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**What Is Free Trade? An  
Adaptation of Frederic Bastiat's  
"Sophismes Économiques"  
Designed for the American Reader**

Frédéric Bastiat

# Imprint

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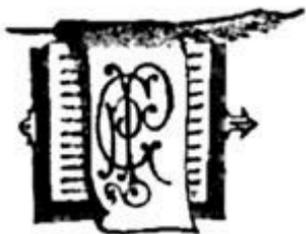
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## INTRODUCTION

Years ago I could not rid my mind of the notion that Free Trade meant some cunning policy of British statesmen designed to subject the world to British interests. Coming across Bastiat's inimitable *Sophismes Economiques* I learnt to my surprise that there were Frenchmen also who advocated Free Trade, and deplored the mischiefs of the Protective Policy. This made me examine the subject, and think a good deal upon it; and the result of this thought was the unalterable conviction I now hold—a conviction that harmonizes with every noble belief that our race entertains; with Civil and Religious Freedom for All, regardless of race or color; with the Harmony of God's works; with Peace and Goodwill to all Mankind. That conviction [viii] is this: that to make taxation the incident of protection to special interests, and those engaged in them, is robbery to the rest of the community, and subversive of National Morality and National Prosperity. I believe that taxes are necessary for the support of government, I believe they must be raised by levy, I even believe that some customs taxes may be more practicable and economical than some internal taxes; but I am entirely opposed to making anything the object of taxation but the revenue required by government for its economical maintenance.

I do not espouse Free Trade because it is British, as some suppose it to be. Independent of other things, that would rather set me against it than otherwise, because generally those things which best fit European society ill befit our society—the structure of each being so different. Free Trade is no more British than any other kind of freedom: indeed, Great Britain has only followed quite older examples in adopting it, as for instance the republics of Venice and Holland, both of which countries owed their extraordinary prosperity to the fact of their having set the [ix] example of relaxing certain absurd though time-honored restrictions on commerce. I espouse Free Trade because it is just, it is unselfish, and it is profitable.

For these reasons have I, a Worker, deeply interested in the welfare of the fellow-workers who are my countrymen, lent to Truth

and Justice what little aid I could, by adapting Bastiat's keen and cogent Essay to the wants of readers on this side of the Atlantic.

Emile Walter, *the Worker*.

New York, 1866.

[11]

# WHAT IS FREE TRADE?

## CHAPTER I.

### PLENTY AND SCARCITY.

Which is better for man and for society — abundance or scarcity?

What! Can such a question be asked? Has it ever been pretended, is it possible to maintain, that scarcity is better than plenty?

Yes: not only has it been maintained, but it is still maintained. Congress says so; many of the newspapers (now happily diminishing in number) say so; a large portion of the public say so; indeed, the *scarcity theory* is by far the more popular one of the two.

Has not Congress passed laws which prohibit the importation of foreign productions by the maintenance of excessive duties? Does not the *Tribune* maintain that it is advantageous to limit the supply of iron manufactures and cotton fabrics, by restraining any one from bringing them to market, but the manufacturers in New England and Pennsylvania? Do we not hear it complained every day: Our importations are too large; We are buying too much from abroad? Is there [12] not an Association of Ladies, who, though they have not kept their promise, still, promised each other not to wear any clothing which was manufactured in other countries?

Now tariffs can only raise prices by diminishing the quantity of goods offered for sale. Therefore, statesmen, editors, and the public generally, believe that scarcity is better than abundance.

But why is this; why should men be so blind as to maintain that scarcity is better than plenty?

Because they look at *price*, but forget *quantity*.

But let us see.

A man becomes rich in proportion to the remunerative nature of his labor; that is to say, *in proportion as he sells his produce at a high price*. The price of his produce is high in proportion to its scarcity. It

is plain, then, that, so far as regards him at least, scarcity enriches him. Applying, in turn, this manner of reasoning to each class of laborers individually, the *scarcity theory* is deduced from it. To put this theory into practice, and in order to favor each class of labor, an artificial scarcity is produced in every kind of produce by prohibitory tariffs, by restrictive laws, by monopolies, and by other analogous measures.

In the same manner it is observed that when an article is abundant, it brings a small price. The gains of the producer are, of course, less. If this is the case with all produce, all producers are then poor. Abundance, then, ruins society; and as any strong conviction will always seek to force itself into practice, we see the laws of the country struggling to prevent abundance.

[13]

Now, what is the defect in this argument? Something tells us that it must be wrong; but *where* is it wrong? Is it false? No. And yet it is wrong? Yes. But how? *It is incomplete.*

Man produces in order to consume. He is at once producer and consumer. The argument given above, considers him only under the first point of view. Let us look at him in the second character, and the conclusion will be different. We may say:

The consumer is rich in proportion as he *buys* at a low price. He buys at a low price in proportion to the abundance of the articles in demand; *abundance*, then, enriches him. This reasoning, extended to all consumers, must lead to the *theory of abundance*.

