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### THE TWO U.S. PROTECTION AND PROSPERITY

Mr. C. J. Conant, Journal of Commerce.

If there is one thing about which Free Trade & Protectionists are in full

agreement, it is that the protective tariff is hostile

to national prosperity—the two countries

which all concur in this to the point, the

tariff system is on the high road to hu-

man destruction and misery in their

the fatal terminus. Unfortunately for

themselves it is contradicted by the facts

everywhere. For those respecting of a

country's home have been summing up

extraordinarily bad applications of the

protective principle. Not only were the

authorities called upon imports, but many

articles were absolutely prohibited from

entering the French port and passing

through the French custom houses. The

subtlety was that prohibitory policy

that no attempt to import articles into

France made the article itself liable to com-

mon, the consequence of it being liable

to heavy fine, and the shipper or consignor

subject to a severe penalty, to be

enforced against him the moment that

either he or his property could be found

on French soil. Protection was applied

not merely to the great and very import-

ant industries, but no art or product then

was so insignificant or so humble as to

be left beyond the sheltering care of the

general tariff. Nor was it considered

sufficient to provide stringent regulations

their execution in both letter and spirit

was constantly looked after with sleepless

vigilance, and when a pretender disclosed

any defect, whether in the language

of the law or in the mode of ad-

ministration, a corrective was speedily

applied; hence France has suffered least

of all the countries in the world from the

treacherous effects of smuggling and of

skillful evasion of legal provisions. Pro-

tection of home industry was intended

to be effectual, and the design has been

fully carried out at all points. In this

case, if anywhere, we should be able to

see very plainly the blighting and ruinous

influence called for by the Free

Trade dogma. On the contrary, we see

the highest degree of prosperity enjoyed

by any European state, and that, too,

after having been overthrown and devastated

by a victorious enemy, its capital in the

hands of a foreign army, two of its

most valuable provinces wrested away,

and a war sum-of-five milliards of francs

(about \$1,000,000,000) inflicted by and

held by Germany, with the design of

weakening France beyond recovery within

a generation. All this took place only

some ten years ago, yet we see France

flourishing, vigorous and more powerful

than ever. How are we to reconcile such

an exhibition of astounding strength and

enlarged thirst with the notion that the

protective tariff system is the certain

road to industrial collapse? Are not

seventy-five consecutive years long

enough to test the tendency and the

results of the national policy? When

the outcome is plainly the exact reverse

of what it said to be its unavoidable

development, there is no logical con-

clusion permissible other than that the

protective tariff system must be radically

wrong. It is like saying "this is the setting

sun," yet it should turn out to be the

rising sun.

The United States presents another

example. For twenty successive years

this country has been under the rule of

the protective tariff system. We now

offer to the world a spectacle of marvellous

prosperity. The accumulation of wealth

is proceeding at an unparalleled rate.

Notwithstanding our past reverses our

present development. Never have the skies

of our land been so low with promises

so bright. This, to us, is the

longest single period of protection per-

mitted to the American people. No

other one has exceeded nine years, this

one has already exceeded double that

time, and is still in operation. Accord-

ing to hypothesis rule, we should now be

in the depths of depression and ei-

therness, with ruin in sight. If it be

said that we did have a revolution in 1873,

followed by six years of hard times, it

may be answered that the protective

system could not have caused that panic

and the subsequent prostration; for, if it

did, how do we account for the high

prosperity at this moment? If protec-

tion caused the panic, then what cause,

potential enough, to vanquish the disas-

ters of protection, has been able to over-

whelmingly reverse its ruinous ten-

dencies, had them reverted, bring back

an era of good times, and maintain the

growing prosperity? The same cause

cannot produce two diametrically oppo-

site results—it cannot produce adversity

and then change round to produce pros-

perity; but the prosperity is here and the

adversity is gone. The duties on im-

ports are in many cases higher to-day

than they were when the panic occurred.

Protection, therefore, cannot be held

responsible for the crash in 1873, that

must necessarily be assigned to some

other source. Moreover, it is a fact that

all the prosperity enjoyed by the Ameri-

can people—all of it, without reserve—

from the beginning of the Union until

now, has been under the rule of protec-

tive tariffs. It is equally a fact that all

the hard times suffered by the American

people between 1789 and 1861 existed

under the rule of non-protective tariffs.

Our experience teaches that the hard

times always occurring under low revenue

tariffs are ended by a return to

protection, and that our prosperity increases with the increase in the degree of protection in the tariff. So far as the experimental knowledge of this country extends, there is a relation of causation to the theory that the protective system is best suited to national prosperity. In our case these two principles have been touching hand in hand friendly and cooperative conditions.

It we turn to Canada, we see another contradiction of the theory. Under a non protective tariff there prevailed in March 1871, 1872, industry was depressed, languishing and dependent. The protective policy has been an operation less than two and a half years yet the improvement is radical, in volume and entirely satisfactory. Never before did the Canadian economy so much of solid

prosperity. Never before was there so much of hope and enterprise among the people. Never before was there such a sense of mutual confidence. In the future this is to be continued, especially as the direct to the Free Trade theorists. In all the view there is no sign of coming disaster to industry and in us in Canada, even the theories of the contrary kind.

The best prospectus of all the great

commercial nations is the United Kingdom of Great Britain and Ireland. Production is piling up commodities which cannot be sold. Indeed very few industries there yield anything like a fair profit.

Month by month some new complications arise, and for the moment they may continue

and query whether it would not be better

for the expert to know one thing well

rather than to be half a dozen, or which

misinform him about the rest of the catalogue.

The mill owner who builds his

mill upon the advice of whom who knows

all about machinery, he may have a pretty

good mill, but the chances are that he

will get but cool comfort from it, and that his less judicious or more practical

laborer, who is content to follow the

plans furnished by some halfwit em-  
ployed by irresponsible mill furnish-  
ing house, will have the better mill in the end.

In the present state of the art of

building a man may claim to be a great

scientific expert and have very little

knowledge of milling, or he may have a

good practical knowledge of the trade

and make no bad pretensions, and be a

much wiser man in the end.

If we next turn to Japan, we shall see

another illustration of like kind. Many

years ago England sent a deput

yee to that country by which it was pre-

dicted that no duties whatever would be

levied upon imports of iron and steel

and that the Japanese would be

soon in a position to compete with

the English in the market. The English

government, however, did not believe

it, and the Japanese did not believe it.

They did not believe it, and the Japanese

did not believe it, and the Japanese