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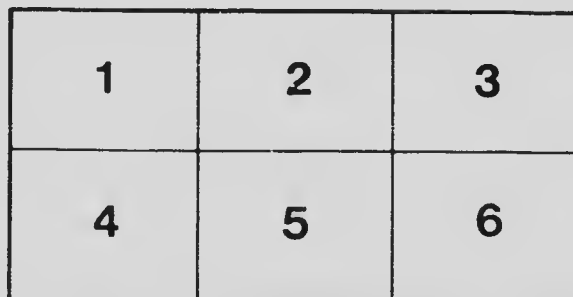
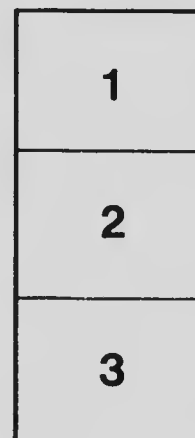
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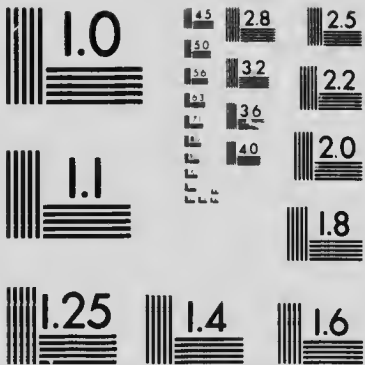
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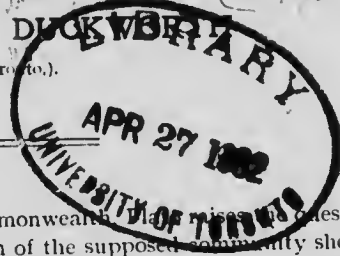
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The Significance of Tariff-barriers.

By the

H. T. F. DUCKWORTH

(Trin. Coll. Toronto.)



In discussing the formation of a commonwealth, a question arises whether it will be better that each citizen of the supposed community should attempt to produce for himself everything that he needs, or confine himself to one particular occupation and exchange the surplus of its products for other needful things, the surplus results of other men's productive energies. The latter, he perceives, is the wiser course. A man may become a jack-of-all-trades, but hardly a master of more than one. Division of labour, which is a form of co-operation, will supply the needs of the individual far better than he can ever hope to supply them for himself. It gives room for the best development of different aptitudes. One might add that it gives security for neighbourliness, for unity of spirit in the bond of peace. Withal, it is in accordance with the constitution of human nature. No individual can be completely self-sufficing.

In Aristotle's view, the State is self-sufficing, or it is no State at all. While it must not be so large that its unity is not easy to apprehend, its downward limit of magnitude is determined by ability to supply all its needs for itself. It may be allowed that such a body-politic may exist—that such bodies-politic, indeed, have existed, and may still be found. But if Aristotle's theory be accepted as the true conception of the true State, what is to be said of the majority of those modern political associations which claim to be entitled "States"? Are they all self-sufficing? Are any of them self-sufficing? An individual may perhaps be able to suffice for himself, to be quite independent of other human beings, so long as his requirements are kept within very narrow limits. Indian fakirs may be regarded as having attained the blessedness—such as it is—of "*autarkeia*." Societies and States, likewise, may be able to live entirely to and for, by, with, and from themselves, so long as they restrict the range of their wants. But from this we can only infer that *autarkeia*, "self-sufficiency" or "self-sufficingness" is possible only for communities rather low down in the scale of civilization. The community which desires to maintain its simplicity

of independence must avoid trading with other communities, however great its surplusage of goods and produce may be. For its surplus of native products can hardly be exchanged with the foreigner against anything but foreign products. Once let such exchange take place, and the foreign products find entrance, "the appetite will come with eating," the foreign things will become first a fashion, or luxury, then a necessity. One breach made in the ancestral customs of simplicity and stern self-sufficingness will weaken the whole structure. Other breaches will soon appear, and the community will find itself economically dependent on other communities.

That, however, will not matter so much, if the other communities are likewise economically dependent on the first community and upon each other. In fact, so far from being disastrous, the change will be beneficial. The communities will mutually supplement one another's capacities and resources. In the life of each and all, there will be more movement, more variety, more stimulation of thought. For every man in each and all, the world will be larger, more varied, more interesting than he knew it to be aforesaid. It need not be claimed that the *gross* results of the change will be beneficial. But the *net* results certainly will be. The good will preponderate over the evil.