Which theory is right?

Can we hesitate to say? Suppose that by following out the *scarcity theory*, suppose that through prohibitions and restrictions we were compelled not only to make our own iron, but to grow our own coffee; in short, to obtain everything with difficulty and great outlay of labor. We then take an account of stock and see what our savings are.

Afterward, to test the other theory, suppose we remove the duties on iron, the duties on coffee, and the duties on everything else, so that we shall obtain everything with as little difficulty and outlay of

labor as possible. If we then take an account of stock, is it not certain that we shall find more iron in the country, more coffee, more everything else?

Choose then, fellow-countrymen, between scarcity and abundance, between much and little, between Protection and Free Trade. You now know which [14] theory is the right one, for you know the fruits they each bear.

But, it will be answered, if we are inundated with foreign goods and produce, our specie, our precious product of California, our dollars, will leave the country.

Well, what of that? Man is not fed with coin. He does not dress in gold, nor warm himself with silver. What does it matter, then, whether there be more or less specie in the country, provided there be more bread in the cupboard, more meat in the larder, more clothes in the wardrobe, and more fuel in the cellar?

Again, it will be objected, if we accustom ourselves to depend upon England for iron, what shall we do in case of a war with that country?

To this I reply, we shall then be compelled to produce iron ourselves. But, again I am told, we will not be prepared; we will have no furnaces in blast, no forges ready. True; neither will there be any time when war shall occur that the country will not be already filled with all the iron we shall want until we can make it here. Did the Confederates in the late war lack for iron? Why, then, shall we manufacture our own staples and bolts because we may some day or other have a quarrel with our ironmonger!

To sum up:

A radical antagonism exists between the vender and the buyer.

The former wishes the article offered to be *scarce*, and the supply to be small, so that the price may be high.

The latter wishes it *abundant* and the supply to be large, so that the price may be low.

[15]

The laws, which should at least remain neutral, take part for the vender against the buyer; for the producer against the consumer; for high against low prices; for scarcity against abundance; for protection against free trade. They act, if not intentionally, at least logically, upon the principle that *a nation is rich in proportion as it is in want of everything.*

[16]

## CHAPTER II.

### OBSTACLES TO WEALTH AND CAUSES OF WEALTH.

Man is naturally in a state of entire destitution.

Between this state, and the satisfying of his wants, there exist a number of obstacles which it is the object of labor to surmount.

I wish to make a journey of some hundred miles. But between the point of my departure and my destination there are interposed mountains, rivers, swamps, forests, robbers; in a word — *obstacles*. To overcome these obstacles it is necessary that I should bestow much labor and great efforts in opposing them; or, what is the same thing, if others do it for me, I must pay them the value of their exertions. It is evident that I would have been better off had these obstacles never existed. Remember this.

Through the journey of life, in the long series of days from the cradle to the tomb, man has many difficulties to oppose him. Hunger, thirst, sickness, heat, cold, are so many obstacles scattered along his road. In a state of isolation he would be obliged to combat them all by hunting, fishing, agriculture, spinning, weaving, architecture, etc., and it is very evident that it would be better for him that these difficulties should exist to a less degree, or even not at all. In a state [17] of society he is not obliged personally to struggle with each of these obstacles, but others do it for him; and he, in turn, must remove some one of them for the benefit of his fellow-men. This doing one kind of labor for another, is called the division of labor.

Considering mankind as a whole, *let us remember once more that it would be better for society that these obstacles should be as weak and as few as possible.*

But mark how, in viewing this simple truth from a narrow point of view, we come to believe that obstacles, instead of being a disadvantage, are actually a source of wealth!

If we examine closely and in detail the phenomena of society and the private interests of men *as modified by the division of labor*, we

perceive, without difficulty, how it has happened that wants have been confounded with riches, and the obstacle with the cause.

The separation of occupations, which results from the division of labor, causes each man, instead of struggling against *all* surrounding obstacles, to combat only *one*; the effort being made not for himself alone, but for the benefit of his fellows, who, in their turn, render a similar service to him.

It hence results that this man looks upon the obstacle which he has made it his profession to combat for the benefit of others, as the immediate cause of his riches. The greater, the more serious, the more stringent, may be this obstacle, the more he is remunerated for the conquering of it, by those who are relieved by his labors.

A physician, for instance, does not busy himself in baking his bread, or in manufacturing his clothing and [18] his instruments; others do it for him, and he, in return, combats the maladies with which his patients are afflicted. The more dangerous and frequent these maladies are, the more others are willing, the more, even, are they forced, to work in his service. Disease, then, which is an obstacle to the happiness of mankind, becomes to him the source of his comforts. The reasoning of all producers is, in what concerns themselves, the same. As the doctor draws his profits from *disease*, so does the ship-owner from the obstacle called *distance*; the agriculturist from that named *hunger*; the cloth manufacturer from *cold*; the schoolmaster lives upon *ignorance*, the jeweler upon *vanity*, the lawyer upon *cupidity and breach of faith*. Each profession has then an immediate interest in the continuation, even in the extension, of the particular obstacle to which its attention has been directed.

