

may increase in volume and intensity. If this is to be the system is doomed. Ten thousand graduates of the Henry George School do not seem very formidable in a nation of one hundred and thirty million. But ten thousand who think straight and who are animated by spiritual conviction are to be reckoned with. And as the years go this group will be multiplied many fold. Then something will happen.

## Henry Clay an Advocate of Protection and Low Wages

**H**ENRY CLAY was the Father of the American Protective Tariff. At least he is called so, though there seems some doubt about the paternity. The honor, such as it is, should perhaps go to Henry C. Carey, who expressed a wish that the ocean might be a sea of fire, in which case there would be nothing imported and a perfectly "favorable balance of trade" be forever assured!

But it will be news to most persons that Clay advocated a protective tariff as a device for lowering wages rather than increasing them. He saw that the higher wages prevailing in America were due to the public domain which provided an outlet for labor. He believed that a high tariff would encourage the coming of lower wage laborers for our manufacturers. This school of protection to which he belonged advocated a high tariff to encourage immigration of low paid labor to build up our infant manufacturing. Congressman William D. Kelley, known in the House as "Pig Iron Kelley," said in March, 1872. "Yes men are on the free list. They cost us not even freight. . . . We promote free trade in men and it is the only free trade I am prepared to promote."

From 1810 to 1850 Clay was the protection leader. During this period England was a protection country. Pauperism was wide-spread in Great Britain. Clay argued that if protection made paupers, which he seemed to think it did, it made at the same time enough wealthy men to support them. In the light of what so many people believe, this almost incredible teaching of the Father of American Protection will come as a shock. But it was in March, 1824, that Clay said (and if this meets the eye of any protectionist he is asked to reflect upon it:)

"As to the poor rates, the theme of so much reproach without England and so much regret within it among her speculative writers, the system was a strong proof no less of her unbounded wealth than of her pauperism. What other nation can dispense, in the form of requested charity, the enormous sum, I believe, of ten or twelve millions sterling. The number of British paupers was the result of pressing the principle of population to its utmost limits, by her protecting policy, in the creation of wealth, and in placing the rest of the world under tribute to her industry. Doubtless the condition of England would be

better without paupers (*sic*) if in other respects it remained the same. But in her actual circumstances, the poor system has the salutary effect of an equalizing corrective of the tendency to the concentration of riches, produced by the genius of her political institutions, and by her prohibitory system."

That protection can increase wages is, of course, the shallowest kind of deception. And it is well for a moment to go back to a time when the protectionist school made no such defense of the system but frankly based it upon the need of cheaper labor for our nascent industries.

## What are Monopolies?

**W**HAT are monopolies? According to the sloppy economists who represent current thinking they are Big Business, Corporations, Chain and Department Stores, and Combinations of Capital.

None of these things are monopolies save as they share in natural resources or participate in the receipt of economic rent, or are endowed with special privileges by government.

The only really effective monopoly is the ownership of the earth.

The largely ineffective monopolies are protected industries because, subject to the inroads of competition and at the mercy of other and stronger monopolies, chief among which is the monopoly of the earth, the source of their products.

Railroads are monopolies in so far as they control the rights of way, the ownership of land in strips rather than plots. The United States Steel Company is only a monopoly in so far as it controls the sources of supply. There can be no monopoly in cars, rails or equipment. You cannot monopolize the products of labor.

Capital in a free economy is in a state of flux. So is Labor. They move to the highest bidder. They will flow into channels which offer the greater percentage above the normal return. Edward Atkinson long ago calculated that the difference of one-tenth of one per cent a yard in the cost of manufacture would determine what country would hold the cotton goods trade of the world.

So powerful is competition that it frequently overleaps the barriers created against it and sweeps on its way in the destruction of combinations, as occurred some years ago in the defeat of the attempt to corner cotton.

There is one point to be kept always in mind. That is that there is no real monopoly apart from the monopoly of the earth, or monopoly conferred by government, let us say in the form of patents. Monopolies do not spring spontaneously in the natural operation of industry. They are not inherent in the nature of industry. *But competition is.*

Combinations are something else. These are often mistaken for monopolies by loose thinkers. Despite the size of combinations they are forever at the mercy of