1-1-1921

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Karl Marx

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Translated by
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PUBLISHER'S NOTE.

The history of the discourse on "Free Trade" is given by Engels in the "Introduction" that precedes it. The excellent translation of it that is presented here was first published some years ago by Lee and Shepard, of Boston. It is the work of Florence Kelley, who not only authorized us to use it, together with the introduction that Engels had written at her own request, but, most kindly also, revised our proofs.

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INTRODUCTION

TOWARDS the end of 1847, a Free Trade Congress was held at Brussels. It was a strategic move in the free trade campaign then carried on by the English manufacturers. Victorious at home by the repeal of the Corn Laws in 1846, they now invaded the Continent in order to demand, in return for the free admission of continental corn into England, the free admission of English manufactured goods to the continental markets. At this Congress, Marx inscribed himself on the list of speakers; but, as might have been expected, things were so managed that before his turn came on, the Congress was closed. Thus, what Marx had to say on the free trade question, he was compelled to say before the Democratic Association of Brussels, an international body of which he was one of the vice-presidents.

The question of free trade or protection being at present on the order of the day in America, it has been thought useful to publish an English translation of Marx's speech, to which I have been asked to write an introductory preface.

"The system of protection," says Marx,[1] "was an artificial means of manufacturing manufacturers, of expropriating independent laborers, of capitalizing the national means of production and subsistence, and of forci-

[1] Karl Marx, *Capital*. London: Swan Sonnenschein Co., 1886; p. 788.

bly abbreviating the transition from the medieval to the modern mode of production." Such was protection at its origin in the seventeenth century, such it remained well into the nineteenth century. It was then held to be the normal policy of every civilized state in western Europe. The only exceptions were the smaller states of Germany and Switzerland—not from dislike of the system, but from the impossibility of applying it to such small territories.

It was under the fostering wing of protection that the system of modern industry—production by steam-moved machinery—was hatched and developed in England during the last third of the eighteenth century. And, as if tariff-protection were not sufficient, the wars against the French Revolution helped to secure to England the monopoly of the new industrial methods. For more than twenty years English men-of-war cut off the industrial rivals of England from their respective colonial markets, while they forcibly opened these markets to English commerce. The secession of the South American colonies from the rule of their European mother-countries, the conquest by England of all French and Dutch colonies worth having, the progressive subjugation of India, turned the people of all these immense territories into customers for English goods. England thus supplemented the protection she practised at home, by the free trade she forced upon her possible customers abroad; and, thanks to this happy mixture of both systems, at the end of the wars, in 1815, she found herself, with regard to all important branches of industry in possession of the virtual monopoly of the trade of the world.

This monopoly was further extended and strengthened during the ensuing years of peace. The start which England had obtained during the war, was increased from

year to year; she seemed to distance more and more all her possible rivals. The exports of manufactured goods in ever growing quantities became indeed a question of life and death to that country. And there seemed but two obstacles in the way: the prohibitive or protective legislation of other countries, and the taxes upon the import of raw materials and articles of food in England.

Then the free trade doctrines of classical political economy—of the French physiocrats and their English successors, Adam Smith and Ricardo—became popular in the land of John Bull. Protection at home was needless to manufacturers who beat all their foreign rivals, and whose very existence was staked on the expansion of their exports. Protection at home was of advantage to none but the producers of articles of food and other raw materials, to the agricultural interest, which, under then existing circumstances in England, meant the receivers of rent, the landed aristocracy. And this kind of protection was hurtful to the manufacturers. By taxing raw materials it raised the price of the articles manufactured from them; by taxing food, it raised the price of labor; in both ways, it placed the British manufacturer at a disadvantage as compared with his foreign competitor. And, as all other countries sent to England chiefly agricultural products, and drew from England chiefly manufactured goods, repeal of the English protective duties on corn and raw materials generally was at the same time an appeal to foreign countries, to do away with, or at least, to reduce, in return, the import duties levied by them on English manufacturers.

After a long and violent struggle, the English industrial capitalists, already in reality the leading class of the nation, that class whose interests were then the chief national interests, were victorious. The landed aris-

tocracy had to give in. The duties on corn and other raw materials were repealed. Free trade became the watchword of the day. To convert all other countries to the gospel of free trade, and thus to create a world in which England was the great manufacturing center, with all other countries for its dependent agricultural districts, that was the next task before the English manufacturers and their mouthpieces, the political economists.

