

Protecting American industry.

A jewelry house in lower New York recently advertised a question - and - answer explanatory of a peculiarity in its business methods. "Why do we import American watches from London?" was the question; and this was the answer: "Because American watches are sold in London cheaper than in the towns where they are manufactured; and we have secured a large consignment which we are offering at 25 per cent. less than it is possible to buy them elsewhere in the United States." This house must have played a trick upon the protected watch industry similar to that played some years ago upon the protected wire nail trust. But hasn't the explanation a tendency to make the dupes of protection search their brain cells? If watches made in America can be taken to London, brought back to the United States, and then retailed at 25 per cent. less than watches bought directly from the American factory, how are American watch makers protected? Do they get any higher wages for making watches that are sold at home than for those that are exported? If not, who gets the difference between the factory price of watches sold dear for home consumption and that of watches sold cheap for foreign consumption?

Making reciprocity faces at protection.

American protectionists fondly believe that Protection is a modern American idea and that Reciprocity is a recent "Iowa idea," traditionally associated with the memory of James G. Blaine. But, bless them, this protection controversy, with its reciprocity attachment, long antedates their solicitude for American industry. Without going any farther back or away than to England in the '40's, we shall find the subject under heated discussion. And then and there, as now and here, the plutocrats and their dupes were protectionists, while free traders who dared not come out for free trade went in for reciprocity. If you

wish to know how the "gabfest" ran along, read Thackeray's "Club Snobs" in his Book of Snobs:

As I came into the coffee-room at the "No Surrender," old Jawkins was holding out to a knot of men who were yawning, as usual. There he stood, waving the Standard, and swaggering before the fire.

"What," said he, "did I tell Peel last year? 'If you touch the corn laws, you touch the sugar question; if you touch the sugar, you touch the tea. I am no monopolist; I am a liberal man, but I cannot forget that I stand on the brink of a precipice; and if we are to have Free Trade, give me Reciprocity.' And what was Sir Robert Peel's answer to me? 'Mr. Jawkins,' he said—"

Here Jawkins's eye suddenly turning on your humble servant, he stopped his sentence with a guilty look, his stale old stupid sentence, which every one of us at the Club has heard over and over again.

"Stale old stupid sentence," indeed. As old as Thackeray, as stale as plutocracy, as stupid as protection.

We had it all over again at the national reciprocity conference (p. 309) at Chicago last week. The delegates to this conference were protectionists, so they declared; but they were for as much reciprocity as is consistent with protection, however much that may be. The simon pure protectionists didn't think the two consistent at all, and they said so, stigmatizing their reciprocity brethren as disguised free traders. The lumber men didn't think reciprocity consistent with protection if the tariff on lumber was to be affected, nor the steel men if reciprocity was to be exacted of them. This reciprocity conference ran up against the protective principle of the member of Parliament from the herring fishery district in Peel's time, who agreed to Peel's free-trade policy—except as to the herring product of foreign-pauper labor. They could not agree even upon reciprocity, and had to accept the "dual tariff" device. By that device Congress would specify maximum and minimum tariffs, and the Executive would bargain with foreign countries for reciprocity within those limits.

This kind of legislation is vi-

cious. It is worse than protection, if anything within the power of Congress can be worse. But the general exporting interests of the country have been driven into an economic corral by the Dingley law, that perfect model of protectionism, and they must do something for their own salvation. American protectionism has reversed the free trade tendencies of the world, by inciting trading nations to retaliate; and the effects of their retaliation are now so keenly felt by American trading interests that these wish to conciliate. But they fear the protection fetish. Whatever they do they must offer burnt sacrifices to him and pretend to worship at his shrine. So, protesting their loyalty to the fetish, they ask for reciprocity through "dual tariffs." As long as they maintain this attitude, American business interests—domestic as well as foreign—will progressively suffer. Protection does not and cannot be made to operate fairly. To the extent that it is one man's meat it is some other man's poison, and no dual tariff or other reciprocity device can alter this fact. The man to whom protection is meat, may be made to change places with the one to whom it is poison; but trade equilibrium under protection is impossible. Reciprocity is nothing but little free trade holes punched here and there through a protection wall in order to make trade fair. But under a system which is in its nature unfair, these free trade holes can make trade fair only in slight degree at best. The only fair trade is free trade.

Judge Baker's significant decision.

The severity of the blow that Mayor Dunne has dealt the traction-grabbing interests of Chicago, with his "contract plan" for securing municipal ownership and operation of traction service and putting the traction pirates out of business, has been evident from the behavior of their touters in many ways, but in nothing plainer than in the eagerness with which they have welcomed the startling decision rendered last week by