

64 studies are rather, first, clear disentanglements of reasoning which is felt to be cogent without our precisely knowing wherein the elenchus lies—such, for instance, as the reasoning of elementary geometry; and, second, broad and philosophical *aperçus* covering several sciences, by which we are made to see how the methods used in one science may be made to apply to another. Such are really the chief advantages of the new systems of formal logic, much more than any facilities they afford for drawing difficult conclusions; and it is evident that if logic is to make any useful progress in the future, we must set out with some more or less accurate notion of what sort of advantages we are to seek for.

1884

39 (18 December 1884) 521

THE RECIPROCITY TREATY WITH SPAIN

TO THE EDITOR OF THE NATION:

SIR: The one-sided character of the proposed "reciprocity" treaty with Spain may be judged from the following estimate. I use round numbers:

Sugar consumed in the United States	1,000,000 tons
Sugar produced in Cuba and Porto Rico	700,000 "
The present duty on the latter amount	\$30,000,000
Value of total imports into Cuba	\$50,000,000

Since the products of the islands would not suffice for our consumption, the growers there could compel us to pay about the same as other markets offered us—that is, as much as we now pay to both the grower and the United States Custom-house; all the present duty—say, \$30,000,000—would be their additional profit, while even if we should sell to Cuba all that she now buys (a manifest impossibility), and make the extraordinary commercial profit of 10 per cent., we should receive but \$5,000,000. In other words, we are asked to pay the Cubans \$30,000,000 for the privilege of making not over \$5,000,000 out of them.

Really, Mr. Editor, is Mr. Foster a Yankee? Did he ever learn to *kalkerlate*?
—Yours, etc., T. E. C.

BALTIMORE, December 11, 1884.

TO THE EDITOR OF THE NATION:

SIR: You seem to hold that the ratification of the Spanish treaty would not for a number of years affect the price of sugar "to the consumer," in this country; and that during the gradual decline of importations from non-Spanish ports, the price would be fully maintained. I find this position so difficult to understand, that I beg for some further elucidation of it.

1. Would not the Spanish ports immediately begin sending us more sugar, full 20 per cent. more the first year? Would they not import sugar to send us?

2. If the Spanish ports should send us more, would not one of two things necessarily happen, namely, either that the price would fall, or that the non-Spanish ports would send less?

3. But if the importation from non-Spanish ports were to be diminished by the effect of the treaty (as you seem to admit it would be), would not the sugar-withdrawn be the product of those lands which among all those now raising sugar for this country are the worst fitted for this purpose? Would not the result be that the worst of the land then producing sugar for us would be better than the worst of the land now doing so? And would not this state of things, by the operation of competition, work a fall in the price?

C. S. PEIRCE.

WASHINGTON, December 15.

[It seems to us a very simple and easily understood proposition that all sellers of sugar in the New York market will ask and obtain the same price for the same grade of sugar, treaty or no treaty. The planter in Manila will receive the same rate per pound as the planter in Cuba. The Manila planter, however, must pay two cents per pound duty before he can reach the market at all, while the Cuban planter need not pay. Now, if Cuba and Porto Rico could at once supply us with all the sugar we consume and something more, then the law of competition among Cuban and Porto Rican planters would force down the price, and the American consumers would get the benefit. But so long as those islands produce something less than the whole amount, a portion of our supply must come from other parts of the world and enter the market loaded with the duty. As there cannot be two prices for the same article at the same place, the market price of sugar in New York under these conditions will be the cost of production in Manila, plus transportation, etc., plus duty. This price the Cuban planter will obtain equally with the planters of Manila, Jamaica, Brazil, and every other country, and of course the American consumer will pay it because the importer must be reimbursed for all his expenses. The situation of the Cuban planter under the operation of the treaty will be precisely the same as that of the Louisiana planter under the tariff. If Louisiana could supply the entire American demand and something more, the law of competition would force down the price more or less, and the consumer would get the benefit.]

