

# The International Free Trader

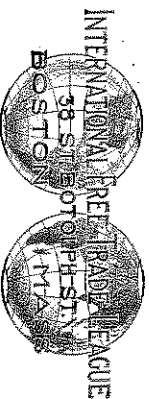
"MY COUNTRY IS THE WORLD"

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## ECONOMIC TRUTH DEFINED

What the Intellectuals Need to Learn—Gustave Le Bon's Economic Laws Discussed  
by Henri Lambert.

In the *Gazette de Charleroi* (Belgium) M. Henri Lambert felicitates M. Gustave Le Bon on a treatise on political economy which appeared in an earlier issue of the *Gazette*, and emphasizes the immediate necessity of concentrating attention on economic truth, if civilization is to be saved.

"It is perfectly true, as held by a group of French writers, . . . that the economic and material development of nations ought not to occur at the expense of their intellectual development,' because, as they say, 'the spiritual is above everything.' And for my part, I should welcome the establishment of the 'political party of the *Intelligensia*' which these writers have in view if it could be assumed that the 'Intellectuals' would condescend to conform to common sense. This shows that the economic needs of men—food, clothing and shelter—are the vital needs, that their economic interests are their primary interests. They are, therefore, the fundamental interests—on which intellectual and moral interests ought to be reared and developed. It is therefore of 'fundamental political importance' that economic interests, not only prosper, but, above all, form and develop naturally and soundly, that is to say in harmony with the power, the truth and the nature of things. It is only upon natural and sound economic interests that it is possible to establish natural and sound social and international relations, and build a natural and sound and durable civilization.

"When, like M. Le Bon, the Intellectuals keep this fact in mind they will recognize natural economic truths as fundamental truths; they will thenceforth begin to study them and will soon teach them. On that day, but not before, the establishment of a 'party of the *Intelligensia*' will be a desirable political event, and the economic and material awakening of the peoples will come through, and in the interest of 'true' intelligence, and not at its expense."

"Come with me," said Richard Cobden, as John Bright turned heart-stricken from a new-made grave. "There are in England women and children dying with hunger—with hunger made by the laws. Come with me, and we will not rest until we repeal those laws."

## The Balance of Trade Bogy.

One of the economic laws enumerated by M. Le Bon (the fourth) avers that "Goods must be paid for by other goods, therefore a country which imports much more than it exports must have recourse to credit. To continue to import more than it exports leads to ruin, unless it possesses a large measure of accumulated capital." Commenting on this proposition, M. Lambert says:

"The eminent philosopher does not seem sufficiently to take account of the influence of the rate of exchange and the variations of the monetary quantities in restoring the equilibrium between imports and exports. If, in spite of these factors, the imports continue in excess in a country, it is because the inhabitants are in such need of foreign products that the true service to render to the country will be to let it procure them, without further consideration of the diminution of the 'reserves of accumulated capital.' To conserve these, (or, to 'improve exchange,' according to the nonsense given acceptance by the blockheads whom the people choose as ministers of false economy and national ruin), must we, then, consent to die of hunger or cold, or go about naked, or let our houses fall to pieces? In order to conserve its gold must a nation go without food, or fire, or clothing, or shelter, or yet the machinery of production—that is to say, the most essential among the 'raw materials' of all human activities and industries? Evidently not; we must procure these primal necessities where best we may, abroad if not at home—as economy dictates. Nor is there any other means of obviating the 'high cost of living.' As for imports, they will end by limiting themselves naturally when the monetary need shall transcend the need of foreign goods.

## Danger of Thinking Nationally.

"M. Le Bon believes that nations can be led to ruin' by their import trade because he permits himself to think nationally. If it is usually erroneous and dangerous to think thus in politics, in sociology, in psychology (save in describing the psychology of crowds, which are the nations . . . when they 'think') it is always so in economic matters.

To consider the phenomena in terms of 'nations' is especially to be deprecated when international trade is considered—as we shall see.

"It is not, in fact, France which trades with Belgium, nor England which trades with France,—but rather Frenchmen who trade with Belgians, Englishmen with Frenchmen. 'International trade' is not carried on 'between nations,' but between the individuals who compose them. Now, whenever a Frenchman, a Belgian, an Englishman acts as an exporter it is because the transaction is advantageous to him. Similarly, whenever they act as importers they receive a profit. If not, why should they do it? What are called the imports of France, of Belgium, of England, being the sum of the importations of Frenchmen, Belgians, Englishmen, if each one of these transactions confers a profit on its promoter, how can the sum of their transactions result in a loss to the nation? (Moreover, it should be remarked that the importer sells his goods at a profit to the consumers of his country, which proves that they prefer them to goods which the home market can offer them. Therefore: preference, advantage, profit for the consumers as for the importers.)

