

are closed down as a result of foreign competition the foreign manufacturers usually raise the price so that the consumers get no benefit.

About thirty years ago David H. Mason, an American protectionist, referring to the effect of protection on prices, said :

"If a man makes 100 tin pans a week, which he must sell at an average profit of twenty-five cents in order to carry on his business and live, he would be far better off if he could make and sell 10,000 pans a week at a profit of one cent each; for he would gain in the former case only \$25, in the latter \$100. Not only would he benefit his customers, he would also give increased employment and wages to labor. Every additional mechanic he would employ would require additional food, clothing, etc., to be supplied by somebody else. By such interaction and reaction all persons willing to labor may ultimately find steady employment and good pay. Then each produces something to be exchanged for something else. The greater the number of commodities produced, the greater, other things being equal, will be the number of exchanges. Commerce tends, therefore, to grow with the increase of production, and production tends to increase under a high protective tariff."

Free traders always assume that under a protective system the whole duty is added to the price, and that thus the consumer always pays the duty. If the protectionists