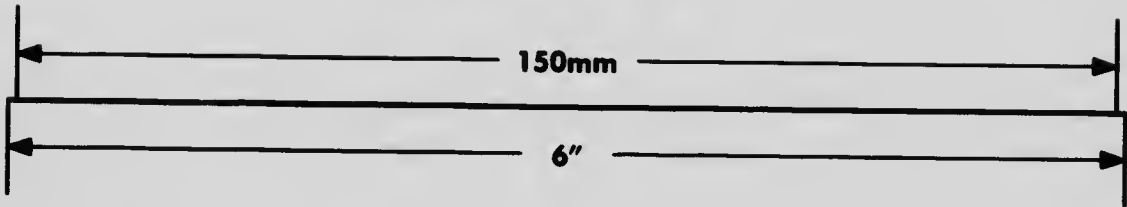
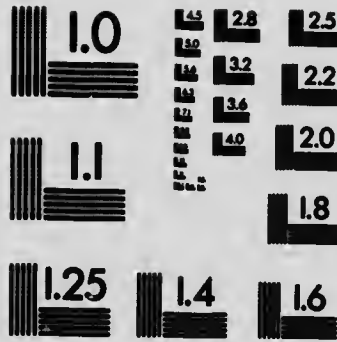
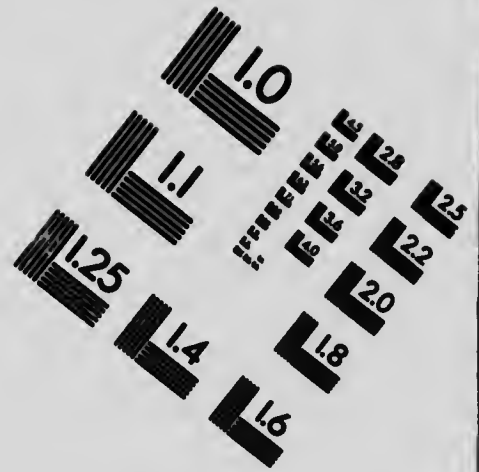
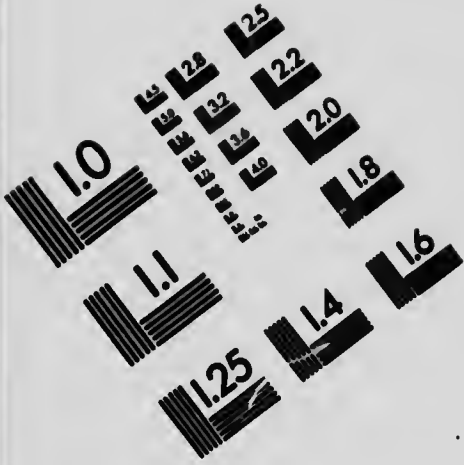