"M. Le Bon should realize that a nation can no more be 'led to ruin' by its imports than by its exports. Nature does not wish the peoples to be ruined, or to suffer, by trade; that is to say, by mutual service, by cooperation. On the contrary, it counsels, encourages and rewards such cooperation."

### Consumers' Interest Paramount.

M. Lambert calls attention to the common fault of subordinating the interest of the consumers, the common interest, to the interest of the producers, the special interest; in other words, to subordinating the end to the means. The need now, as always, is to remove the restrictions which prevent the maximum production.

"In his ninth 'law' M. Le Bon said: 'Protection and Free Trade correspond to the different phases of the industrial vitality of a country. Protection is useful to feeble vitality, though costly and retarding the growth of the industries which the tariff protects against foreign competition.'

"Since the tariff results in retarding the growth of the protected industries, they cannot in any case help the industrial vitality; however weak it may be. 'Protection' will always prove an assistance to the birth, the development, or the support of artificial industries, at the expense of natural industries which are really profitable and susceptible of acquiring the desired vitality. In every country the final bill of 'Protection' as a whole will be economic weakness as compared with the results that would have been produced by Free Trade.

"If M. Le Bon will add to this consideration the false and inequitable distribution of wealth inseparable from protectionism, as well as the social and international animosities which it inevitably engenders, he will agree, I think, that it would be

worth while to revise his ninth and fourth laws in a sense more clearly in harmony with the Free Trade contention." —G.

### FREE TRADE AND H. C. L.

Samuel Danziger.

The following appeared in the Baltimore *Sun* of Nov. 21, and probably in many other papers of the same date.

(By the Associated Press.)

The Hague, Nov. 20.—A controversy of possible far-reaching effect on American trade relations in Holland is in progress in the Amsterdam and Rotterdam Municipal Councils regarding the quality of American shoes, of which thousands have been imported in an effort to break the high prices of the Dutch manufactures.

The possibility of an extraordinary after-the-war trade plot was hinted at in a meeting of the Rotterdam Council last night. Alderman Denbihanda said that shoes which Dutch leaders had dissected and deviously displayed in their windows to show their poor quality were not American but German, "ersatz leather" having been substituted by the dealers to convince the public that American shoes were of poor quality, and "made of paper."

The workmen's organizations, which have been permitted to buy American shoes collectively in an effort to reduce the cost of living, reported them to be of excellent quality. The prices of imported shoes have been fixed by the municipalities at an average of 11 half-florins, approximately 40 per cent. below the previously prevailing prices of the same quality of Dutch shoes.

From which we learn that American shoes "of excellent quality" are being retailed in Holland at eleven half florins or approximately \$2.25 a pair. We also learn that this price is 40 per cent below previously prevailing prices of Dutch shoes, so these must have sold for \$3.75 a pair, and it is to break these "exorbitant" prices that American shoes are being imported. Now if we could only import those \$3.75 Dutch shoes, we could break down the high cost here. As it is, the Dutch are getting the best of the bargain. Just why these same \$2.25 shoes are not on sale in this country is not explained. Free trade in shoes would give us the chance to buy American-made footwear on as favorable terms as the Dutch.

### CANADA IN THE WORLD'S MARKET.

The break in the Protectionist ranks in the United States is likely to be followed by a similar phenomenon in Canada. And for the same reason, the sudden growth of the export trade. Canadian cotton mills are said to have such large orders in hand that it will be some time before they can devote a major part of their time to Canadian trade.

Great Britain is seeking in Canada goods which used to be bought in the United States, but which cannot be bought to advantage with exchange so adverse to British buyers. The Home Market argument would seem to be reduced to absurdity when Canadian manufacturers can compete in the British market with the mills of Lancashire!

G.

## ANOTHER ASSAULT ON THE TARIFF

Penrose Arguments Developed in the President's Message — Trade Restrictions Shown to be Harmful.

Taxation received a good share of space in the Presidential Message. The compilers of that document have discovered that "There is a point at which in peace times high rates of income and profit taxes discourage energy, remove the incentive to new enterprise, encourage extravagant expenditures and produce industrial stagnation, with consequent unemployment and other attendant evils."

