

# The Effects of Protection in the United States

(By Joseph Leggett, Attorney-at-Law, San Francisco.)

To claim that the United States is an example of a nation whose experience furnishes proof of the beneficial results of adherence to the system called "Protection" is to betray unpardonable ignorance of fact, or to give proof of disingenuous bias.

The United States of America is the most perfect example of a free trade nation that the history of the world has ever furnished. And its career as a nation has demonstrated to the whole world the beneficial results of absolute free trade. The forty-eight sovereign states that now constitute the Union are guaranteed perfect freedom of trade with each other. The late James G. Blaine was in his time regarded as the foremost advocate of protection in this country. In his "Twenty Years of Congress," Vol. 1, pp. 210, 211, published in 1884, referring to the framers of the Constitution of the United States, he said: "They now had the opportunity, as citizens of a free republic, to show the generous breadth of their statesmanship, and they did so by providing in their Constitution, that Congress should never possess the power to levy 'a tax or duty on articles exported from any state.'"

"At the same time, trade was left absolutely free between all the states of the Union, no one of them being permitted to levy any tax on exports or imports beyond what might be necessary for its inspection laws. Still further to enforce this needful provision, the power to regulate commerce between the States was given to the general government. The effect of these provisions was to insure to the United States a freedom of trade beyond that enjoyed by any other nation. Fifty-five millions of American people (in 1884), over an area nearly as large as the entire continent of Europe, carry on their exchanges by ocean, by lake, by river, without the exactions of the tax-gatherer, without the detention of the custom house, without even the recognition of state lines. In these great channels, the domestic exchanges represent an annual value perhaps twenty-five times as great as the total exports and imports." Twenty years later, in 1904, it was stated by competent authority, that the annual value of the domestic trade between the States was at least fifty times as great as the total exports and imports of the whole country. I believe this to be an under estimate rather than an over estimate.

Mr. Blaine attributed the unexampled development and marvellous prosperity of the United States to the enjoyment of free trade and protection at the same time. But if the benefit of each system was in proportion to the volume of business which was affected by it, it is easy to see how much more of the development and prosperity is to be credited to free trade than to protection.

But even as to that partial "protection" which the founders of the Republic left, unfortunately, in the power of the Congress to adopt, that is the tariff on imports, the history of the United States furnishes convincing proof of the superior advantages of freedom of trade.

It is an interesting fact that in the march of progress the two branches of the English-speaking race on opposite sides of the Atlantic have kept nearly even step with each other.

Sometimes one led, sometimes the other. England abolished the slave trade in 1807, the United States in 1808. The former abolished slavery in 1833, the latter in 1863. In the matter of the extension of the right of suffrage, and in the matter of providing free popular instruction for the masses of the people, the United States has always kept far in the lead. In 1846, after a seven years' struggle, led by Richard Cobden and John Bright, two of the noblest names that adorn the pages of English history, England abandoned the system of protection, and adopted the principle of free trade, to which she has firmly adhered ever since.

In the same year the United States adopted the Walker tariff, which was the nearest approach to free trade that this country had ever made. So well did the country prosper under this tariff

that in 1857 Congress by the votes of members of all parties still further reduced it. Mr. Blaine, in his book already referred to, at page 196, says: "The tariff of 1846 seemed for the time to be so entirely vindicated and approved that resistance to it ceased, not only among the people but among the protective economists, and even among the manufacturers to a large extent. So general was this acquiescence that in 1856 a protective tariff was not suggested or even hinted by any of the three parties which presented presidential candidates." And of the period between 1846 and 1857, at pages 202 and 203, he says: "Manufactures were not stimulated at the expense of the commercial interest. Both developed in harmony, while agriculture, the indispensable basis of all, was never more flourishing. The farmers and planters at no other period of our history were in receipt of such good prices, steadily paid to them in gold coin for their surplus product, which they could send to the domestic market over our own railroads and to the foreign market in our own ships." And on page 202 he says: "Our carrying trade grew so rapidly that in ten years, from the day the tariff of 1846 was passed our tonnage exceeded the tonnage of England."

Had the country remained at peace for the ten years following 1857 there is good reason to believe that this country would have become more thoroughly free trade than England has ever been, and would have won and kept the first place in the rank of commercial nations. The progress it made towards that goal

between 1846 and 1857 justifies that conclusion.