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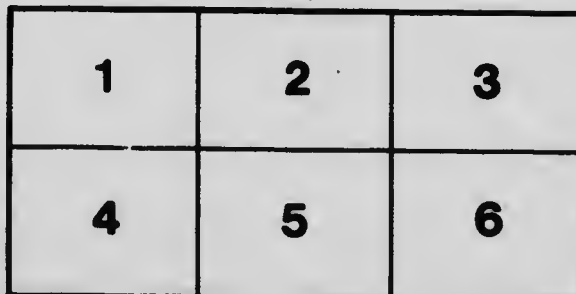
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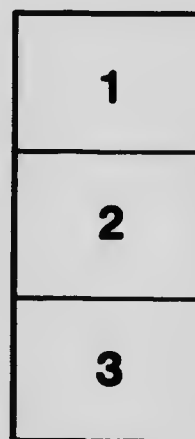
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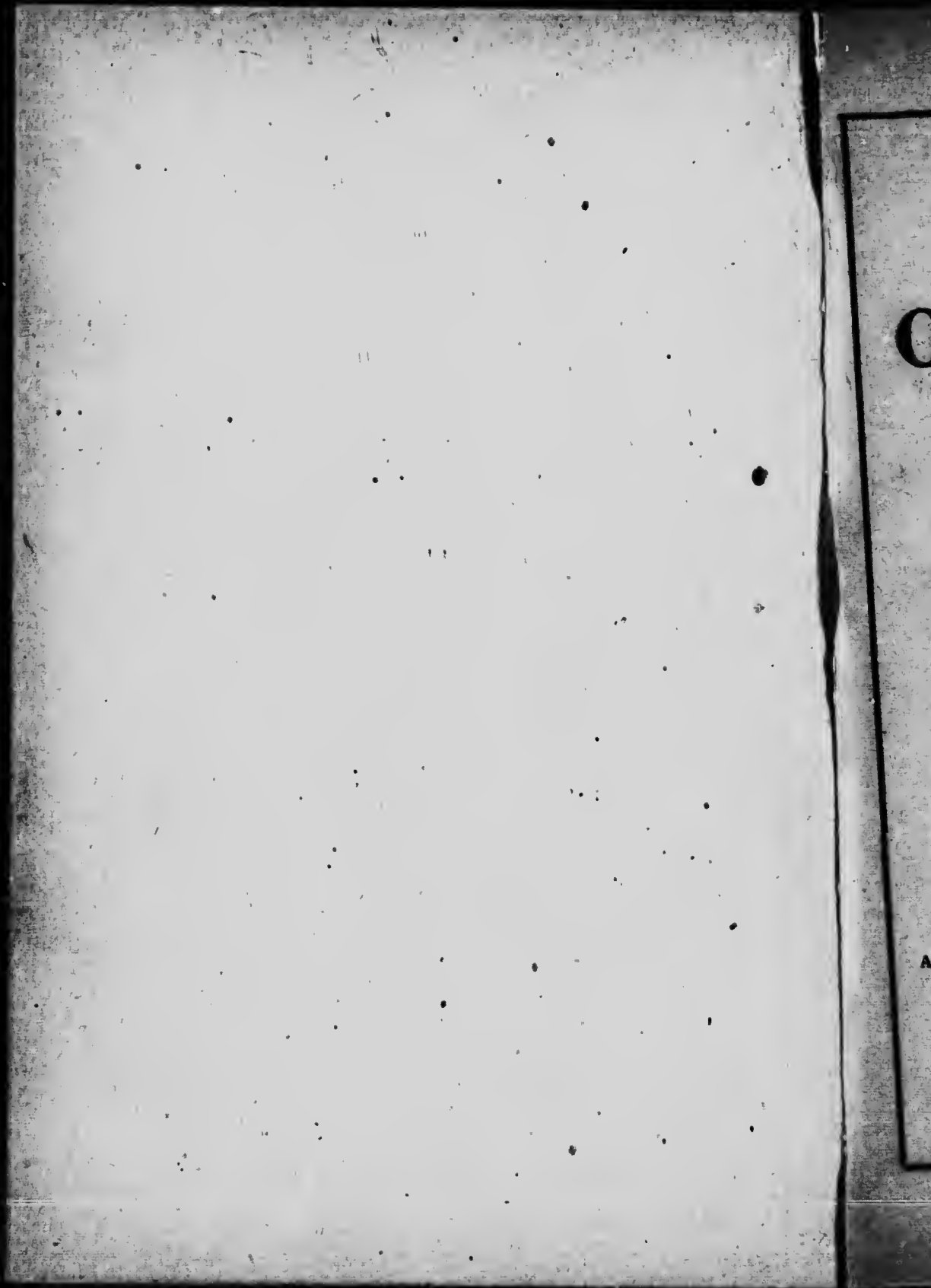
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# OUR SURTAX

—AND THE—

# POOR

BY

H. WASHINGTON.



A copy of this Pamphlet will be sent to any address on receipt of 12 cents.

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# Our Surtax and the Poor



## PART ONE.

### SOME GENERALITIES.

"There's a divinity that shapes our ends,  
Rough hew them how we will."

In connection with the following few words touching our surtax on German sugar, I have taken occasion to draw attention to several matters bearing on the economic problem, which do not appear to have been mooted by those who interest themselves in the subject.

Since the days of Malthus political economy has been called the dismal science. This is owing to the fact that the conclusion usually drawn from the theories of that writer, fixes the responsibility for the misery, ~~and~~ disease, and death, caused by the poverty in the world, on the shoulders of Mother Nature. It is because the theories of Malthus point to such a conclusion that make his writings so popular with most of the rulers of the world, for such a conclusion relieves them of all responsibility for the poverty in their dominions. This notion has, in the interest of rulers, been most industriously spread among all classes, hence the term dismal science applied to political economy. It is certainly a dismal conclusion to which the Malthusian theory points i.e. that the beneficent Creator has condemned the vast majority of His children, in their passage through this life, to suffer the hunger and disease that grinding poverty entails. This leads many to believe that all attempts to permanently ameliorate the condition of the masses must be futile. The persistent way poverty is increasing in most countries in spite of the wonderful increase in the per capita production of wealth, and the ever increasing efforts of philanthropy, strengthens this belief. (See pages 14 to 17).



For those people who are influenced by this conclusion the message of The Divine Teacher was delivered in vain.

Well authenticated facts point to the conclusion that the poverty in the world is mainly the result of outrages committed by governments against Nature's law governing production and distribution.

This law impels mankind to co-operate in production as certainly, as instinct teaches the babe to drink at the maternal font. To overcome the natural obstacles which stand in the way of this co-operation in production, hundreds of millions are spent annually

The outrages referred to consist of governmental restrictions, the most mischievous of which take the form of protective tariffs against imports. These tariffs in some cases prevent and in all cases retard the even development of this world co-operation in production so natural to the race, and, as experience proves, so necessary for the continued independent existence of each body politic.

Experience points to the conclusion that in the absence of these governmental outrages against nature in the form of so called protective tariffs, committed it is assumed in ignorance of the consequences to the governed, poverty as we see it around us would soon disappear, crime would decrease, and world wide depression in trade would seldom if ever occur, for under such conditions, the abundance in the world which the Creator always provides would through the agency of man flow freely to the point threatened with distress. This would be done for the profit there would be in it to those who undertook the labour. To illustrate, Great Britain to a greater degree than any other country in the world is thus constantly threatened with distress. During the period her government committed these outrages against Nature by restricting trade, few people in the world suffered more from poverty or scarcity than they did. A very large proportion of her people finally becoming paupers.