The blighting effect of taxation is thus acknowledged in high quarters, and serves as an introduction to what appears to be a political move to meet the changed attitude of Republicans towards the tariff, already recorded in the *International Free Trader*.

While quoting a paragraph from the last message in favor of protection for the chemical and dyestuffs industry, considerable space is devoted to an attempt to overtake Penrose and Alba B. Johnson on the road to Free Trade. The Democratic position is as opportunist as the Republican, but it shows the logic of events. The war has changed conditions. From being a debtor nation we have become a creditor nation. Exports have been greatly stimulated. Our balance of trade has become so "favorable" that it acts like a prohibitive tariff.

### Trade Must Be Encouraged.

There are only three ways for Europe to meet the situation. It must send us either gold or goods or establish new credits. But Europe is in no position to ship gold to us, nor do we want it. "The time has nearly passed for international governmental loans and it will take time to develop in this country a market for foreign securities."

"Anything, therefore, which would tend to prevent foreign countries from setting for our imports by shipments of goods into this country could only have the effect of preventing the exports from being made. . . . Any measure taken to prevent imports will inevitably curtail exports, force curtailment of production, load the banking machinery of the country with credits to carry unsold products and produce industrial stagnation and unemployment."

### A Suggestion for Congress.

The Republicans having discovered that in the last analysis trade consists in barter, the Democrats hasten to add that "If we want to sell, we must be prepared to buy." Since there is so much agreement on this important subject we suggest that a joint resolution on the following lines is in order:

Whereas, the United States desires to be second to no other Power in laying the foundations for a League of Nations in which equality of opportunity,

friendly co-operation and fair competition shall prevail; and

Whereas, the freest circulation of goods is imperative to relieve the starving and destitute throughout the world; and

Whereas, only by unrestricted production and trade can the menacing problems of international exchange be overcome, bankruptcy and panic averted, and the revolutionary onrush stayed;

Therefore, be it resolved that on and after January 1, 1920 no tariff taxes shall be levied on foreign goods entering the United States.

### "PROTECTION" LOSING ITS VOTARIES

Frederic R. Couder, speaking in New York, November 11, at a dinner of the Foreign Trade Council, at Hotel Astor, said:

"We may even have to revise our views on the tariff, for we are now become a creditor nation, and those countries which owe us huge debts certainly cannot pay in gold; they can pay the interest even only in goods. And with our raw materials, our fuel, our industrial equipment and our facilities for mass production, I think we do not need longer to fear the labor of any country in the world."

At the same dinner J. G. White gave examples of the destructive effect upon importations of the present practice of assessing tariff taxes on the par value of the mark "which often makes the duty many times the price paid for the goods." G.

### CANADIAN FARMERS TRIUMPHANT

Ernest C. Drury, newly-elected head of the Ontario Government, was the unanimous choice of the members-elect of the Ontario legislature who stood for election on the platform of the United Farmers of Ontario and as Labor candidates. The by-election in Carlton-Victoria was won by T. W. Caldwell, president of the United Farmers of New Brunswick, in spite of the fact that three of the ministers of the Dominion Government campaigned against him, and charged him with appealing to class prejudice. As if Canada had not been dominated for a generation by the class politics of "Protection"! "The Farmers' Platform," comments the *Grain Growers' Guide*, "in addition to being an appeal for equal rights to all Canadians, with special privileges to no Canadians, is an answerable indictment of the so-called 'National Policy' of Protection, which has given Canada government of the protected interests, by the protected interests, for the protected interests in all that has had to do with the shaping of national fiscal policy."

Farmers' candidates were also successful in Ontario and Saskatchewan by-elections. Ontario and North Dakota plainly foreshadow the doom of the old corrupt political parties on both sides of the line and indicate the abolition of economic restraints as the policy that will win at the polls.

G.

### JAPANESE LABOR.

Labor troubles in Japan have reached an interesting stage. The rising cost of living has filled the country with unrest and led to strikes for higher wages. Protectionists of this country have been wont to compare American and Japanese wages for the purpose of showing the necessity of a protective tariff. Reason should have taught them that there is no really cheap labor. Low wages mean inefficient, and, therefore, expensive labor. English cotton manufacturers have long had the choice between manufacturing cotton cloth in Manchester or in Bombay. The fact that they prefer to pay wages many times higher in England than in India shows that they find high wage labor cheaper.

