

Who's "Protected" by Tariffs?

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A mere recital of the economic policies of governments all over the world is calculated to cause any serious student of economics to throw up his hands in despair. What possible point can there be, he is likely to ask, in discussing refinements and advances in economic theory, when popular thought and the actual policies of governments, certainly in everything connected with international relations, have not yet caught up with Adam Smith? For present-day tariff and trade policies are not only as bad as those in the seventeenth and eighteenth centuries, but incomparably worse. The real reasons for those tariffs and other trade barriers are the same, and the pretended reasons are also the same.

In the century and three-quarters since *The Wealth of Nations* appeared, the case for free trade has been stated thousands of times, but perhaps never with more direct simplicity and force than it was stated in that volume. In general Smith rested his case on one fundamental proposition: "In every country it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest." "The proposition is so very manifest," Smith continued, "that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question, had not the interested