his mind how

Crusoe had sold Xury into slavery as soon as he had no further use for him, even though the poor boy had helped him escape from the Moors and had saved his life, and then had whispered into Friday's ear that the less work there was to do the less need would Crusoe have of him and the greater the danger that he might give him back to the cannibals, now that he was certain to have more congenial companions—would the idea that there might be danger in a deluge of cheap goods have seemed so ridiculous to Friday as it did to Crusoe?

Those who imagine that they can overcome the popular leaning to protection by pointing out that protective tariffs make necessary more work to obtain the same result, ignore the fact that in all civilized countries that have reached a certain stage of development the majority of the people are unable to employ themselves, and, unless they find some one to give them work, are helpless, and, hence, are accustomed to regard work as a thing to be desired in itself, and anything which makes more work as a benefit, not an injury.

Here is the rock against which "free traders" whose ideas of reform go no further than "a tariff for revenue only" waste their strength when they demonstrate that the effect of protection is to increase work without increasing wealth. And here is the reason why, as we have seen in the United States, in Canada and in Australia, the disposition to resort to protective tariffs increases as that early stage in which there is no difficulty of finding employment is passed, and the social phenomena of older countries begin to appear. . . .

III. Explanation of the Paradox.

The paradox we have reached is one toward which all the social problems of our day converge, and had our examination been of any similar question it must have come to just such a point.

Take, for instance, the question of the effects of machinery. The opinion that finds most influential expression is that labor-saving invention, although it may sometimes cause temporary inconvenience or even hardship to a few, is ultimately beneficial to all. On the other hand, there is among workingmen a widespread belief that labor-saving machinery is injurious to them, although, since the belief does not enlist those powerful special interests that are concerned in the advocacy of protection, it has not been wrought into an elaborate system and does not get anything like the same representation in the organs of public opinion.

Now, should we subject this question to such an examination as we have given to the tariff question we should reach similar results. We should find the notion that invention ought to be restrained as incongruous as the notion that trade ought to be restrained—as incapable of being carried to its logical conclusions without resulting in

absurdity. And while the use of machinery enormously increases the production of wealth, examination would show in it nothing to cause inequality in distribution. On the contrary, we should see that the increased power given by invention inures primarily to labor, and that this gain is so diffused by exchange that the effect of an improvement which increases the power of labor in one branch of industry must be shared by labor in all other branches. Thus the direct tendency of labor-saving improvement is to augment the earnings of labor. Nor is this tendency neutralized by the fact that labor-saving inventions generally require the use of capital, since competition, when free to act, must at length bring the profits of capital used in this way to the common level. Even the monopoly of a labor-saving invention, while it can seldom be maintained for any length of time, cannot prevent a large (and generally much the largest) part of the benefits from being diffused.

From this we might conclude with certainty, that the tendency of labor-saving improvements is to benefit all, and especially to benefit the working-class, and hence might naturally attribute any distrust of their beneficial effects partly to the temporary displacements which, in a highly organized society, any change in the forms of industry must cause, and partly to the increased wants called forth by the increased ability to satisfy want.

Yet, while as a matter of theory it is clear that labor-saving inventions ought to improve the condition of all; as a matter of fact it is equally clear that they do not. . . .

In themselves free trade and labor-saving inventions do not tend to inequality of distribution. Yet it is possible that they may promote such inequality, not by virtue of anything inherent in their tendencies, but through their effect in increasing production. . . .

Let us go back to Robinson Crusoe's island, which may well serve us as an example of society in its simplest and therefore most intelligible form.

The discovery of the island which we have heretofore supposed, involving calls by other ships, would greatly increase the wealth which the labor of its population of two could obtain. But it would not follow that in the increased wealth both would gain. Friday was Crusoe's slave, and no matter how much the opening of trade with the rest of the world might increase wealth, he could only demand the wages of a slave—enough to maintain him in working ability. So long as Crusoe himself lived he would doubtless take good care of the companion of his solitude, but when in the course of time the island had fully come into the circle of civilized life, and had passed into the possession of some heir

of Crusoe's, or of some purchaser, living probably in England, and was cultivated with a view to making it yield the largest income, the gulf between the proprietor who owned it and the slave who worked upon it would not merely have enormously widened as compared with the time when Crusoe and Friday shared with substantial equality the joint produce of their labor, but the share of the slave might have become absolutely less, and his condition lower and harder.

It is not necessary to suppose positive cruelty or wanton harshness. The slaves who in the new order of things took Friday's place might have all their animal wants supplied—they might have as much to eat as Friday had, might wear better clothes, be lodged in better houses, be exempt from the fear of cannibals, and in illness have the attendance of a skilled physician. And seeing this, island "statisticians" might collate figures or devise diagrams to show how much better off these toilers were than their predecessor, who wore goat-skins, slept in a cave and lived in constant dread of being eaten, and the conclusions of these gentlemen might be paraded in all the island newspapers, with a chorus of: "Behold, in figures that cannot lie and diagrams that can be measured, how industrial progress benefits everybody, even the slave!"

But in things of which the statistician takes no account they would be worse off than Friday. Compelled to a round of dreary toil, unlightened by variety, undignified by responsibility, unstimulated by seeing results and partaking of them, their life, as compared with that of Friday, would be less that of men and more that of machines.