Japan had the appearance of being an exception to this rule. Wages there were low, and the labor was rapidly becoming efficient. But note the result: just as Japanese labor became efficient in operating machinery, and in handling new processes, the laborer either migrated or struck. This has led to a more rapid advance in wages in Japan than in any other country. The Tokyo printers, according to the special correspondent of the *New York Evening Post*, have won a strike for \$32.25 a week, which is an advance of forty per cent. of what they were formerly getting. The Government printers, numbering 3700, are demanding a fifty per cent. increase; and the five thousand printers of Yokohama are making the same demand. The Japan electric companies are pleading with their striking men that their wages during the last few years have advanced 270 per cent. Japanese wages are still low, compared with hours, but the labor is not so efficient as to make it unprofitable for English and American cloth makers to send their goods into China in competition with Japan.

If Congress really wishes to investigate something worth while it should inquire into the cost of foreign and American labor when measured in product. Protectionists demand a tariff to equalize the difference between the cost of labor here and abroad. Yet no Government board or official has made any attempt to discover what that difference is. All the data privately collected on the subject show the reverse of the protectionists' contention, and the experience of mankind in all lands indicates the same fact.

High wages mean efficient labor. They mean the use of machinery and intricate processes. In India and China, where wages are low, little machinery is used, and industry is conducted by ancient methods. In this country, where wages are highest, machinery is used to the greatest extent, and—whenever competition is allowed to prevail—the newest processes are in use. Where the foreign goods are barred from the country and home competition is ineffective there is a tendency to lag in the adoption of improvements. During the days when sugar was highly protected the Louisiana planters clung to the old open kettle process and gravity extraction, but when Hawaiian sugar was

admitted free the Louisiana growers adopted the vacuum process and centrifugal extraction.

If for any reason it should be found necessary for the Government to encourage the starting of a new industry—such for instance as dye-making—a bounty will be found much more effective than a tariff. For, if the price of home-made dyes be raised by the tariff, American industries using those dyes will be handicapped in their competition with foreign manufacturers; whereas, if a bounty be paid while the industry is getting on its feet, the price will remain at the old level and American users will enjoy the same advantages as their foreign rivals.

The bounty system has another advantage over a protective tariff. The people will know exactly what the new industry is costing, and can tell whether or not it is worth while.—*The Public*.

### THE POWER OF IDEAS.

From "Friends in Council," by Sir Arthur Helps, No. 1302, Tauchnitz Collection of British Authors; chapter VI, *Fiction*, Volume I, page 87.)

After the reading, by Milverton, of his essay on Fiction, discussion ensued, and in short course led out upon representative government. From that the Corn Laws were adverted to, and remark was made to the effect of "the thinking few being in the nature of gifts to the world, not elicited by King or Kaiser"—Then:

Milverton. Well, I believe it would be much wiser to say, that we cannot lay down rules about the highest work; either when it is done, where it will be done, or how it can be made to be done. It is too immaterial for our measurement; for the highest part even of the mere business of the world is in dealing with ideas. It is very amusing to observe the misconceptions of men on these points. They call for what is outward, can understand that, can praise it. Fussiness and the forms of activity in all ages, get great praise. Imagine an active, bustling little praetor under Augustus, how he probably pointed out Horace to his sons, as a moony kind of man, whose ways were much to be avoided, and told them it was a weakness in Augustus to like such idle men about him instead of men of business.

Ellesmere. Or fancy a bustling Glasgow merchant of Adam Smith's day watching him. How little would the merchant have dreamt what a number of vessels were to be floated away by the ink in the Professor's inkstand; and what crashing of axes, and clearing of forests in distant lands, the noise of his pen upon the paper portended."

(Contributed by H. C. Whitehead, Chicago, Ill.)

### THE ROAD TO IMPERIALISM.

A sinister sequence to the British abandonment of its Free Trade policy is brought out by the Bulletin of the American Chamber of Commerce in London. It contains a warning to American trade to look elsewhere for markets, and says that possibly one way out of the difficulty "is intended to be

offered if the British proposal that the limited States should administer a very large section of the Middle East, and should lead in the industrial reconstruction of Russia, were adopted."

Shall we have to revise a familiar saying, to read, "Trade follows the mandatory?" In this connection Russia and the Middle East may be interested to read once more President Wilson's speech in Turin, Italy, on January 6th, in which he said: "A country is owned and dominated by the capital that is invested in it. I do not need to instruct you gentlemen in that fundamental idea. In proportion as the foreign capital comes in among you and takes its hold, in that proportion does foreign influence come in and take its hold, and therefore the processes of capital are in an actual sense the processes of conquest."