It is not necessary, however, that the point of the beneficial tendency of sociability between bodies-politic should here be laboured, any more than the need of sociability between corporations-sole. The point to emphasize is that only a "hermit-kingdom" can hope to be truly self-sufficing, and that no state can be wholly self-sufficing and at the same time progressive. Let us take an illustration from ancient Hellas. Lacedæmon was a self-sufficing state, if ever there was one. But the self-sufficingness of Lacedæmon depended (as her lawgiver or lawgivers seem to have realized) upon restricting intercourse with other states. Lacedæmon was not, indeed, a "hermit-kingdom," but she lived very much aloof from the comity of Hellenic city-republics, and she was the type of a community which, if it forgot nothing of the tradition of the elders, yet learned nothing from the rest of the world. Look now at Athens, the *ville lumière* of Hellas, and, indeed, all the ancient world. Athens was notoriously lacking in *Autarkeia*, self-sufficingness. For two at least among the leading "necessaries," viz: wheat and timber, she depended upon commerce with other communities, especially the far-distant Greek cities of the Euxine shores. Corinth, also a brilliant star in the Hellenic firmament, was dependent upon commerce for necessary supplies. So too were Rhodes and Aegina. The city-republics whose names are greatest in Greek history were all more or less commercial communities. Each of them might have remained self-sufficing, had it been contented with the backward state of civilization in which self-sufficingness was possible—though in the case of Athens it is rather doubtful whether even that would have been possible—but the desire to improve as well as sustain life could only be satisfied through entering into commercial dealings with other communities.

Unless a body-politic occupies a very large territory, possessing a very considerable variety of natural resources, it is hard to see how it can be self-sufficing, at any rate under modern conditions, which are most hostile to the continued existence of "hermit-kingdoms." The United States of America might conceivably make themselves completely self-sufficing. But could that be achieved, without the total exclusion, if not of immigrants, then certainly of imports—or in other words, without the total cessation of commercial intercourse between the Americans and all other nations! What would be the results of such seclusion upon American life? They would be such as to compel the American nation to seek once more a place in human society, in preference to a place *alongside* thereof.

The case for Protective Tariffs (or Tariff Reform, as it is called in England) depends for its justification on the assumption that no nation is safe, no nation is respectable, which is not as nearly self-sufficing as it is possible under modern conditions for a nation to be. Which means, that every nation's external trade will vary in magnitude in the inverse ratio of its wisdom. In the restriction of its foreign trade, and in seclusion from the rest of the world, stands the wisdom of princes and governments. The model of all politics, then, is to be found in the ancient city of Laish, whose inhabitants "had no business with any man." Or shall we say that the best State will combine the seclusion of Laish with the predatory violence of the Danites?

The exclusive, seclusive, self-sufficing community, however, may not be accepted by all Protectionists as the perfect economic type. Some, if they avowed the belief and desire of their inmost souls, would pronounce for a community which sold to all, but bought of none without its borders, a community sufficing not only for itself, but for all the world beside. How glorious it would be for the British Empire to become such a community! But, could the British Empire become such a community without first becoming co-extensive with the habitable world? The community or nation which makes self-sufficingness in production its great end and aim will find it necessary to cultivate dislike of foreigners or at least avoid doing anything to mitigate that natural disposition of "the old Adam." If it is to keep itself economically "unspotted from the world" it must avoid contact with the world, and make the avoidance of such contact the first and greatest commandment in its law. It must regard foreigners as the Children of Israel were bidden to regard the "heathen round about." "Thou shalt make no covenant with them, nor with their gods." Protectionist finance, then, has its origin from, and in its turn panders to, international animosity. It "protects" overweening national self-esteem much more than it "protects" the nation itself. It contemplates warfare, rather than peace, as the normal and indeed natural relation of peoples and governments. It puts every community in a state of siege.* It must be remembered that the restriction

* Lacedaemon, with its iron currency, was always in a state of siege. This fitted in perfectly, of course, with the barrack-life of the Spartiates.

of trade by means of tariffs is a form of warfare. The spirit which moves in it is the spirit which prefers the arbitrament of the sword to the arbitrament of reason in disputes between nations. Nothing probably is a greater hindrance to the establishment of "abundance of peace so long as the moon endureth" than the passion for protection which is just now so prevalent. Nothing tends more strongly to maintain in life that prehistoric habit of thought which made no distinction between a stranger and an enemy.

