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### ***Commercial Retaliation***

Because Germany pays a bounty on her exported sugar, America adds the amount of the bounty to the regular duty on German sugar. That prohibits America's importation of German sugar, greatly to the satisfaction of our Sugar Trust and the political philosophers whom, for advantage of that concern, Heaven has raised up to believe in Protection. But the Prussian Minister of Finance, his understanding suffered with the light of the same faith, observing that our action baffles an intelligent effort to prosper Paul the German sugar-grower at the expense of Peter the German barley-grower, "retaliates" by an indirect exclusion of certain American fruits.

Retaliates on whom? Obviously, on the American fruit-grower, and no less obviously, to the same intelligence, on the German fruit-eater. (In his case "retaliation" is not quite the word, seeing that his only offense is being a German; but his interests are disastrously affected just as those of his occidental purveyor are.)

At this early stage of the merry war we find, therefore, no fewer than five unfortunates limping to cover: (1) the German non-grower of sugar, taxed to pay the export bounty, a victim of the Imperial Government; (2 and 3) the German sugar grower and the American sugar eater, victims of the American Congress; (4 and 5) the American fruit-grower and the German fruit-eater, victims of the Prussian Minister of Finance. (Of the many dealers directly, and the many more persons indirectly, hurt by this admirable fooling there is lack of space for enumeration.)

Retaliation provokes retaliation. Already some of our patriots and other statesmen are breathing fire and thunder. Already we hear the muttering of the war-storm that is to break upon the head of the German producer—but nothing of that which is to overwhelm his American customer. Already it has been suggested that on analysis Rhine wines may be found deleterious to the Yankee stomach and eminently fit for exclusion. And it has been solemnly proposed to put an export duty on the domestic horse when shipped to a German port. In other words, it is thought expedient to add four more lame ducks to the procession of wounded; the German wine grower and the American wine drinker, the German horse user and the American horse breeder. Really, it is becoming interesting, this game of flinging razors by the blades.

Of course the logical end of it all would be an entire severance of commerce between the two countries, each grimly happy in the conviction that the other suffered more than itself. We are permitted to cherish a hope that it will not come to that—that before the quarrel has reached that ultimate stage some miraculous endowment of common sense may enable our worthy statesmen to discern in commercial retaliation the mere fool's revenge that it really is. Let us at least pray—those of us who do not fear to attract the divine attention—that they may eventually be persuaded to accept the elementary truth that in a commercial transaction the advantage does not accrue to the seller only, but to the buyer as well.

The horse proposal stands a trifle apart, as a method of retaliation, and must be regarded as the dream of a genius out of touch with the principles of Protection, but all the others are

clearly due to an infantile misconception of the nature of money. It is looked upon as concentrated wealth, and always more advantageous to the owner than that which he gave for it. The man that parts with a product of labor for money is felt to have the better end of the bargain. (That is to say, any man but oneself; if we felt that way in our own personal affairs we should never buy anything but the necessaries of life.) So strong is this feeling that in the instance of a country whose imports exceed in money value its exports—a country, that is, which buys more than it sells—the “balance of trade” is said to be “against” it, and the situation is considered alarming. To the person who thinks that way it is useless to point out that each individual whose money went abroad for a foreign product preferred the product to the money—considered himself benefited by the exchange. He may be presumed to be a fairly good judge of his own interest. If so the funny gentleman alarmed by the “outflow of gold” is committed to the proposition that the sum of individual advantages makes a general adversity.

Money is not wealth. It is good for nothing but to spend or to base credits on—which means to pledge it for expenditure later. A with one thousand dollars in his pocket and B with nothing are equally wealthy, and they so continue until A begins to get rid of his money. When he has got rid of one hundred dollars judiciously he is one hundred dollars wealthier than B—is wealthier by that amount than himself was when all the money lay in his pocket.

When the “balance of trade” is “against” us the character of that phenomenon, for good or evil, depends on what we have been buying; when it is “in our favor” the character of that depends on what we are going to do with the money—how we are going to do with the money—how we are going to get rid of it. Advocates of commercial retaliation cannot understand that a commercial transaction may be mutually advantageous. With unconscious fatuity they feel that it harms the foreign producer worse to be prevented from selling to the domestic consumer than it does the latter to be prevented from buying.

Something of the same savage incapacity to discern the most conspicuous truths is found in popular beliefs regarding nearly everything. For example, a few weeks ago the whole country rang with joy because the price of wheat had risen and the jubilations have ceased only because the subject is no longer novel. It was called “national prosperity.” It meant prosperity to a few wheat-growers, adversity to everyone else; for whereas only a few grow wheat, everybody eats it. (The French are the only people that know how to make the stuff palatable, but we all take it as medicine for the recurring disorder of hunger.) With the loaves of the whole country visibly shrinking, there was no abatement of joy over the high price of wheat; for the sale of the surplus abroad would “bring more money into the country”—money which can benefit the country only by going out again for something less needful than cheap wheat.

And so it occurs that all our commercial legislation is determined by the belief that money is a good thing in itself, without reference to the advantage in itself, without reference to the advantage of unloading it upon one’s neighbor. To the average human understanding—that, say of the typical American politician—it would seem advantageous in a high degree if not only all the product of our gold and silver mines could be kept at home, but that there could be an incessant influx of specie from abroad. It is easily comprehensible how to an understanding like that retaliation and other forms of protection appear to be the highest political wisdom; and if a cow could speak her mind of the matter she would indubitably take that view of it.