G.

### FREE TRADE THE FOREMOST ISSUE

Argentina, one of the largest food exporting countries of the world, is endeavoring to get the other nations to see the advantages in removing all tariff taxes from food. Foreign Minister Pueyrredon is said to be conferring with the pan-American representatives with the hope of arranging treaties to give effect to this common-sense policy which ought to be universally adopted.

Guatemala has done even better than this and has sent to the Foreign Offices of all Central American republics proposals for a treaty providing for the free exchange of natural products and manufactured goods. Free Trade is the political issue of first importance the world over.

G.

### WHAT IS A FAVORABLE BALANCE?

England Embarrassed by Excess of Imports, the United States by an Excess of Exports.

A London dispatch of November 9 to the New York *Times* gives the excess of imports over exports for the ten months ending October 31 as £581,250,000 and calls it a balance of trade "against" Great Britain. Commenting on this phenomenon, our English colleague Arnold Lupton says, "The more the imports exceed the exports the grater is the profit we make on the transaction. . . . So long as the outside world sends us plenty of goods we shall be all right; when that import stops we shall be all wrong."

"Everyone must bear in mind that the Board of Trade figures, valuable as they are, do not tell the whole story. Our imports are valued at the price they are worth when delivered to us after the voyage from distant parts of the world; our exports are valued at the price at which they are put on board ship here, but those who purchase our exports have to pay, in addition to the cost, for the transport which in some cases is equal to the value of the goods, and there may be heavy financial charges and merchants' profits to be added."

Another blow to the old balance of trade theory was delivered by the Manufacturers' Export Association in a statement issued on November 9, concerning the three billion dollar export balance in the

trade of the United States. It is contended that the balance can be reduced either by gold, or goods or credit; and it is primarily by the extension of credit that the situation must be met, according to the above authority. "Credit must be extended, and for long enough terms to enable Europe to produce, and with goods decrease this astounding export balance."

So it seems after all that trade is barter, and that those traders prosper who realize a profit on the exchange of goods.

G.

### COMPETITION AND LIBERTY

In an able address delivered in Chicago in 1899 Benj. R. Tucker asserted that "competition is always, in the larger view, a method of co-operation" and that to interfere with its free exercise is to invade the rights and liberties of mankind. "All of us," he continued, ". . . have a right to deny competition by competing, but none of us . . . has a right to deny competition by arbitrary decree, by interference with voluntary effort, by forcible suppression of initiative."

The cure for the economic problems which confront us, he declared, could be found only in abolition of monopolies and the consequent guarantee of perfectly free competition. "Call off the quacks, and give liberty, nature's great cure-all, a chance to do its perfect work." Free access to the world of matter, abolishing land monopoly; free access to the world of mind, abolishing idea monopoly; free access to an untaxed and unprivileged market, abolishing tariff monopoly and money monopoly—secure these, and all the rest shall be added unto you. For liberty is the remedy of every social evil."

G.

### CORRUPT INFLUENCES IN CHINA.

James Arthur Muller, writing in *The World Tomorrow*, with evident knowledge of conditions in China, characterizes the Northern group as representing the militaristic, corrupt, reactionary forces; and the Southern groups as imbued with Western ideas and political intelligence. The South is anti-foreign, he says, only "in that it believes that China has some higher destiny than to be forever the field of profitable exploitation by the trading companies of the West; it resents the special privileges, the tariff discriminations, the territorial concessions, the financial obligations, the limitations of sovereignty forced upon China at the point of Western guns or purchased from corrupt officials with 'Western gold'."

Foreign diplomacy has discovered, continues Mr. Muller, that the militarists of the North harbor no such disconcerting idealisms. "It is quite immaterial to the Peking Gang whether China is for the Chinese, or for the British, or for the Germans or for the Standard Oil Company. It depends entirely on who pays the highest. . . . Knowing this, the task of the Western diplomat, which is the extension of markets and the securing of trade privileges, is simple; and it is of the utmost importance that the militarists be kept in power. Western diplomacy has done its bit in making China unsafe for democracy."

G.

