

CHAPTER XVII

THE NATION AND THE WORLD

§ 1. We have examined the chief defects in the structure of a business and a trade, regarded in the light of instruments of human welfare, and we have considered some of the remedies, applied sometimes for purposes of distinctively industrial economy, sometimes as devices of social therapeutics.

There remains, however, one other mode of economic antagonism deserving of consideration. Until modern times a nation was to all intents and purposes not only a political but an economic area, in the sense that almost all trade and other economic relations were confined within the national limit. The small dimensions of foreign, as compared with domestic trade, and the nature of that trade, confined to articles not produced at home, had little tendency to generate a feeling of international rivalry. Foreign trade was almost wholly complementary and not competitive. With the modern changes, which have altered this condition and made nations appear to be hostile competitors in world commerce, we are all familiar. The development of capitalist production to a common level and along similar lines in a number of Western nations, the tendency towards an increase of output of manufactured goods at a price exceeding the demands of the existing markets, the consequent invasion of the markets of each industrial country by the goods of other countries, and the growing competition of the groups of traders in each nation to secure and develop new markets in the backward countries, with the assistance of the physical and military forces of their respective governments, have imposed upon the popular mind a powerful impression of economic opposition between nations. No falser and more disastrous delusion prevails in our time. The only facts which seem to give support to it are the Tariffs, Commercial Treaties and the occasional uses of political pressure and military force by States for the benefit of