FREER TRADE ESSENTIAL TO FUTURE NATIONAL PROSPERITY AND DEVELOPMENT. A LECTURE

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88

NOTE.

The following Lecture was originally prepared by Mr. WELLS *for the* YOUNG MEN'S DEMOCRATIC CLUB OF BROOKLYN, *and was to have been delivered more than a year ago had not circumstances prevented. When the Course of Lectures of the* BROOKLYN REVENUE REFORM CLUB *was spoken of, the* YOUNG MEN'S DEMOCRATIC CLUB *courteously waived their right to a separate address, and the lecture was given under the joint auspices of both Clubs.*

Freer Trade essential to Future National Prosperity and Development.

A LECTURE

BY

DAVID A. WELLS,

FEBRUARY 8th, 1882,

BEFORE THE

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AND THE

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FREER TRADE ESSENTIAL TO FUTURE NATIONAL PROSPERITY AND DEVELOPMENT.

THERE are two standpoints from which one may consider and investigate the great question of freedom in respect to production and exchange which is generally termed "FREE TRADE"—namely, the standpoint of theory, or abstract principle, and the standpoint of specific and practical application. I shall not enter into any discussion whether such a division of the subject is logical or legitimate. It is sufficient that it is convenient for present argument and illustration; and that it is an assumption in accordance with general popular sentiment. The former, or theoretic standpoint, is the side from which beginners and students generally approach the subject for investigation. It is the side which is mainly taught by books, essays, and lectures; and with sufficient of material of this nature at command, the student has the whole subject, so far as abstract argument or the lessons of history are concerned, fully before him.

FREE TRADE FROM THE STANDPOINT OF THEORY.

As thus entered upon, the subject furthermore is most attractive; for the first thing that the investigator, whom I assume to be free from all undue bias and prejudice, is likely to have impressed upon him, is, that the subject-matter to be considered is only a phrase of the old, old question of the sphere and expediency of human liberty, which has always and profoundly agitated society ever since society began to exist; namely, shall liberty be granted to each and every man to freely labor

and exchange the products of his labor, in common with liberty in respect to his person, liberty of conscience and belief, liberty of speech, of the pen and the press, and liberty to participate in the selection of rulers and the form of government; or shall all these latter privileges be granted as something in themselves in the highest degree desirable and beneficial, and the former denied and proscribed as in a corresponding degree undesirable and prejudicial? And the next thing which our investigator will be likely to learn will be, that the arguments which in times past and at the present have been and are employed to affirm or defend any or all of these as attributes of liberty are essentially one and the same; that the avowal of the right or expediency of denying a single one of them, involves and implies the right and expediency of denying all; and finally, that no man can deny or abridge on any ground any one of them, without thereby and at the same time reaffirming and defending the principle and expediency of human slavery. Is it any wonder then, that the intellectuality of this latter third of the 19th Century, recognizing the antagonism of any other position to the great cause of human progress, should have ranged itself by an overwhelming majority on the side of industrial and commercial freedom, equally and for like reasons and motives as it has on the side of intellectual, religious and political freedom; and that no man intellectually great by general acknowledgment, who has given any special attention to this subject, and who is not, like Bismarck, avowedly working in the interests of despotism, or private gain, can be pointed out in either hemisphere, that is not unqualifiedly in favor of removing speedily and to the greatest extent compatible with the requirements of governments for revenue, all restrictions on the commercial intercourse of both nations and individuals? Is it any wonder, further, that there is not to-day a first-class college or institution of learning in the whole world which would admit or invite to its chair of political economy a person who theoretically believed in the theory or expediency of restricting exchanges as a means of increasing popular welfare and abundance; or that any representative of the theory of protection as advocated in Pennsylvania, would find himself as much of an alien and curiosity in any general assemblage of economists and financiers, as one would be in a congress of physicists, or naturalists,

who denied on the one hand the law of gravitation, or affirmed on the other the existence of mermaids and centaurs? And I further assert that no protectionist newspaper in the United States—first-class in respect to circulation and influence—can gather and keep up a staff of editors and contributors, with brains sufficient to do the work expected of them, without bringing in men, and often a majority, who privately, if not openly, disbelieve in and repudiate the whole theory and practice of protection. Note also how universally human nature, when left free to follow its own instincts, spontaneously repudiates every idea that there can be anything in the nature of a principle in the doctrine of protection growing out of any natural order of things, and unhesitatingly accepts and rejoices in abundance and cheapness in preference to scarcity and high prices. Did any one ever know, or hear of an American who, however much of a protectionist at home, did not consider it a privilege on visiting Europe that he was able to buy clothing and other articles of necessity or luxury, cheaper than in his own country, and who did not to the extent of his ability avail himself of his opportunity for so doing? I recollect traveling some years ago in Europe with a prominent member of the Industrial League of Pennsylvania, who had accumulated a large fortune through an iniquitous and selfishly arranged provision of our existing tariff, and whose expenditure for a great variety of products of foreign labor for no other reason apparently than their comparative cheapness, was most lavish; and whose pleasure and exultation over what he termed his bargains was so excessive as to almost border on simplicity. And from what I learned from his own lips, I doubt if any one of these numerous purchases on his return to his own country ever came under the cognizance of an American Custom House and paid duties. Now, if this man's principles had been anything more than a selfish sham, he would have scorned to use the money which protection had brought him for the purchase of any other merchandise than that manufactured by American operatives under protection, equally well if not cheaper, and would not have taken advantage of any opportunity to increase his abundance which he had helped by law to deny to his fellow-citizens. The American Bessemer Steel Association is never weary of paying for the writing and publishing of pamphlets and news-

paper articles, enjoining the absolute necessity of adequately protecting through tariff rates every department of American industry against the competition of foreign labor and products, and denouncing as corrupt and unpatriotic all who entertain contrary opinions; and yet when it recently found that through an inflation of domestic prices, which its own outrageous monopoly of a product of necessity and large consumption had helped to create, it could buy and import ores of iron from Spain and pig-iron from England at a few dollars less per ton than the price of similar products of American mines and furnaces, it did not hesitate to do it and to the extent, during the present year, of hundreds of thousands of tons.* And when one of the prominent members of the association, Mr. D. J. Morrell of Pennsylvania, is called on for an explanation of this glaring inconsistency, he sneaks out of it with the lame apology that he and his associates "*Can't very well help themselves, for they are in the market as purchasers, and however much they may dislike the situation, they have got their stockholders behind them, and they would have to give a good reason for paying* $3 *or* $4 *more*" than they were obliged to. But he omits to mention that the persons who have deliberately violated this canon of American protection, and the stockholders, on whose account solely it was unwillingly done, were essen-

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* The workingmen of New Jersey are alive to the fact that this is not fair treatment. On January 25th, 1882, Mr. Hill, a representative from that State, presented in the House of Representatives a petition signed by nearly 3000 workingmen and others interested in the mining of iron ore, which stated that "during and within the past ten months, ending October 31st, 1881, 724,210 tons of iron ore have been shipped to this country (an amount exceeding the product of our whole State during the same period), at a nominal duty of 57 cents per ton, and in years past much of this ore was shipped as ballast, no freight being paid. We are correctly informed that the laborers employed in mining this ore are paid from 20 to 28 cents per day, and the major part of this foreign ore is laid down at our docks at a cost not exceeding $2.84 per ton. It is impossible for the mining interests of this county [Morris] and the labor employed to compete with the prices. We therefore pray your honorable body that the duty on iron ore be raised and to place such a duty on iron ore imported into this country from foreign countries as will protect the iron ore interest of the country and the labor employed thereat."