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The Tariff Salt Mine

Lee Francis Lyberger has written an able book on the tariff as it works out in the United States. The principle is the same everywhere. He shows up the protective system by taking a salt mine as an illustration. The Book can be obtained from The Public Book Dept., Ellsworth, Building, Chicago, for 30 cents, postpaid.

LET one illustration suffice. Suppose that I own a salt mine within the borders of Philadelphia, this dear old city of Brotherly Love. And suppose I own the only salt mine inside the corporation. I can sell in Philadelphia and elsewhere in competition with other producers of salt. And so far as the local trade is concerned I have the advantage of having practically no costs. However, if I put up my price too high in my greed for big profits, my competitors will come in and get a part of the trade.

How can I avoid this interference by outside shippers—foreigners? By a Protective Tariff. All I need is to declare for "home markets for home producers," "protection to home industries," etc., calling attention to the danger of "foreign competition"—and by "foreign" I mean, simply, from any point beyond the city walls—and the necessity of "protecting" the high-priced labor of Philadelphia from the "cheap" labor elsewhere, and gladly will the people give me the desired "protection." I have now a wall around me of one hundred or two hundred percent. I can now more than double the price of salt, and still hold the "home market." I have a monopoly. I am "protected" in my extortion. And that is what a tariff is for.

But does this prevent my shipping salt to New York and elsewhere? Not at all. But I can still go on charging monopoly prices "at home" and so I can favor shipping even salt out—if I find I can produce more than be consumed by the local market. Neither does it mean that I can oppose all "foreign" goods coming in. It is only a certain kind of goods that I can oppose coming in, viz., salt. I can favor putting some goods on the "free list"—but not salt. Furthermore, I can go so far in my enthusiasm to develop trade that I can favor the giving of bounties—even on the salt which I ship to other cities. I can favor better harbors, so as to bring in more goods from other places—so long as the tariff walls keep out salt.

And that is the philosophy of a tariff wall. It is for the purpose of enabling the producer of certain things to increase their prices to home consumers. It has no other purpose. And so the protectionist has no objection to goods going out. That will not hurt his business. In fact, he is probably the very one who is sending them out. To the abnormal profits he is able to get at home he can add normal profits by selling in foreign countries. And if he did not make profits he would not produce for the foreign trade.

Now does he object to all goods coming in from foreign countries. He objects only to the kind of goods that he produces. Each Protectionist has his own particular "salt mine." Other goods can just as well be placed on the "free list," so far as he is concerned. Free trade in all products but his own, that would be perfectly satisfactory to him.

But the people who have salt to buy—what of them? And so we see that Free Trade would not bankrupt the consumer. In fact, it would save him bankruptcy. To him it would be an infinite blessing. Whom would it injure? The producer. Would it injure all producers? Certainly not. Which ones would it injure? Only those producers who desire to establish a monopoly over the home trade. They are the ones, and the only ones, whom Free Trade would injure. To all others it would come like a benediction, because it would diminish the amount of labor required in order to live.

The Senator's Salt Mine

And that this is the purpose of all restraints to trade is shown by every protectionist speech made at Washington. It was but yesterday that a United States senator said: "I vote for the tariff on iron ore simply because it will increase the value of the iron mines of my state." There you have it. His particular "salt mine" is iron ore lands. I do not

say that he owns mines himself. That has nothing to do with it. It simply shows the object of "protection." This same eloquent senator is heartily in favor of Free Trade in many things—things not produced in his state. He is heartily opposed to the principle of protection—except on iron ore. He would be opposed to protection on iron ore, did not his state produce it. And this is called statesmanship.

And so I repeat that while from the standpoint of the consumer nothing could be more contradictory than the superstitious fear of Free Trade, yet from the standpoint of those who have "salt mines" to "protect" it is perfectly consistent.

And so the unquestioned purpose of Protection is to enable the home producer to raise his price to home consumer. It is the producer's measure. It is by him and for him. How the consumer ever came to think he would be benefitted by being compelled to pay far more for things than he otherwise would pay, is beyond the finite mind to fathom. And it is alright from the producers' point of view. But what of the consumer? It is alright from the standpoint of those who have products to sell, but what of those who have these products to buy? Where do they come in? Well, they just think they are in.