That was the time of the Brussels Congress, the time when Marx prepared the speech in question. While recognizing that protection may still, under certain circstances, for instance, in the Germany of 1847, be of advantage to the manufacturing capitalists; while proving that free trade was not the panacea for all the evils under which the working class suffered, and might even aggravate them; he pronounces, ultimately and on principle, in favor of free trade. To him, free trade is the normal condition of modern capitalist production. Only under free trade can the immense productive powers of steam, of electricity, of machinery, be fully developed; and the quicker the pace of this development, the sooner and the more fully will be realized its inevitable results; society splits up into two classes, capitalists here, wage-laborers there; hereditary wealth on one side, hereditary poverty on the other; supply outstripping demand, the markets being unable to absorb the ever growing mass of the productions of industry; an ever recurring cycle of prosperity, glut, crisis, panic, chronic depression and gradual revival of trade, the harbinger not of permanent improvement but of renewed over-production and crisis; in short, productive forces expanding to such a degree that they rebel, as against unbearable fetters, against the social institutions under which they are put in motion; the only possible solution: a social revolution,

freeing the social productive forces from the fetters of an antiquated social order, and the actual producers, the great mass of the people, from wage-slavery. And because free trade is the natural, the normal atmosphere for this historical evolution, the economic medium in which the conditions for the inevitable social revolution will be the soonest created—for this reason, and for this alone, did Marx declare in favor of free trade.

Anyhow, the years immediately following the victory of free trade in England seemed to verify the most extravagant expectations of prosperity founded upon that event. British commerce rose to a fabulous amount; the industrial monopoly of England on the market of the world seemed more firmly established than ever; new iron works, new textile factories, arose by wholesale; new branches of industry grew up on every side. There was, indeed, a severe crisis in 1857, but that was overcome, and the onward movement in trade and manufactures was soon again in full swing, until in 1866 a fresh panic occurred, a panic, this time, which seems to mark a new departure in the economic history of the world.

The unparalleled expansion of British manufactures and commerce between 1848 and 1866 was no doubt due, to a great extent, to the removal of the protective duties on food and raw materials. But not entirely. Other important changes took place simultaneously and helped it on. The above years comprise the discovery and working of the Californian and Australian gold fields which increased so immensely the circulating medium of the world; they mark the final victory of steam over all other means of transport; on the ocean, steamers now superseded sailing vessels; on land in all civilized countries, the railroad took the first place, the macadamized road the second; transport now became four times quicker

and four times cheaper. No wonder that under such favorable circumstances British manufactures worked by steam should extend their sway at the expense of foreign domestic industries based upon manual labor. But were the other countries to sit still and to submit in humility to this change, which degraded them to be mere agricultural appendages of England, the "workshop of the world"?

The foreign countries did nothing of the kind. France, for nearly two hundred years, had screened her manufactures behind a perfect Chinese wall of protection and prohibition, and had attained in all articles of luxury and of taste a supremacy which England did not even pretend to dispute. Switzerland, under perfect free trade, possessed relatively important manufactures which English competition could not touch. Germany, with a tariff far more liberal than that of any other large continental country, was developing its manufactures at a rate relatively more rapid than even England. And America, who was, by the civil war of 1861, all at once thrown upon her own resources, had to find means to meet a sudden demand for manufactured goods of all sorts, and could only do so by creating manufactures of her own at home. The war demand ceased with the war; but the new manufactures were there, and had to meet British competition. And the war had ripened, in America, the insight that a nation of thirty-five millions doubling its numbers in forty years at most, with such immense resources, and surrounded by neighbors that must be for years to come chiefly agriculturalists, that such a nation had the "manifest destiny" to be independent of foreign manufactures for its chief articles of consumption, and to be so in time of peace as well as in time of war. And then America turned protectionist.