President Lincoln in his first message to Congress, in 1861, drawing his conclusion from the social and industrial conditions everywhere prevailing in these states at that time, said: "This is the just and generous and prosperous system which opens the way to all, gives hope to all, and consequent energy and progress and improvement of condition to all." But the Civil War marred this ideal state of things so well and truthfully described by Lincoln, and gave to Privilege and Plutocracy their opportunity to force upon the people of this democratic Republic the same social stratification and the same economic inequality that have so long cursed the subjects of the old world monarchies.

It was the Civil War that fastened "Protection" upon this country. Henry George, in "Protection or Free Trade," p. 16, says: "Nor could protection have reached its present height in the United States but for the Civil War. While attention was concentrated on the struggle and mothers were sending their sons to the battlefield, the interests that sought protection took advantage of the patriotism that was ready for any sacrifice to secure protective taxes such as had never before been dreamed of, taxes which they have ever since managed to keep in force, and even in many cases to increase."

And what a Pandora's box of ills, social, economic and political, has this triumph of the protection interests let loose upon us! President Taft would be laughed to scorn if he dared claim that the condition of the masses of the people of this Republic today is as satisfactory, hopeful and inspiring as President Lincoln publicly declared it to be in the first year of his administration. The tramp, unknown to America before the war, and his concomitant, the multi-

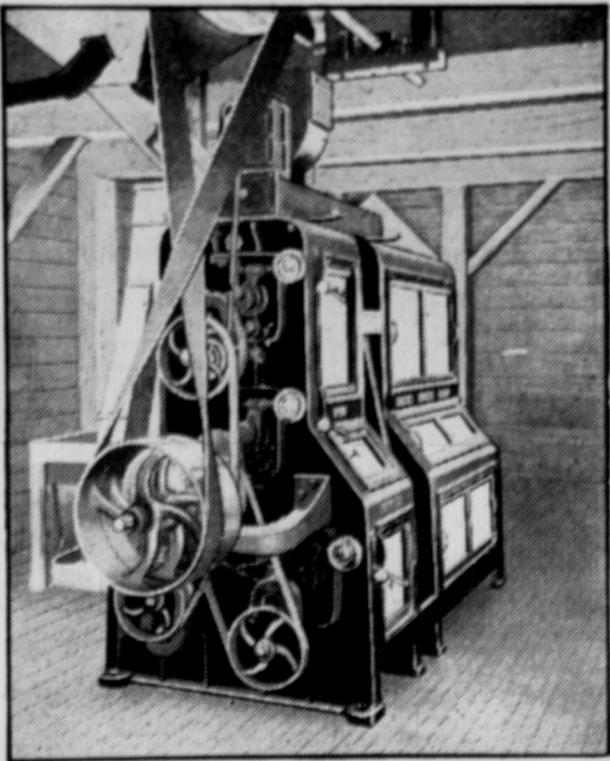
millionaire, are with us. We maintain a standing army of a million unemployed. Strikes and lockouts keep the country in perpetual turmoil. Trusts and combines guarded by protective tariffs retain their strangle hold upon us. Protected manufacturers extort from American citizens, whose votes give them protection, much higher prices than they ask from buyers in foreign lands. Fifty years of the regime of protection have transformed the United States from being "pre-eminently the land of equality" into being as pre-eminently the land of inequality. Sixty years ago it had no monstrous private fortunes; today it has more colossal private fortunes than any other country in the world. One per cent. of its citizens control more of the general wealth than the remaining ninety-nine per cent. And the twenty-four directors of the tariff-fed Steel Trust control one-twelfth of the entire wealth of the country. Nor has it escaped the moral and political decadence which such vastly unequal distribution of wealth necessarily brings in its train. And the gulf between rich and poor threatens to grow fixed and impassable.

From this country to which, in the forties and fifties, people from all lands swarmed to improve their condition, more than half a million of American citizens have within the last six years emigrated to Canada in search of homes, and the number increases every year. And this first recorded American emigration has taken place while the Dingley and Payne-Aldrich tariffs were in full force, and last year exceeded one hundred and ten thousand. And in that same year the medical officer for the port of London reported that last year not a single vessel flying the American flag arrived in the Thames from foreign ports. This is the country whose tonnage in 1856 exceeded the tonnage of England, according to Blaine.

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