

A PRIMER OF TARIFF REFORM.

Q. What is a tariff?

A. A tariff is a tax imposed on commodities imported from foreign countries.

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A. A tax is the portion of property or product which the Government takes (by compulsion) from every citizen—not a pauper—for public purposes.

Q. What are public purposes, in the sense of this definition?

A. A definition given by the Supreme Court was as follows: "For the purpose of carrying on the Government in all its machinery and operations."

Q. What is free trade?*

A. Free trade is the right of every man to freely exchange the products of his labor and services in such a way as seems to him most advantageous, subject only to such restrictions as the State may find necessary to make for the purposes of revenue or for sanitary or moral considerations. Converseiy, it is the denial of the right of a free government to arbitrarily take from any person any portion of the product of his labor for the benefit of some other man who has not earned or paid for it.

* The following definitions of free trade and protection appeared in the *Philadelphia American*, of August 7th, 1884, a representative protectionist paper:

"The term Free Trade, although much discussed, is seldom rightly defined. It does not mean the abolition of custom houses. Nor does it mean the substitution of direct for indirect taxation, as a few American disciples of the school have supposed. It means such an adjustment of taxes on imports as will cause no diversion of capital from any channel into which it would otherwise flow, into any channel opened or favored by the legislation which enacts the customs. A country may collect its entire revenue by duties on imports, and yet be an entirely Free Trade country, *so long as it does not lay those duties in such a way as to lead anyone to undertake any employment or make any investment he would avoid in the absence of such duties.* Thus, the customs duties levied by England—with a very few exceptions—are not inconsistent with her profession of being a country that believes in Free Trade. They either are duties on articles not produced in England, or they are exactly equivalent to the excise duties levied on the same articles if made at home. They do not lead anyone to put his money into the home production of an article, because they do not discriminate in favor of the home producer. It is therefore no concession to the protective principle when the Democratic platform says that 'since the foundation of the government custom house duties have furnished its main source of revenue,' and that 'this system must continue.'

"A protective duty, on the other hand, has for its object to effect the diversion of a part of the capital and labor of the people out of the channels in which it would run otherwise, into channels favored or created by law."