Since she discontinued these outrages against Mother Nature by abolishing protection in 1849, thus permitting her people to co-operate in production freely with all the world, abundance or cheapness has been the portion of her people and her paupers have decreased 50 per cent. With the exception of certain food stuffs, com-

modities in general are now cheaper or more abundant there than in any country in the world. Even bread, the principle food of mankind, is cheaper there than in many of the protectionist countries that supply her with food stuffs. The people of Canada and the United States pay about 25 per cent. more for their bread than the people of Great Britain.

Political economy teaches governments to guard against committing these outrages against Nature. The aim of its votaries is to get governments to undo the wrong they have done, and adopt the fiscal system it teaches, and thus end the poverty all healthy minds deplore. A science that inspires its votaries with this aim is surely the reverse of dismal.

It is universally acknowledged that the greatest danger that threatens modern civilization is the unequal division of wealth now prevailing.

The startling advance in civilization, indicated by a diffusion of wealth among a rapidly increasing proportion of the population, necessarily entailing a proportionate decrease in the number of poor, and consequently a decrease in crime, in Great Britain, Japan and other countries after they adopted the fiscal system of enlightened self interest the economists teach, i. e. free trade, is proof of the beneficence of that system, and its adaptability to the conditions of any country, at any time. The countries that have adopted free trade have a population equal to about one fourth the human race, By opening their ports free to all nations they have simply done to other countries as they would have other countries do to them. This is a very extensive and practical application of the golden rule; and it is a most significant fact, that the countries which have refused to reciprocate, display with marked distinctness the infallible sign of decaying civilization i.e. the concentration of wealth in fewer hands, involving an increase in the proportionate number of poor, and consequently an increase in crime.

It will be acknowledged by all, that the golden rule is a good rule for the guidance of the individual unit of the body politic in his dealings with his fellow units. In the grand scheme of world wide co-operation in production, for which Nature has designed mankind and the earth, and to which we as units take as naturally as to our mothers milk; the body politic or nation as a whole bears

the same relation, to all other bodies politic, that the unit does to the particular body politic to which he belongs. This rule must therefore be good for the body politic guided by it in its dealings with other bodies politic. Experience proves that it is as dangerous for the body politic to separate itself from this world co-operation in production, as we know it to be for the civilized individual to do so. All protective tariffs are governmental efforts to separate their people from this world co-operation in production.

International trade indicates the degree to which the nations co-operate with each other in production in spite of these governmental efforts to stop them; and it is worthy of note that such trade increased many hundreds per cent, faster than population immediately after Great Britain led the van in doing to all other Nations as She would have them do to her in regard to their trade policy. That most of the Nations and some of her own colonies have not followed her example in this regard, is so much the worse for them, for it has enabled Great Britain to distance them hopelessly in that which increases the stability of a civilization and adds to the real greatness of a people. i.e. the diffusion of wealth amongst a rapidly increasing proportion of her people, contemporaneous with a vast decrease in poverty and crime. Her wealth has increased about 400 per cent. per annum faster than population since she opened her ports to the world free. All the gold and silver in coin and bullion in the world would not pay the amount the people and governments of other countries now owe the people of Great Britain. Comparatively speaking this asset was a mere trifle in 1842, the year she made her first great move towards free trade.

With the civilized nations in line with Great Britain in regard to their trade policy, the material interests of each would become so closely interlaced with all that war between them would be very improbable and ruinous armaments could be discontinued with safety: "A consummation devoutly to be wished."

Whilst any considerable number of the commercial nations retain the fiscal system of protection, the free trade nations must keep themselves in readiness to repel armed attack, for in a very few years the protectionist nations will be hopelessly bankrupt to the free trade nations, and they (the protectionist nations) may at any moment combine in an attempt to wipe out their financial obligations by conquest. Even in the absence of treaties the free trade nations will be found shoulder to shoulder

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when the great world conflict, which to many astute observers appears inevitable, is precipitated by the protectionist Nations.

## PART SECOND.

### THINGS IN PARTICULAR.

Recently many items have appeared in our Canadian newspapers, drawing attention to the fact, that our purchases of german sugar have almost ceased, since the imposition of the surtax against German trade.

The impression these items convey, is that in this matter our government has struck a heavy blow at the german people, and, at the same time, have benefited our own.

Facts and experience prove that the people who are injured by this surtax are our own people, and that the people of Germany are benefited by its action.

Take the case of our own people first.

The effect of this surtax on the price of sugar in Canada has been to increase it two cents per pound. Based on the imports and home production, the consumption in Canada is about 60 lbs per capita. Taking the population at 6,000,000 this rise in the price of sugar will force the people to pay \$7,200,000 per annum more for their sugar than they would have to pay in the absence of this surtax, providing they use the same quantity at the exalted price as they did at the lower price.