Some years—in the rapidity of the wondrous march of events, it is getting to be a good many years—ago, the dream of an Imperial Zollverein was cherished by not a few in England who claimed regard as devotees above all others to the cause of the British Empire. The English Tariff-Reformers of to-day have abandoned the Imperial Zollverein plan, finding that the self-governing Dominions will have none of it. They consent to the existing division of the Empire by tariff-frontiers, and even propose to add to the number of dividing lines by putting tariff-barriers around the United Kingdom, which Colonials as well as foreigners will have to climb over. These barriers, however, will be lowered somewhat for the Colonials, although the amount of trade done by the United Kingdom with foreign countries three times as great as the amount of trade with the Colonies.

Now let us consider how both of these schemes, the Imperial Preference as well as the Imperial Zollverein, give away the foundation of Tariff Reform (alias Protection). Both alike are determined by acknowledgment of the fact that the United Kingdom must have the Empire to trade with. The United Kingdom is not, and on the showing of the Protectionists themselves cannot be, completely self-sufficing. But why should its freedom to trade be put under restrictions? Why should it not continue to be free to trade with whomsoever it will, regulating its business by ordinary business rules and considerations? The justification offered for the proposed restrictions is that the effect of the change will be to establish a self-sufficing Empire. The constituents of the Empire are not severally self-sufficing, but collectively they will be. The Empire will have as little to do with "outsiders" as it possibly can—(save perhaps in the agreeably exciting occupation of blowing their navies out of the water),—and in general, the practice towards foreigners will be to discourage and repress them. Tariff Reform means "the British Empire for the British Nations." It may be said with truth that an Imperial Zollverein would much more easily achieve this end than Imperial Preferences. However, the self-governing Dominions dislike British competitions in their markets only less than foreign—if even less—and it is no use talking Zollverein to them. Instead of the Zollverein, we are to have a group of several nations bargaining for preferential treatment, each allowing that it is not, and cannot be, self-sufficing, and yet cleaving to a fiscal scheme which aims at independence of and seclusion from the foreigner. In other words, the five Nations, whilst conceding mutual preferences, will yet be dealing with one another as with foreigners. In New Zealand, for instance,

the difference between the British and the foreign exporter will really be no more than the difference between one sort of foreigner and another—the difference between the preferred and the not-preferred foreigner. Furthermore, the anticipation of a self-sufficing Empire, whether under Imperial Zollverein or Imperial Preferences, cannot be reckoned as practical politics. Even if such a consummation were possible, it would not be desirable. Why should the Empire be secluded from the rest of the world? Why should the Five Nations make themselves, in Virgil's phrase, "toto diviso orbe Britannos." It may or may not be true that no nation is good enough to hold dominion over others. It is certainly true that no nation, no, nor group of nations, is good enough and great enough to stand aside in proud seclusion, "splendid isolation," from the rest of humanity.

Free Trade is derided as coming of "flabby internationalism," as a fond thing vainly invented by sour-stomached men, who are lovers of every country but their own. Against "flabby internationalism," long-eyed fanatics preach up "a robust patriotism," which consists in persistently seeing a dangerous enemy in every foreigner, and presenting the prejudices of foreign communities as a thing of necessity detrimental and deleterious to the interests of Britain and the whole British Empire. This "robust patriotism" is nothing but envy, jealousy, hatred, bloodthirstiness, engendered of ignorance and conceit. Nothing could be less Christian, and you will find ministers of the Gospel preaching it. One reason, perhaps, why many and so respectable persons are captivated by this "patriotism" is that its agents and advocates are skilful sophists, well practised in making facts appear otherwise than they really are, and always ready to play upon the emotions and sentiments which are only too easy to arouse, so strong is the old Adam of barbarism in all of us. We are not, indeed, so very far from the Stone Age—not so far, at any rate, as we should like to think ourselves to be.

The patriotism with which Free Trade is associated is just as "robust" as that of the Imperial Protection-with-Preferences fanatic, and infinitely more rational. It is not cosmopolitanism in any form. It is neither the cosmopolitanism of the enthusiasts of Anglo-Saxonism, who would have English the universal language, and all nations peoples, and tribes more or less—preferably more—Anglicized. Neither is it the cosmopolitanism of those who have nowhere any strong political and social attachments, whose impartiality is an impartiality of indifference not slightly tinged with contempt. It is a patriotism which respects, and is jealous *for* (not *of*) the foreigner's "nationality" and "nationalism," giving that recognition and honour which it claims for itself. It does not strive and cry for the obliteration of national varieties—an ideal as contrary to the nature of persons and things as the obliteration of all specific differences among animals and plants. It recognizes the value of a universal medium of communication, but only as an addition to, not as a substitute for, the natural varieties of human speech and writing. Unity *in* variety, not in place

of variety, is its desire. It seeks to civilize international relations. As individual citizens of the same community, and of different communities also, are forbidden to settle their disputes by bloodshed, it would have the same law established between the communities themselves. It would have public warfare abolished, even as private warfare in all well-governed countries has been abolished.