Theorists hence go on to found a system upon these individual interests, and say: Wants are riches: Labor is riches: The obstacle to well-being is well-being: To multiply obstacles is to give food to industry.

Then comes the statesman; and as the developing and propagating of obstacles is the developing and propagating of riches, what more natural than that he should bend his efforts to that point? He says, for instance: If we prevent a large importation of iron, we create a difficulty in procuring it. This obstacle severely felt, obliges individuals to pay, in order to relieve themselves from it. A certain

number of our citizens, giving themselves up to the combating of this obstacle, will thereby make their fortunes. In proportion, too, as the obstacle is great, and the mineral [19] scarce, inaccessible, and of difficult and distant transportation, in the same proportion will be the number of laborers maintained by the various branches of this industry.

The same reasoning will lead to the proscription of machinery.

Here are men who are at a loss how to dispose of their petroleum. This is an obstacle which other men set about removing for them by the manufacture of casks. It is fortunate, say our statesmen, that this obstacle exists, since it occupies a portion of the labor of the nation, and enriches a certain number of our citizens. But here is presented to us an ingenious machine, which cuts down the oak, squares it, makes it into staves, and, gathering these together, forms them into casks. The obstacle is thus diminished, and with it the fortunes of the coopers. We must prevent this. Let us proscribe the machine!

To sift thoroughly this sophism, it is sufficient to remember that human labor is not an *end* but a *means*.

*Labor is never without employment.* If one obstacle is removed, it seizes another, and mankind is delivered from two obstacles by the same effort which was at first necessary for one. If the labor of coopers could become useless, it must take another direction. To maintain that human labor can end by wanting employment, it would be necessary to prove that mankind will cease to encounter obstacles.

[20]



## CHAPTER III.

### EFFORT – RESULT.

We have seen that between our wants and their gratification many obstacles are interposed. We conquer or weaken these by the employment of our faculties. It may be said, in general terms, that industry is an effort followed by a result.

But by what do we measure our well-being? By our riches? By the result of our effort, or by the effort itself? There exists always a proportion between the effort employed and the result obtained. Does progress consist in the relative increase of the second or of the first term of this proportion—between effort or result?

Both propositions have been sustained, and in political economy opinions are divided between them.

According to the first system, riches are the result of labor. They increase in the same ratio as *the result does to the effort*. Absolute perfection, of which God is the type, consists in the infinite distance between these two terms in this relation, viz., effort none, result infinite.

The second system maintains that it is the effort itself which forms the measure of, and constitutes, our riches. Progression is the increase of the *proportion of the effect to the result*. Its ideal [21] extreme may be represented by the eternal and fruitless efforts of Sisyphus.[A]

[A] We will therefore beg the reader to allow us in future, for the sake of conciseness, to designate this system under the term of *Sisyphism*, from Sisyphus, who, in punishment of his crimes, was compelled to roll a stone up hill, which fell to the bottom as fast as he rolled it to the top, so that his labor was interminable as well as fruitless.

The first system tends naturally to the encouragement of everything which diminishes difficulties, and augments production—as powerful machinery, which adds to the strength of man; the exchange of produce, which allows us to profit by the various natural

agents distributed in different degrees over the surface of our globe; the intellect which discovers, the experience which proves, and the emulation which excites.

The second as logically inclines to everything which can augment the difficulty and diminish the product; as, privileges, monopolies, restrictions, prohibition, suppression of machinery, sterility, &c.

It is well to mark here that the universal practice of men is always guided by the principle of the first system. Every *workman*, whether agriculturist, manufacturer, merchant, soldier, writer or philosopher, devotes the strength of his intellect to do better, to do more quickly, more economically – in a word, *to do more with less*.

The opposite doctrine is in use with theorists, essayists, statesmen, ministers, men whose business is to make experiments upon society. And even of these we may observe, that in what personally concerns themselves, [22] they act, like everybody else, upon the principle of obtaining from their labor the greatest possible quantity of useful results.

It may be supposed that I exaggerate, and that there are no true Sisyphists.

I grant that in practice the principle is not pushed to its extreme consequences. And this must always be the case when one starts upon a wrong principle, because the absurd and injurious results to which it leads, cannot but check it in its progress. For this reason, practical industry never can admit of Sisyphism. The error is too quickly followed by its punishment to remain concealed. But in the speculative industry of theorists and statesmen, a false principle may be for a long time followed up, before the complication of its consequences, only half understood, can prove its falsity; and even when all is revealed, the opposite principle is acted upon, self is contradicted, and justification sought, in the incomparably absurd modern axiom, that in political economy there is no principle universally true.

Let us see, then, if the two opposite principles I have laid down do not predominate, each in its turn; the one in practical industry, the other in industrial legislation. When a man prefers a good plough to a bad one; when he improves the quality of his manures;