This must be injurious to the people of Canada as a whole, for it will tend to lower the standard of living, and by causing many to lose employment will tend to lower wages.

Experience teaches that any exaltation in the price of a commodity checks demand, either for the particular commodity, the price of which has been exalted, or for other commodities and securities to the amount of such exaltation in price. This check to demand is owing to the fact that the people as a whole spend or invest all or nearly all their income or earnings daily, irrespective of prices. Any-rise in the price of commodities and securities must



therefore check demand in proportion to the rise in price, and consequently check the demand for labour.

The exaltation in the price of sugar caused by the surtax, must check demand for sugar and other commodities or securities to the value of about \$7,200,000 per annum. The smaller quantity demanded will require fewer people to produce and distribute it. The demand for labour will therefore be checked as a result of the rise in the price of sugar. For the first time in seven years, wages are on the down grade in Canada, an infallible sign that the proportionate number of the unemployed is increasing.

The Hon. Mr. Chamberlain induced the Commons of Great Britain to put a duty on sugar for much the same reason advanced for imposing our own surtax, i.e. revenge on Germany.

The effect on labour in Great Britain has been disastrous, for sugar increased in price, involving a decreased demand for sugar or other commodities, equal to about \$60,000,000 per annum. An item in the London Times weekly 23 December 1904, tells us "that at that time there was 12,000 fewer persons employed in the confectionery industries than in 1901, and that there were 50,000 workers on short time." The loss in wages owing to the enforced idleness of these 62,000 people would be about \$8,000,000 per annum. The check to demand this loss in wages entails has thrown thousands out of work in other industries. We have here a practical illustration of the effect the Hon. Mr. Chamberlain's scheme of preferential duties in the supposed interest of the colonies, would have on labour in Great Britain. Under his scheme a long list of commodities would be suddenly exalted in price. A corresponding check to demand would necessarily occur, involving a loss of employment to hundreds of thousands. A great exodus of the urban population would at once become a necessity, the majority of whom would be lost to the Empire forever, for, as in the past, only a small percentage of those who leave Great Britain for good, settle in other parts of the Empire. Under such a system her trade with the colonies would decrease, as it did under the preferential tariff abolished in 1849.

Prices in the United States have been exalted during the last few years, by imposts and restrictions very similar to our surtax and dumping clause. As prices advanced, the number of the unemployed increased, until 100,000 people were out of work in the City of New York alone. For the whole of the United States seven

figures would be necessary to express the total number of the unemployed. The check to effective demand this vast increase in the number of the unemployed must entail, will soon give rise to the impression that over production causes the evil, and the combines will agree to cease producing. This will suddenly add great numbers to those already unemployed and a still greater check to demand will ensue. The power of the combines and trusts to hold up prices will be shattered by the sudden increase in the number of the unemployed, and prices will come down with a rush.

Recovery will start from that moment, for the demand for labour will at once increase, owing to the increased demand for commodities the drop in prices will induce. The people of the United States passed through these phases in 1873, the early eighties and again in 1893-4, when the sea of poverty and suffering was so great that it baffled the utmost efforts of public and private charity to relieve, although exercised on a scale of unprecedented magnitude.

Those people in our midst who are ceaselessly advocating legislation, which has for its object the exaltation of prices, should be frequently reminded, that the uncontrollable cause of low prices or abundance, is the bounty of the Creator,—manifested in good crops, peace, health, the genius of the inventor, engineer, scientist and mariner; whilst the uncontrollable circumstances that cause high prices or scarcity are crop failures, war, pestilence, floods, storms, and earthquakes.

Legislation of the class we are considering i.e. protection, is, within certain limits a controllable cause of high prices or scarcity. Experience proves that protective tariffs do exalt prices. So called protection is therefore a successful effort on the part of government to nullify the very bounty of the Creator. Can there be any greater outrage against nature than this? The measure of success attained in this direction, may be gauged by the suffering and crime in the world, caused by poverty.

There is every reason to believe that there would be little suffering through actual want in the civilized portions of the world in the absence of so called (1) protection, for experience teaches that

(1) Herbert Spencer said the proper name for Protection was aggression.



poverty decreases in any country after they abolish or radically reduce protective tariffs.

Our innate Selfishness, when governed by unfettered competition with the world, will cause any body politic to advance in civilization with great rapidity. Selfishness cannot be fettered, no more than we can fetter private charity, but unfortunately competition can be fettered. Competition is Nature's antidote for the selfishness with which She has endowed each of us, for in all our dealings with our fellows competition forces each of us to accord to others that which selfishness urges us to keep for ourselves, and which in the absence of competition we do keep for ourselves. Self interest makes most of us think that we would be better off without the competition we meet daily, and there is no doubt some of us would be, but experience teaches that successful governmental efforts to rid any class in the community of competition, causes the body politic to retrograde with great rapidity. The government by means of protective tariffs and other special privileges granted to individuals, can only rid a very small class in the community of foreign competition, but these tariffs and other privileges enables this favored class to rid themselves of internal competition by forming combines, another name for monopolies. Against these combines the governments hypocritically enact stringent laws, which they know they can never enforce.