In the typical illustration used, all can see how Protection would help me, because I have salt to sell and own the mine. But how does it benefit those who have salt to buy? There can be but one answer—it does not benefit them. And so all the contradictions growing out of our doctrine of a high protective tariff is due to the point of view. We are trying to make it appear to benefit the consumer. But it is not for the consumer. Protection is wholly in the interest of the producer. And so he can favor sending goods out, but oppose having goods brought back—that is, the kind of goods which he himself produces. As to other goods he can even favor their being placed on the "free list."

But you ask, what kind of a law could be passed to benefit both producer and consumer? I answer, no law. The thing is impossible. The only purpose of law should be to enforce natural laws. And you cannot possibly interfere with the laws of nature to benefit one class without injuring the other.

Congress cannot give to one man without taking from another. What congress by law gives to the producer, it takes from the consumer. Where else could it get it? It cannot raise the selling price for the producer without also raising the cost price to the consumer. For it is the consumer—and he alone—must give what the producer gets. And so all that the producers gain by Protection the consumers lose.

I repeat that whatever the law enables the producer to get in addition to the normal price, which is the price secured in open competition—it compels the producer to give. If this is not class legislation, then what is?

A just government does not exist for the purpose of helping one class plunder another, or to enrich one class at the expense of another. Neither does it exist to compel one class of citizens to pay to another a higher price than can be obtained by the natural laws of trade. In fact government exists to prevent these very things. No greater violation of the natural rights of man was ever shown than in the enactment of a protective tariff.

The Consumer has Nothing to Say

One can see from the very nature of things that protection is a measure by the producer and for the producer. And he has only to see how all tariff laws are framed to be more fully convinced. Who frame them? The producer. Who fix the rates? The producer. The consumer is not there. He is not even con-



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sidered. The consumer is an unknown individual at Washington.

In a recent speech of great force, eloquence and truth, Senator Cummins, of Iowa, —after commenting on the utter ignoring of the interests and demands of the consumer—uttered these warning words: "I know, Mr. President, that the voices of those that are clamoring for an increase of custom-house taxation are more distinctly heard in the corridors and committee rooms of the Senate; but there will come a time presently when the clamor of the millions who want some relief will sound like the roar of a thousand Niagaras from one ocean to the other."

Senator La Follette, of Wisconsin, Senator Gore, Oklahoma, and a few other courageous men of both parties—but only a few—have repeatedly called the attention of the representatives of private interests that there really is such a thing as "the consumer." Their eloquent and unanswerable pleas have been useless—save as a means of enlightening the country. The only man recognized in a protection measure is the producer. It is now "up to the people" to let congress know that a law which enriches the producer at the cost of the consumer is an unjust law.

Senator Dolliver, of Iowa, in one of the greatest speeches ever made in the United States Senate, recently showed that the present Payne tariff bill did not originate even in the famous Finance Committee. He showed that these very schedules now being debated were prepared even "before the House Committee was appointed." From a letter written before the Ways and Means Committee had held its first meeting, he showed practically the exact language found in the Payne bill as it passed the House and in the report of the Finance Committee of the Senate. And so it was the producer who

framed the terms of the bill. It was framed in their private offices. No one cares even to deny it. And it will be adopted.

As showing that it is not the consumer who demands a tariff, nor writes tariff schedules, and that the producer is the man, and the only man considered, or benefitted by a protective tariff, we have indications in a speech, made by the Hon. John Sherman, of Ohio, way back in 1867. In those days statesmen seemed not to have become so hardened as to even claim that a protective tariff benefits the consumer. They seem to have realized that they were sacrificing the consumer for the benefit of the producer, though they thought it a necessary, but temporary, sacrifice. They did not expect it to last long. In fact, they promised that it would not last long.

It was in 1867 that was formed the agreement between the wool grower and the wool manufacturer as to the tariff rates which should exist. John Sherman then used this remarkable language, as quoted by Senator Dolliver: "It is said, I know, that there was a very important class of people not consulted when this arrangement was made. That is true; the consumers were not consulted, and the consumers have to pay the increased cost."

A man at a Glasgow hotel, in a loud tone of voice, called his friend back just as he was leaving the dining room and then whispered to him—"How far would you have got if I hadn't called you back?" The other, straightening himself up, replied in a tone, loud enough for all to hear—"No, sir, I won't lend you five pounds. I haven't got it on me, and if I had I wouldn't let you have it until you paid me what you borrowed two months ago." His friend will never call him back again in a public dining-room.