And the effect of such changes would be the same upon laborers such as we call free—free, that is to say, to use their own power to labor, but not free to that which is necessary to its use. If Friday, instead of setting Crusoe's foot upon his head, in token that he was thenceforward his slave, had simply acknowledged Crusoe's ownership of the island, what would have been the difference? As he could only live upon Crusoe's property on Crusoe's terms, his freedom would simply have amounted to the freedom to emigrate, to drown himself in the sea, or to give himself up to the cannibals. Men enjoying only such freedom—that is to say, the freedom to starve or emigrate as the alternative of getting some one else's permission to labor—cannot be enriched by improvements that increase the production of wealth. For they have no more power to claim any share of it than has the slave. Those who want them to work must give them what the master must give the slave if he wants him to work—enough to support life and strength; but when they can find no one who wants them to work they must starve, if they cannot beg. Grant to Crusoe ownership of the island, and Friday, the free man,

would be as much subject to his will as Friday, the slave; as incapable of claiming any share of an increased production of wealth, no matter how great it might be nor from what cause it might come.

And what would be true in the case of one man would be true of any number. Suppose ten thousand Fridays, all free men, all absolute owners of themselves, and but one Crusoe, the absolute owner of the island. So long as his ownership was acknowledged and could be enforced, would not the one be the master of the ten thousand as fully as though he were the legal owner of their flesh and blood? Since no one could use *his* island without his consent, it would follow that no one could labor, or even live, without his permission. The order, "Leave my property," would be a sentence of death.

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MAKING IT CLEAR.

I like the tariff speeches, for
The more I read of them the more
I do not know, and thus I can
Rely upon my Congressman.
Upon the very slightest hint
He gets unending leave to print,
And when he prints a speech, you see,
He takes and mails it out to me.

He makes it very clear just how
If I pay more than I do now
For socks and gloves and baby's dress,
While I pay more, they cost me less.
And then he shows me where I lose
By paying somewhat less for shoes,
For, though I pay less than before,
My shoes, they really cost me more.

He makes it very clear to me
That what I lose I gain, you see;
And on such things as clothes and shoes
I seem to gain, but really lose.
Thus, if I buy my socks too low,
They'll still be higher, don't you know;
And shoes I thought were high last Fall,
Were really low shoes after all.

You see, if I pay less for shoes
Or hats, the maker has to lose,
And if he loses, then, you see,
He charges up the loss to me.
Now, when I have to pay him more,
He reckons profits to his score,
And thus there is a share for me
In all of this prosperity.

The speeches shed a radiant light
Upon the theme and make it bright;
I merely read them o'er and o'er
And find more's less, and less is more;
In buying hat or coat or vest,
Dear's cheap, and cheap is dear at best;
High's low, low's high, far's near, near's far,
Light's dark, white's black—and there you are!

—J. W. Foley, in New York Times.

BOOKS

INTERNATIONAL FREE TRADE CONGRESS.

Report of the Proceedings of the International Free Trade Congress. London, August, 1908. Published by the Cobden Club, Caxton House, Westminster, S. W., London. Sold by The Public, 357 Dearborn street, Chicago. Price, postpaid, \$1.

This strongly bound volume, handsomely printed on heavy paper and in large black type, is the official report of an international congress of last year which contributed material of the highest value to a world wide question: Commerce, shall it be obstructed or unobstructed?

Among these contributions are speeches by Winston Churchill of the British Ministry, by Prime Minister Asquith, by John A. Hobson, and by the late Theodor Barth of Germany. There are also speeches or papers by John Bigelow, Harvey N. Shepard, John DeWitt Warner, Professor Sumner, Edwin D. Mead, Franklin Pierce, Louis F. Post, A. B. Farquhar, Louis Ehrlich, J. Denton Hancock and Herbert Miles, and a letter from William Lloyd Garrison, all of the United States; by Yves Guyot of France; by Joseph Martin of Canada and Max Hirsch of Australia; by Professor Bastable of Dublin; and by several other students of the subject coming from Austria, Belgium, Denmark, Holland and Italy, as well as Australia, Canada, France, Germany, the United States and Great Britain.

A well-considered letter from Edward Bernstein, the opportunist leader in German Socialism (which appears at page 26), is peculiarly significant in its declaration that "more than at any time before is the question of free international exchange a working-class question," coupled with the statement that this is recognized by his party in Germany. Mr. Bernstein truly explains that "as long as society is divided into monopolizing capitalistic and working class respectively, who have to compete for their livelihood, no technical progress of any kind will be an unmixed blessing, and free exchange will have its drawbacks for many members or sections of the community; but the remedy lies not in the return to the erection of tariff walls and toll gates."

Theodor Barth, the German publicist of democratic faith, whose death is just reported, is represented several times in the volume. In one of his speeches (at pages 9, 10), he makes this fine contrast: "There is a modern idea of economic imperialism, the doctrine that markets are to be conquered not so much by the intrinsic qualities of the goods offered to foreign consumers, but by the force and the prestige, and, if necessary, the arms of the producing country. Protection