It has been stated that Cuba and Porto Rico are capable of producing all the sugar consumed in this country. It is possible that if all the land in those islands adapted to sugar-growing were utilized for that purpose, the product might be equal to our present demand. But our demand is not a fixed amount. It grows from year to year. The demand for hardly anything grows more rapidly. It is by no means certain that the annual producing capacity of Cuba and Porto Rico, whose areas are limited, would ever overtake our annual consumption, and if it should not, there would still be an importation of duty-paying sugar, which would, by virtue of the economic law already stated, be the sign and evidence that American consumers were deriving no benefit from the treaty. Since the treaty provides for the introduction free of duty only of sugar *grown* in Cuba and Porto Rico, it would be impossible for them to import sugar to send to us. It was charged at one time that Manila sugar had been imported into Honolulu to be reexported to San Francisco under the treaty with the Hawaiian Islands, but the charge was not sustained upon investigation. Cuba would undoubtedly import sugar for her own consumption, and send us the corresponding amount of her own growth. This would add to her exporting capacity by whatever amount her present population now use, which is not probably equal to one year's increase of our consumption.

The third question propounded by Mr. Peirce would be relevant if we were the only country buying sugar from non-Spanish ports. The sugar which we now take from them would be diverted to England and other importing countries to whatever extent Cuba increased her supplies to us (our consumption remaining the same), or to whatever extent she increased her proportionate supply. Therefore the difference between best lands and worst lands would not necessarily enter into the problem at all.—ED. NATION.]

1885

40 (1 January 1885) 12

THE SPANISH TREATY ONCE MORE

TO THE EDITOR OF THE NATION:

SIR: I have to express my thanks for your clear explanation of your view that the ratification of the reciprocity treaty with Spain would not affect the price of sugar in this country so long as we continued to import any sugar at all from non-Spanish ports. Cuba, you say, would send us more, but the non-Spanish ports would send just as much less, that trade being diverted to England, etc., to replace the falling off in Cuban sugar there.

But I now object that a great volume of trade will not spontaneously divert itself from one market to another, without any motive. Such an event can only be due either to a fall of price in the first market or to a rise in the second. The sugar which is now sent here is sent because, in the existing state of prices, the owner has found it more advantageous to send here than elsewhere; and here it will continue to come, unless prices change sufficiently to overcome the excess of advantage. If, therefore, the price of sugar were not to fall here on the ratification of the treaty, in England it would have to go up. But an advance in price implies diminished sales—diminished production—somebody forced out of the sugar-growing business. Yet nobody could be forced out of that business if the price had nowhere fallen. How can you escape this dilemma?

You say that the price here would be kept up by the duties that would have to be paid on some of the imported sugar (*i.e.*, by the cost of getting it to market), and that when this sugar, thus sent at a disadvantage, ceased to come, then and only then would the price fall. The principle of this seems to me quite sound—only too sound for your conclusion. For the non-Spanish sugar which we now import comes from various countries very differently situated. Upon some of it there is a considerable profit, while some barely pays the cost of production; upon a part of it there is considerably more profit than if it were sent to England, while for a part it is almost a matter of indifference to which market it is sent. If now the treaty should cause less of this non-Spanish sugar to be sent to this country, that which would be diverted would clearly be that which there is now scarce any inducement to send here. It would follow, I think, according to your own principle, that the price here, being no longer kept up by that very unadvantageously sent sugar, must fall when that should cease to come. C. S. PEIRCE.

WASHINGTON, December 22, 1884.

[We "escape this dilemma" by the use of infinitesimals. One-thirty-second of a cent per pound or even less would be a sufficient reduction in price to secure the American market to the Cuban planter for all the sugar he could produce. It would give him all the advantage he needs. One-thirty-second of a cent per pound would, therefore, be the maximum gain to the American consumer from the treaty, until (if ever) the Cuban supply could overtake and exceed the American demand. Mr. Peirce's second paragraph, he will permit us to say, carries us into the region of the differential calculus beyond our depth.—ED. NATION.]