(We have received from Mr. E. J. Craigie, Secretary of the Single Tax League of South Australia, the following petition, which we are sure will interest our readers):

### TO THE INTERSTATE COMMISSIONERS.

Sirs,—

We, the undersigned, your Petitioners beg to place before you the request that your earnest consideration be directed to the wisdom and urgency of the imposition of an import tax of at least 800 per cent.—with a preference of  $\frac{1}{2}$  of one per cent. to the United Kingdom—upon steel pens, lead pencils, fountain pens, typewriters and all such mechanical aids to writing, now being imported into the Commonwealth; together with a prohibitive tariff upon geese, and quill pens, with the object of establishing a

#### Great Australian Goose Quill Pen Industry.

Early historical records of New South Wales and Van Dieman's Land afford indubitable evidence that it was not at all uncommon for the early settlers to make their own quill pens. The invention of, and consequent invasion of this country by the Steel Pen mercilessly strangled this infant industry in its very cradle, and its mortal remains have since lain buried under an avalanche of prejudice against the native-made, and far superior, Australian Goose Quill Pen.

But truth crushed to earth shall rise again. Happily, geese still abound in Australia, and the hour has struck when we can, we believe, look with confidence to the overthrow of the nefarious conspiracy which for so long, and triumphantly, has robbed Australia of its rightful inheritance to make its own pens.

We beg to submit the following claims on behalf of the proposed duties:—

Taking into consideration the average life and durability of the quill pen, and the activity and intellectuality of the Australian people, at least 100,000,000 geese would be yearly required to meet the demand for quill pens. The enormous amount of highly-paid labor which would be required in the work of incubating, Rearing, and Feeding this immense number of Geese, and so on, up to the point of the production of the finished Pen, would alone justify our appeal for these duties.

But, further. Bearing in mind the great Australian discovery that by clothing them with rugs and draping their legs with pantaloons, the vitality of geese is enormously increased, an immediate demand would be created for many millions of these articles, and thus unbounded prosperity would be ensured to the hitherto neglected Goose-Rug and Pantalot Industry.

After meeting our requirements for quills and domestic food consumption, a vast number of superannuated geese and quantities of fluff and feathers would remain over for export. An Export Duty upon these would so enrich us that vast sums could be expended upon irrigating the Interior to provide food for the ever-increasing army of geese, and the consequent necessary Railway Construction could also be advanced by leaps and bounds. This would furnish a further vast field for employment.

There are also accessory developments certain to ensue upon the establishment of the Quill Pen Industry. The King's boast, that every French peasant would have a chicken in his pot, would be undone here, for every Australian would then be able to have a goose in his pot. This would give a tremendous impetus to the Tin-Pot Industry.

Owing to the increased demand for apples, orchards would be planted on every hand, and the Apple-Peeling and Apple-Sauce Industries would set up a great demand for the well paid labor of women and girls. Also the services of great numbers of men and youths would be required in the Keeping-down the Codlin-Moth Industry.

Further, owing to the increasing excitement attending our numerous election contests, a heavy demand is setting in in Australia for well matured eggs. The superiority of the Goose Egg as a missile has never been questioned. This opens the road to the establishment of the Election Egg Industry.

The vast army of workers engaged in the main and contingent Industries above enumerated would require Food, Clothing, Shelter, Amusement and Luxuries. The whole land would consequently quiver, and rock, and whizz, and throb with the pulsations of industrial activity; the air would resound with the songs and buzzes of a delighted and happy people, while, soaring aloft, exalted over all, emblazoned on our national banner, would be the GOOSE—fitting emblem of Protectionist Australia.

Trusting you will see the wisdom of and accede to our petition, we, your Petitioners, will ever pray, etc.

**All True Protectionists will Sign this Petition.**



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## A PERNICIOUS BILL.

The sinister implications of protectionism may be judged by some of the clauses of the so-called Anti-Dumping Bill introduced in the House of Representatives by Mr. Fordney, Chairman of the Ways and Means Committee. We quote from our contemporary, the *Protectionist*:

The bill makes it incumbent on the importer to "secure permission" for a duly accredited officer of the United States to inspect all books and documents abroad—on pain of being prohibited from making future importations; and the prohibition applies also to the person failing or refusing to produce the documents. Thus the foreign manufacturer or seller and the importer or domestic agent alike must cease doing business with the United States or its custom houses if facts and figures necessary to the ascertainment of true valuations are withheld.