Selfishness to the body politic is like the steam to the engine, it is the motive power of the race. Competition acts on our selfishness, like the automatic governor of the steam engine acts on the steam, regulating it to the ever changing needs of the society. Remove your governor (competition) and the steam (selfishness) soon jars your body politic to pieces.

It is only the incompetent and cowardly who really fear competition, the competent and brave thrive on it. Legislation having for its aim the abolition of competition, the object of all protectionist legislation (including surtaxes and dumping clauses) is therefore a premium on incompetency and cowardice, and a corresponding discount on competency and bravery. Protection encourages the incompetent and cowardly, whilst discouraging the competent and brave. The tendency therefore is for the former to increase and the latter to decrease under that policy.

In all countries in the world where competition is fettered by protective tariffs, pronounced signs of retrogression are apparent for their criminal records prove that in all such countries the robber or barbaric element is increasing faster than population, that is to say that the ratio of increase of convictions is several hundred per cent greater than that of population. (See Part 3 page 14).

Such increase of the robber or barbaric element is the infallible sign of a retrogressing civilization, for under such conditions it is only a question of time when the robber or barbaric element in these countries will rule. In spots they have reached that stage in the United States. This is not surprising, for according to their census returns, their prison population has increased 400 per cent per annum faster than population since they introduced high protection in 1861. The increase in the prison population of the United States gives but a faint idea of the increase of crime there, for it is a notorious fact that a very large proportion of those who are known to have committed criminal acts in the United States are never brought to justice, owing to the political influence the criminal class now possess.

The premier duty of civilized government is to protect the honest and industrious against the attacks of the idle and vicious. Barbaric government is the reverse of this, its premier object being to rob the honest and industrious within their power, for the benefit of the idle and vicious, who form the governing class. Under the cloak of modern civilization, the tariff beneficiaries in protectionist countries are enabled to rob their fellow countrymen more effectively than the barbarous governments rob their people. Protection simply legalizes the robbery. Thus it comes to pass that protectionist governments do the reverse of that for which civilized government is primarily maintained. When we consider that from the dawn of history until 1846 protection in some form was almost universal among the more advanced peoples of each age, it is not surprising that the earth is littered with the remains of dead and in some cases forgotten civilizations. In many cases these remains indicate a degree of advancement in some directions far surpassing our own. It is a significant sign of the times, that all protectionist governments, have, during recent years, put into force stringent laws, which have for their object the protection of their people against the ravages of monopoly the system of protection inevitably creates and invariably fosters. These laws emphasize the danger to society protection entails. Such laws are necessarily ineffective, for

under protection the monopolistic class, (the tariff beneficiaries) always control the government. They permit such laws to be passed against themselves, as a blind to those who suffer at their hands, and to help keep popular a government subservient to their schemes against the public. The only way to get rid of monopoly is to get rid of protection, its creator and sustainer. All efforts on the part of government short of this, is pure unadulterated hypocrisy.

To come back to our boasted surtax.

In so far as Canada is concerned, the only people benefited by it are a few sugar refiners in Quebec and the Maritime Provinces. These two or three people divide with the wholesalers and retailers most of the extra \$7,200,000 we are forced to pay for our sugar, for it is only the very poor who will be obliged to curtail their already too small allowance of this health giving food.

Hitting back at Germany by means of this surtax is but one of many pretexts under cover of which, protectionist governments are enabled to divert by the million, the hard won dollars of the toiling masses, into the hungry insatiable maw of monopoly, the devastating monster of modern civilization. What the pirates do, at the risk of their lives, to the civilization that is constantly trying to exterminate them, the monopolist does without risking a hair of his head, to the civilization foolish enough to foster him.

Let us now see how this surtax must have affected the people of Germany.

We know that the first effect it had was to depress the price of sugar in that country in about the same proportion that it exalted the price here, thus in part nullifying the aggression of their sugar monopolists.

Assuming that our own efforts depressed the price two cents per lb (as a matter of fact the price of sugar in Germany has fallen more than that) the saving to the German people would be about \$38,000,000 per annum. They consume annually about 34 lbs per capita against 60 lbs in Canada. After paying for their sugar they would have about that amount to buy other commodities or securities. A demand for \$38,000,000 worth of commodities and securities would keep a good many men employed for a year. What-

ever they save on their sugar will be spent in other directions, for the records of the probate courts of each country prove that the people as a whole spend or invest all or nearly all their money daily, irrespective of prices. In this connection it is interesting to know that since sugar in Germany has fallen so much in price, the proportionate number of the unemployed has greatly decreased. In so far as our surtax depressed the price of sugar in Germany it must have provided work for many men there; whilst in Canada owing to the rise in price many must have lost work.

