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EDITORIAL

FRESH TARIFF WRANGLES IN THE WIND.

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THE declaration of free trade between Puerto Rico and continental United States territory is about as severe a blow as could have been administered both to the political free traders in this country and to the free trade theory in general.

Among the many matchless dialectical witticisms of the French economist Bastiat against protection, is the story of a "protected orange." Quoting from memory the reasoning was to this effect: Oranges grow naturally in Cuba; they are imported and placed on a fruit-stand in Paris for, say, 1 cent a piece. The price represents the cost of raising, transportation and distribution, and is as low as 1 cent owing to the orange being raised where nature is propitious. An enterprising Parisian thereupon schemes to produce oranges in Paris. But the climate is unpropitious. Hot-houses, with extensive appurtenances and proportional expensiveness become necessary. The result is that when the Parisian orange-manufacturer is ready to place his products on the Parisian market, the individual orange has cost him considerably more than 1 cent. To sell for that price would bankrupt him. He turns to the Government; pulls the required wires, and lubricates the requisite wheels; whereupon a tariff law is passed placing on each orange imported from abroad a tariff covering the difference in the cost of production, say 2 cents. Thereupon, at the same fruit-stand of yore, two oranges stand, side by side, for sale: the manufactured or "artificial" product and the natural one, both marked 3 cents. Bastiat then argues that, as a means of raising revenue, the process of collecting 2 cents on imported oranges is clumsy and wasteful; he then turns his brilliant shafts of satire upon the protectionist idea of "promoting industry" by such artificial methods as producing artificial fruit; let oranges grow where nature will raise them genuine, and let the efforts put forth in doing hot-house violence to nature be turned into legitimate channels.

The point is excellent and covers a certain ground well; but it does not cover the whole ground that free trade claims to cover. Large areas are left bare. The sophistry, or be it quibble, or be it the defective reasoning underlying free trade as a practical theory, capable of application, is emphasized by the experience with which Puerto Rico is bound to enrich future tariff discussions in this country.

The flaw in Bastiat's free trade reasoning lies in that he seeks to expand into a general principle a theory that is applicable only to restricted areas. Starting from this error, the error of not taking all the facts into consideration, he tumbled into a preposterous political blunder, and the free trade theorizers of America, quoting him, tumbled after him into the same blunder. That the latter have not yet discovered the fact and the reason thereof is the strongest evidence of their mental incapacity.

Bastiat's illustration applies to a country of restricted climatic productivity. In a country essentially manufacturing, "artificial" farm products can be laughed out of court, and free trade, in them, will win the day. In the measure in which a country is agricultural, besides being manufacturing, the satire against "artificial farm products" is weakened because its application becomes restricted. Finally in a country whose area is so large that vegetation of different climates thrives within its borders, the satire loses all force except for the whimsical. Common sense dismisses and material interests spurn it. This has been the experience in this country; it is what has given vote-collecting backbone to protection here; and it explains much of the tariff wrangle: Puerto Rico will now add grist to the mill.

Sugar, oranges, tobacco and other vegetal products of the torrid zone are raised within the same American boundary lines where manufactures, otherwise the "product" of temperate climates exclusively, are seen to flourish. No reason that eventually induces industrial concerns to throw off the crutches of protection and set up the colors of free trade can or is likely to come into play with the agriculturist. His product can not be railed down as "artificial." And moving under a social system, of which Bastiat himself was an enraptured Pindar, the capitalist system, the agriculturist insists upon making his living off his fellows, demands governmental protection, and, swaying his own and his wage slaves' votes, asserts himself in the halls of legislation. Thus it has been seen that while certain industries demanded free trade so that they may buy cheaply the raw products that they need, the domestic raisers—not in hot-houses, but in the open fields—of such raw materials, lock horns with the forces of free trade; compel them first to shift

their ground, and abandon free trade as a “cardinal principle”; and materially interfere with their plans. The placing of new territory within the boundaries of this nation necessarily leads to free trade between the old territory and its acquired domain. The new territory being tropical, it throws into the anti-free trade scale a new set of products, besides strengthening in the same direction the attitude of kindred interests previously within our boundaries. This is one of the practical politico-economic effects of, first, the annexation of Puerto Rico, and the inevitable sequence, the declaration of free trade between the island and the United States mainland.

The flames of tariff wrangles may be expected to flare up afresh, fed by the fresh fuel of Puerto Rican products.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.

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