

of living the family now enjoys. If the tariff wall around the farm were removed, no one would necessarily be disemployed, and the farmer's household would enjoy a vastly higher level of living—and so would outsiders.

Prolonged unemployment among people who are willing and able to work is impossible in a thoroughly free market. The only reason for such a situation's existing—as it did from 1930 to 1940 in this country—is that labor, through controls of one type or another, prices itself out of the market, or employers, for a variety of reasons, decide to close shop rather than to offer work at the reduced wage rates they may be able to afford.

Therefore, the question of employment or unemployment, except for temporary adjustments, has no place in a consideration of tariffs. It would be as logical to argue that the buggy whip industry should have been subsidized in order to keep its workers employed when there no longer was a demand for buggy whips.

One might argue that the mistake was made in raising the tariff barrier in the first place; that the inconveniences caused by its removal would now be too great; and that we must continue to burden ourselves with this mistake. This, of course, is a political answer, not an economic one. This type of reasoning would halt all progress.

Do Tariffs Protect Our Level of Living?

Of all the arguments in support of tariffs, the one of their protecting our level of living should be the easiest to refute. As stated before, the level of living in a nation

is determined by the amount of goods and services available and wanted for consumption.

People are more productive when they are free to specialize and to trade—when they are free to accumulate capital with which tools can be provided for the specialized workers.

The pattern of production within our own country is perhaps the best illustration of how free trade builds a higher level of living. Steel is produced in Pittsburgh, automobiles in Detroit, cotton in the South, meat and grain in the Midwest and the Great Plains, shoes in St. Louis, clothing in New England and New York—just to mention a few of the products and areas of specialization.

Take any one of these areas—say Wayne County, in which the city of Detroit is located—and build a tariff wall at its borders to shut off completely the flow of goods in and out of the county. What level of living would you then find in Wayne County? Well, to begin with, it is inconceivable that enough food could be grown in the county to support its present 2,500,000 people. The few who *could* live there would have to become practically self-sufficient—raising their own food, building their own homes, making their own clothing. There would be little time left to build automobiles, to study medicine, or to engage in other specialties.

“Yes,” you may say, “but tariffs don’t completely shut off trade.” True, but they shut off trade to whatever extent they are effective. The effect of a tariff on wool is that we must employ more of our domestic resources in the production of wool than would be necessary if we im-