This world would be unfit for a civilized person to live in, were it true, (as both our political parties maintain), that the people of other countries can be injured by such childishly spiteful and absurdly shortsighted legislation as our boasted surtax. Were it true indeed civilized peoples would at once become subject to a worse form of barbarism than that from which we sprang, i.e. the barbarism of foreign monopolists. The barbaric spirit of monopoly was early impressed on my mind, by accidentally hearing a multi-millionaire grain monopolist, who, standing on the steps of God's temple, cursed the rain which had just begun to fall, and which promised abundance to his suffering fellow countrymen; rain that had been earnestly prayed for at the service we had just left. Although monopolists can never stop the rain they can and do under cover of the tariff, stop the wheels of productive industry, to serve their own selfish ends, which must have much the same effect on the body politic as a stoppage of the rain itself.

Fortunately for the peace of the world and the perpetuation of civilization, the only people directly injured by protectionist legislation are the people in whose supposed interest such legislation is enacted, whilst the people really benefited are those against whom such legislation is directed, and a few monopolists in the country initiating it. This latter class although they are exceedingly few in number always dictate the tariff policy of any government pledged to perpetuate protection. The spirit that guides them is not patriotic as they loudly proclaim, but is that of the grain merchant instanced above, who cursed the providential rain, because of the cheapness or abundance it promised.

The politicians who seem to see the injury done to other nations by the dumping clauses and surtaxes they put into force, be-

long to that class the Immortal Bard must have had in his mind, when he made King Leah say to Gloster, after the latter had had his eyes gauged out, "Get thee glass eyes; and, like a scurvey politician, seem to see the things thou dost not."

### PART THREE.

#### FACTS.

With two or three exceptions the following percentages of increase or decrease in crime in the countries named, are based on data published in the "Statesman's Year Book". Although the particulars given in that publication are not so full as one would wish, yet they give an idea as to whether crime is increasing or decreasing in the various countries. The figures are taken from the official returns of the various countries by the compiler of that publication.

#### THE PROTECTIONIST COUNTRIES.

**NORWAY.**—Between 1890 and 1901 convictions increased 500 per cent. faster than population.

**SWEDEN.**—Between 1890 and 1901 convictions increased 560 per cent. faster than population.

**NETHERLANDS.**—Between 1891 and 1902 convictions increased 400 per cent. faster than population.

**BELGIUM.**—Between 1870 and 1900 convictions increased 200 per cent. faster than population.

(1) **FRANCE.**—Between 1831 and 1860 convictions increased from 13.3 for every 10,000 of population to 24.2, from 1860 to 1870 convictions decreased to 14.4. Between 1870 and 1885 they increased to 29.4 or over 100 per cent. In 1860 the tariff was reduced to a revenue basis under the Cobden Treaty. In 1873 high protection tariffs were again imposed.

**ITALY.**—Between 1887 and 1899 convictions increased 400 per cent. faster than population.

(1) *Mullohalla's Dictionary of Statistics.*



GERMANY.—Between 1890 and 1898 convictions increased 200 per cent. faster than population.

AUSTRIA.—Between 1883 and 1898 convictions increased 33 per cent. faster than population.

HUNGARY.—Between 1891 and 1899 convictions increased 300 per cent. faster than population.

UNITED STATES.—Between 1860 and 1890 the prison population increased 400 per cent. faster than population (the figures for 1900 not yet published).

NEW ZEALAND.—Between 1893 and 1902 convictions increased 230 per cent. faster than population.

NEW SOUTH WALES.—Since protection was assured as the policy of this colony in 1899 under the terms of federation, convictions have increased 150 per cent. faster than population. For many years prior to 1899 under free trade crime decreased.

(2) CANADA.—Between 1887 and 1897 convictions under the headings of larceny and vagrancy increased 2000 per cent. faster than population. Since the tariff was reduced in 1897 convictions under these headings decreased 3.40 per cent. per annum in spite of a sudden and vast influx of population since 1898 and a cessation of the exodus, that under high protection had gone on for many years.

VICTORIA AUSTRALIA.—Between 1885 and 1890 convictions increased 300 per cent. faster than population. During the next seven years crime decreased. From 1897 until 1901 convictions increased 2,400 per cent. faster than population. During the first year under the lower tariff adopted at federation convictions decreased 12 per cent.

#### THE FREE TRADE COUNTRIES.

(3) ENGLAND AND WALES.—Between 1881 and 1901 convictions decreased 11.5 per cent. During the same period population increased 24 per cent. indicating a decrease in convictions in pro-

(2) Canadian Year Book.

(3) Accounts and Papers, England.



portion to population of about 40 per cent. The number of indictable offences against property reported to the police in 1881 were 90,935, in 1900 they were 71,368. Indicating a decrease of 59 per cent. in proportion to population.

**JAPAN.**—Between 1890 and 1901 convictions decreased 7.20 per cent. During the same period population increased 10.22 per cent. indicating a decrease in convictions in proportion to population of about 26 per cent.

**DENMARK.**—Between 1890 and 1901 convictions decreased from 18 for every 10,000 of population to 15 for every 10,000.

**SWITZERLAND.**—Between 1889 and 1900 population increased 300 per cent. faster than the prison population.

**NEW SOUTH WALES.**—Between 1889 and 1899 convictions decreased 10.66 per cent. population increased 21 per cent. indicating a decrease in crime in proportion to population of about 26 per cent. Since they adopted protection crime has increased 150 per cent. faster than population.