Tariff-barriers are obstacles to the advance and promotion of international civility and courtesy. The producer on one side of a tariff barrier is regarded by the producer on the other not merely as a competitor but as an enemy. No doubt, it is fatally easy for competition to become hostility, to pass from the form of salutary pressure to that of cruel oppression. Many advocates of Protection plead their cause as follows: The foreigner undersells us, they say, in our own markets, driving our producers out of business. His competition is unfair and indeed criminal. It is as immoral as the competition of the armed marauder with the peaceful worker. Unrestricted commercial intercourse between the nations might no doubt work admirably for all concerned. But the foreigner will not do his part in taking off restrictions. He opposes the movement of products from one side of the dividing-line to him, while we place no obstacle in the way of the movement from his side to ours. He makes himself our enemy, his influence on our industries is injurious, *i.e.*, hostile, and it is only common sense to protect ourselves against him. Should we allow armed raids upon our coasts to pass unpunished? Then why allow commercial raids to proceed unchecked? The foreigner makes us pay for access to *his* markets. Is it not mere justice that he should be made to pay for access to ours?

Now is the foreigner's competition criminal because it is competition, or because he uses criminal means to produce his stuff so cheaply that he can offer it in our markets for a price lower than would remunerate the local producers? If it could be proved in every case—or at least in the great majority of cases—that the greater cheapness of the competing foreign stuff was the result of "sweating" the foreign working-man, then there would be some case to show for putting up tariff-barriers against its importation. The British working-man would be protected, and the wicked foreign employer would be justly punished by loss of trade. Multitudes of foreign working-men would be thrown out of employment, of course, and they would suffer much more than the "sweaters." But that need not be regarded as anything worse than a transference of unemployment from our side of the frontier to the other. We cannot be expected to maintain an open market merely to keep foreign working-men in employment! As a matter of fact, however, it would not be possible to trace the greater cheapness of foreign goods, in all cases when they *are* cheaper, to sweating and capitalistic iniquity. The explanation nearly always—if not without exception—lies in better means and methods of production, to which may also be added (in the case of Germany, at any rate) a more rational transport-system. Instead of protecting our inferior systems of production and transport, let

us so improve them that the foreigner will no longer be allowed these initial advantages. If, after that, the foreigner still keeps the upper hand in any line of competition, it will be evident that he does so in virtue of some natural advantage of geographical position (*i.e.*, climate, or vicinity to the best and most copious sources for supply of material) which cannot be transferred to our country, and against which we can never contend, save at a disadvantage.

There is, however, a general tendency to account for the success of the foreigner by imputing some kind of criminality—his achievements are hardly accounted unto him for righteousness. He is an "outsider"; he "followeth not with us." In any case, we could hardly do more than tolerate him. Whatever redounds to *his* good, redounds to *our* loss and injury. Whether the converse proposition holds good, we care not to enquire. Let the foreigner look after himself and his own affairs. He is not to be allowed to make anything out of us by it.

In all Protectionism may be traced the bitterness of this historic and prehistoric dislike of the foreigner, the main cause of man's inhumanity to man. On behalf of the "Tariff for Revenue only," it may be said that prepares the way for better things. One nation has had the courage to maintain this principle for sixty years in the face of ever-growing foreign competition. It has not been ruined by this competition, and if it is ruined, this competition will not be the true cause. The most rational way to meet whatever difficulties, inconveniences, injuries and losses our present tariff-system appears to engender is by making our means and methods of production and distribution better than the best that anyone else has. This means something more than mechanical improvements. It includes the fulfilment of even higher and more exacting conditions. It means the elimination of a coarse hedonism which infects all classes in society more or less—the hand-workers just as much as any other. It means protecting the working-man, or better still, making him able to protect himself, against the tavern and the betting advertisements. It means, not the abolition, but the mitigation of individual or private ownership of land, buildings, and railroads. It is moral reform, rather than Tariff-reform, which is "the one thing needful."