The punitive section of the bill (Section 20) is as follows:

That if any person engaged in the importation of merchandise into the United States shall give or receive a rebate or concession from the sale price, whereby the United States shall be deprived of the lawful duties or any portion thereof accruing upon the merchandise, or any portion thereof, without notifying the collector of such rebate or concession

from the sales price, either at time of entry or afterwards, or shall fail or refuse to submit to the inspection by a duly accredited officer of the United States, when so requested to do, any or all of his books, records, or accounts pertaining to said merchandise, he shall upon conviction be fined for each offense a sum not exceeding \$5000, or be imprisoned for a time not exceeding two years, or both, in the discretion of the court.

Free Trade is freedom to produce wealth and to exchange it. And as wealth can only be produced by Labor from Land, there cannot be true Free Trade so long as land monopoly exists.

*The Commonwealth.*

GALES is the only English Radical magazine in Mexico and is indispensable to all who want to know what the world is doing. Tim A. E. Gale is a former American newspaper man who was associated with ex-Gov. Glynn of New York for several years, and was for a time prominent in Democratic politics. Then he quit the Democrats, became a Socialist and finally moved to Mexico a year ago. It has been said that he writes "words that burn in letters that blister."

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## Editorial

It is often claimed that the adoption of Free Trade will not by itself make free men and women. In support of this contention the condition of England during the seventy years it was free from protective tariffs, is pointed out.

Free Traders frankly admit that freedom of international trade is neither a panacea nor an end in itself. But it is a necessary means to the establishment of international peace and human freedom. For complete liberty we must have free access to land and free money (credit). Probably all our readers are familiar with Henry George's plan to free the land. In the next issue of *The International Free Trader*, Mr. W. E. Brockaw will set forth his plan of "Equity" for freeing both land and money from the monopoly now controlling both. It is hoped that this will lead to a thorough discussion of the subject by our readers.

Readers of French who wish to know what is actually occurring in Central Europe and elsewhere, and to keep in touch with European opinion, can hardly do better than to send 26 francs for a year's subscription (7 fr. for 3 mos.) to *La Feuille*, edited by Jean Debrin, and published at No. 9, rue Neckar, Geneva, Switzerland. *La Feuille* does not confine itself to political news, but presents also excellent literary, philosophical and scientific reviews.

The ceaseless whisper of the more permanent ideals, the steady tug of truth and justice, give them but time, must warp the world in their direction.—*William James*.

The love of liberty is the love of others; the love of power is the love of ourselves.—*Haslitt*.

Correct knowledge must always precede correct action. The trouble with most people is that they are in too big a hurry to get action and not particular enough to make sure that it is right action. But a permanent and stable civilization cannot be established in that way. There is only one way for rational beings to be governed—and that is by their reason. Until humanity is willing to be so governed it must inevitably be misgoverned. The rule of human will—might—has just strewn the world with its dead. Our only alternative is the rule of reason. And reason points always to nature and bids us conform to its orderly trend. To disobey is to be punished by just such ills as those the world is now burdened with. There is but one road from inequity to equity—the road of freedom. And freedom is to be enjoyed through the reason, not the will. The moment we recognize any other authority than reason we abandon our only possibility of salvation. The rational being's first concern is as to what is right.—W. E. Brockaw, in *The Equitist*.

The essential condition of a league of nations is primarily freedom. Every other expedient for the maintenance of international peace and harmony has been tried and has failed. Freedom alone has never been tried; but if we understand the signs of the times, it is likely to be the next great social experiment. We mean, first, freedom of economic opportunity, by restoring natural resources to open competition with industry in the labor market, by breaking up monopolistic control of credit and industrial power, and by working out a democratic organization within industry itself. Society now seems well permeated with the sense that this is the basic measure of emancipation. Russia has actually nationalized the land; so have Mexico and Austria. The great body of British labor has declared for similar measures; so have several important organizations in the United States, notably the Non-partisan League, the Socialists, and the new independent labor movement. The North Dakota farmer legislature has provided a credit system intended to meet effectively the needs of the great body of North Dakota's producers, and has taken far-reaching steps to correct the marketing abuses of which they complain. The shop stewards in Great Britain are pointing their comrades to methods of organized democratic freedom within a highly developed industry. The world seems to be striving toward freedom of economic opportunity. We mean, second, freedom of trade; not in the old sense of the Manchester school or the Cobden Club, but as correlated with freedom of economic opportunity and inseparable from it. With these established, the rise of a league of nations would be automatic, and the perpetration of a war would be inconceivable.—*The Nation*.

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