**INDIA.**—Between 1877 and 1901 population increased 100 per cent. faster than convictions, in spite of the fact that crop failures occurred eight out of the ten last years of the period, causing actual famine to tens of millions. During this famine period convictions increased 200 per cent. faster than population, which goes to show, that in a free trade country these awful visitations of Providence caused less poverty and crime, than protection did in the United States, Germany, and other protectionist countries.

**THE STRAITS SETTLEMENTS.**—Between 1891 and 1902, convictions decreased 45 per cent. During the same period population increased 11.69 per cent. indicating a decrease in crime in proportion to population equal to 62 per cent. In this section of the British Empire there are no custom houses, nor was there ever any since its settlement. The Custom House is probably the most mischievous survival of a barbaric past that civilization tolerates. It is a constant menace to the proper liberty of the subject; any extension of its powers necessarily involving a curtailment of that proper liberty.

The foregoing facts prove conclusively that in Protectionist countries crime is increasing faster than population, and that the reverse of this is true of the free trade and low tariff countries.

This forces the conviction on the mind that so called protection, involves a great social evil, necessarily destructive of the society, and which up to the present has been unsuspected. The effect of protective tariffs on the increase of crime in the various countries appears to have escaped the attention of those who have sought to account for such increase. They all agree however that the most fruitful cause of crime, is the unequal division of wealth, and that where crime is increasing this inequality is becoming more pronounced. Whatever tends to increase this inequality in the division of wealth must therefore be held responsible for the increase in crime.

This matter of increasing crime is of vital importance to any civilized community, for experience teaches that no matter what progress a country may make in the dissemination or religious teaching, education, art, science, wealth, commerce, armament, territorial acquisition or increased numbers, if crime is increasing faster than population that country is on the highway to ruin; which must end in successful revolution as in Japan or its extinction as an independent body politic, as in the case of Imperial Rome.

#### PART FOUR.

#### THE REASON WHY.

Why these opposing fiscal systems affect the criminality of the society in opposite directions, is not very far below the surface.

All protectionists of average intelligence admit that there is one evil inseparable from the fiscal system they advocate, i.e. that it forces the wealth of the community into the hands of a constantly decreasing proportion of the people. Such concentration of wealth cannot occur without increasing the proportionate number of poor. Now our daily experience proves, and all authorities admit, that poverty and crime increase and decrease together in all countries and times. It follows therefore that crime must increase under the system of protection in proportion to the degree that fiscal system forces the wealth into fewer hands. Religion, education, police

and penalties have a deterrent effect on crime only, but poverty is a compelling force in the opposite direction. Protection increases the poverty by forcing the wealth into fewer hands: the poverty induces the crime.

Why crime decreases under free trade is owing to the fact, well established by experience, that wealth becomes diffused among an ever increasing proportion of the people subject to that fiscal system. This necessarily involves a decrease in the proportionate number of poor, and consequently a decrease in crime. The mere fact that crime decreases in those countries which have adopted this fiscal system is proof that wealth is being diffused among an increasing proportion of their people, for poverty and crime increase and decrease together, and decreasing poverty can only occur as a result of an increased diffusion of wealth.

Fortunately in the case of Great Britain we have undoubted evidence, that the decrease in crime there, has been contemporaneous with a decrease in the number of poor, and a vast diffusion of wealth among a rapidly increasing proportion of the people. That wealth is becoming diffused is proved by the fact that between 1851 and 1901 the number assessed to income tax increased 1,100 per cent. faster than population in spite of the fact that, the amount of income exempt amongst the most numerous class assessed, was changed from \$250 in 1851 to \$800 in 1901. Had there been no change in this regard, the increase in the proportion of the population assessed would have been infinitely greater than the above figures indicate. Positive proof that the proportionate number of poor decreased between these dates lies in the fact that the paupers decreased 50 per cent., although better housed, fed, clothed and treated than they were 50 years ago. Another evidence of the increasing diffusion of wealth is, that since her first great move towards free trade in 1842, when the tariff was reduced 50 per cent., wages have doubled and cost of living fallen 50 per cent. Thus the wage earner is 300 per cent. better off on the average than he was fifty or sixty years ago. Is it any wonder that crime has decreased between 80 and 90 per cent in England and Wales during the interval, and that they have been able to sell their prisons by the dozen.

To again revert to the income. It is a most remarkable fact that the greatest relative increase both in the total amount and the

number assessed to income tax, occurred between 1891 and 1901, a period that will be forever memorable for the frantic efforts the people of protectionist countries made to ruin Great Britain by dumping the finest of their bonus fed goods into the hands of her people, away below cost of production. This dumping has been a most prolific source of wealth to the people of Great Britain, for during the ten years incomes assessed increased 48 per cent. or from \$1,692,000,000 in 1891 to \$2,523,000,000 in 1901 an increased income of \$831,000,000. The growth of wealth necessary to produce such an increased income must be equal to many thousands of millions. This abnormal growth of wealth is very largely due to the dumping. The impetus it must have given to the employment of labour there can be realized when we consider the obvious fact, that the possessors of this wealth can only utilize it in one way, and that is by the employment of labour. There must be something wrong about the dumping theory as expounded by protectionists, if the incomes of the people of Great Britain would have decreased during this period. Protectionists cannot realize the very simple truth that countries are so much the poorer for their exports, and so much the richer for their imports. All their theories are built up on the assumption that the converse of this is true. The excess of imports over exports during this period of abnormal growth of wealth in Great Britain was, roughly speaking, about \$10,600,000,000. A large proportion of this vast sum represents the value of goods sold by protectionist nations at less than cost of production, or in other words at a great loss to their people as a whole, and a relative abnormal gain to the people of Great Britain.

