

CHAPTER III

THE PHYSIOCRATS

FREE Trade and Protection are both expressions of certain primary human instincts. Free Trade at its best is based upon the assumption that every man has a natural right to buy and sell at what price he likes. To the old Liberals, such a right appeared not only as the very essence of freedom and liberty, but as a normal and natural way of doing business,—as the common-sense thing to do,—while they were persuaded that if only governments would follow such a principle of natural liberty prices would find their own natural level and all wider economic problems would automatically be solved. At its worst, Free Trade rests upon the baser instincts of men who demand liberty in order that they may exploit others to their heart's content. Protection, on the contrary, is based upon the equally natural instinct of men to safeguard themselves against the depredations of such men of prey and the equally frank recognition of the fact that in so far as the adjustments of society are left to nature to rectify, it will be at the cost of much human suffering, for the ways of nature are cruel and inhuman. War, famine and pestilence are its agents.

In some sense or other the commerce of the world has always been largely conducted on a Free Trade basis ; for at no time in history has industry been more than partially regulated.¹ List maintains that Free Trade

¹ To what extent Free Trade spells ruin to a country depends to a large extent upon the existence of customs capable of keeping