German exports of protected and bonus fed goods are probably a greater bill of expense to the german people as a whole, than the cost of her army and navy.

Wherever crime is decreasing, the same improvement in regard to the increased diffusion of wealth and decreasing poverty must be going on as in the case of Great Britain, for no one will dispute the well established fact that crime and poverty increase and decrease together, and it is self evident that decreasing poverty involves increasing diffusion of wealth.



## PART FIVE.

## WHAT PROTECTION REALLY INVOLVES.

When a government shackles competition by imposing protective tariffs, it not only obstructs the people governed co-operating in production with the outside world, but it transforms its seat of government into a veritable pirates den, where those who are willing to pay the government the price, can obtain letters-of-marque, in the form of tariff and other privileges, which authorize them to pillage their fellow citizens. A large proportion of those who purchase these privileges are aliens. In such cases the fruits of their spoils go to build up foreign countries.

In days of yore letters-of-marque were issued by governments to daring piratical freebooters, which authorized them to pillage the enemies of their country. They did this most effectively, but at great risk to themselves. It is even now pretended that these modern letters-of-marque, such as our surtax, are issued with the object of injuring other nations. The people who are injured are the people who permit them to be issued, as our ineffective combine law, which is supposed to protect the public from the ravages of the holders of these letters-of-marque, proves. The holders of these letters-of-marque, (the tariff beneficiaries,) organize the combine as part of the privilege the government grants them and for which they have paid the price. Whilst they are powerful enough to retain the privilege, they will be able to evade the law, and the people will be pillaged in spite of it.

Is it any wonder that poverty and crime increases wherever this barbaric fiscal system is tolerated?

With competition shackled by protection the population of Japan ceased to increase for a period of 134 years, (1723 to 1846) during which period they suffered many famines. Since 1876 the year she unshackled competition by abolishing protection, her population has increased 40 per cent. in spite of the fact that during the period hundreds of thousands of her people lost their lives in war, pestilence and unprecedented floods, fires, earthquakes and storms. This points to the conclusion that protective tariffs are infinitely

more destructive to life and property than the very worst visitations with which Providence permits us to be scourged. The protected industries throughout the world destroy more wealth and retard the growth of population to a greater degree in a single year than such visitations do in a generation.

The evils that protection brings in its train are so deep seated, far reaching, and of such magnitude, that the majority of men are loth to believe that the stupendous sea of poverty and consequent crime disease and death it entails on mankind, can be caused by any mere human or controllable agency, and are apt like Malthus to attribute to the beneficent Creator what is really caused by our own ungoverned avarice and ignorance.

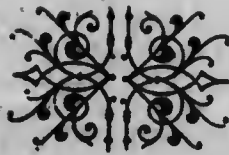
The Creator has given us the governor of our innate selfishness, i.e. foreign competition, to which we can, as a body politic, subject ourselves or not at will. Foreign competition is the only possible influence that can protect the units of a body politic from the aggression of its own manufacturers and traders. The absence of foreign competition invites the aggression. The constancy with which this aggression is practiced is indicated by the rapidity with which poverty and crime is increasing in the protectionist countries.

Not to subject ourselves to foreign competition is to outrage Nature, for we can only avoid it by separating ourselves from the world co-operation in production for which She designed us, and which necessarily involves the alternative of subjecting ourselves to the grinding aggression of our own manufactures and traders, who in protectionist countries are largely made up of aliens. The penalty Nature exacts is the instant degradation, slow disintegration and final extinction of the body politic that persists in thus outraging her.

Japan unshackled competition by abolishing protection just in time to save herself from extinction. Spain has lost her vast colonial Empire, China is helpless to prevent herself being dismembered, and Russia is rotten to the core, and will probably fall to pieces at the first jar. The three last named countries are those which down to the present, have to the greatest degree separated their people from the world co-operation in production for which nature designed them.



With competition shackled by deferential tariffs in favor of the colonies, as the Hon. Mr. Chamberlain proposes, the British Empire would again be dismembered, as it was under similar shackles, which were loosened in 1837 and broken in 1849. Since then, under the extension of liberty granted, a new Empire has been built up, greater and more united than the old, whilst Great Britain herself has made such progress in all that makes a country great, that she is at once the wonder and envy of the world.





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# The British Colonial Free Trade League

HEADQUARTERS :

OTTAWA - - - CANADA

OBJECT :—The perpetuation of the Union of the British Empire.

SECRETARY :

H. WASHINGTON, OTTAWA



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