It may now be fifteen years ago, I traveled in a railway carriage with an intelligent Glasgow merchant, interested, probably, in the iron trade. Talking about America, he treated me to the old free trade lucubrations: "Was it not inconceivable that a nation of sharp business men like the Americans should pay tribute to indigenous iron masters and manufacturers, when they could buy the same, if not a better article, ever so much cheaper in this country?" And then he gave me examples as to how much the Americans taxed themselves in order to enrich a few greedy iron masters. "Well," I replied, "I think there is another side to the question. You know that in coal, water-power, iron and other ores, cheap food, home-grown cotton and other raw materials, America has resources and advantages unequaled by any European country; and that these resources cannot be fully developed except by America becoming a manufacturing country. You will admit, too, that nowadays a great nation like the Americans cannot exist on agriculture alone; that that would be tantamount to a condemnation to permanent barbarism and inferiority; no great nation can live, in our age, without manufactures of her own. Well, then, if America must become a manufacturing country, and if she has every chance of not only succeeding, but even outstripping her rivals, there are two ways open to her: either to carry on, for, let us say, fifty years, under free trade an extremely expensive competitive war against English manufacturers that have got nearly a hundred years' start; or else to shut out, by protective duties, English manufacturers for, say, twenty-five years, with the almost absolute certainty that at the end of the twenty-five years she will be able to hold her own in the open market of the world. Which of the two will be the cheapest and the shortest? That is the ques-

tion. If you want to go from Glasgow to London, you can take the parliamentary train at a penny a mile and travel at the rate of twelve miles an hour. But you do not; your time is too valuable, you take the express, pay twopence a mile and do forty miles an hour. Very well, the Americans prefer to pay express fare and to go express speed." My Scotch free trader had not a word in reply.

Protection, being a means of artificially manufacturing manufacturers, may, therefore, appear useful not only to an incompletely developed capitalist class still struggling with feudalism; it may also give a lift to the rising capitalist class of a country which, like America, has never known feudalism, but which has arrived at that stage of development where the passage from agriculture to manufactures becomes a necessity. America, placed in that situation, decided in favor of protection. Since that decision was carried out, the five and twenty years of which I spoke to my fellow-traveler have about passed, and, if I was not wrong, protection ought to have done its task for America, and ought to be now becoming a nuisance.

That has been my opinion for some time. Nearly two years ago, I said to an American protectionist: "I am convinced that if America goes in for free trade she will in ten years have beaten England in the market of the world."

Protection is at best an endless screw, and you never know when you have done with it. By protecting one industry, you directly or indirectly hurt all others, and have therefore to protect them, too. By so doing you again damage the industry that you first protected, and have to compensate it; but this compensation reacts, as before, on all other trades, and entitles them to redress.

and so on *ad infinitum*. America, in this respect, offers us a striking example of the best way to kill an important industry by protection. In 1856, the total imports and exports by sea of the United States amounted to $641,-604,850. Of this amount, 75.2 per cent. were carried in American, and only 24.8 per cent. in foreign vessels. British ocean-steamers were already then encroaching upon American sailing vessels; yet, in 1860, of a total sea-going trade of $762,288,550, American vessels still carried 66.5 per cent. The civil war came on, and protection to American shipbuilding; and the latter plan was so successful that it has nearly completely driven the American flag from the high seas. In 1887 the total sea-going trade of the United States amounted to $1,408,502,-979; but of this total only 13.80 per cent. were carried in American, and 86.20 per cent. in foreign bottoms. The goods carried by American ships amounted, in 1856, to $482,268,275; in 1860 to $507,274,757. In 1887 they had sunk to $194,356,746.[1] Forty years ago, the American flag was the most dangerous rival of the British flag, and bade fair to outstrip it on the ocean; now it is nowhere. Protection to shipbuilding has killed both shipping and shipbuilding.

Another point. Improvements in the methods of production nowadays follow each other so rapidly, and change the character of entire branches of industry so suddenly and so completely, that what may have been yesterday a fairly balanced protective tariff is no longer so to-day. Let us take another example from the Report of the Secretary of the Treasury for 1887:

"Improvement in recent years in the machinery employed in combing wool has so changed the character of

[1] Annual Report of the Secretary of the Treasury, etc., for the year 1887. Washington: 1887; pp. xxviii, xxix.

what are commercially known as worsted cloths that the latter have largely superseded woollen cloths for use as men's wearing apparel. This change . . . has operated to the serious injury of our domestic manufacturers of these (worsted) goods, because the duty on the wool which they must use is the same as that upon wool used in making woollen cloths, while the rates of duty imposed upon the latter when valued at not exceeding 80 cents per pound are 35 cents per pound and 35 per cent. *ad valorem*, whereas the duty on worsted cloths valued at not exceeding 80 cents ranges from 10 to 24 cents per pound and 35 per cent. *ad valorem*. In some cases the duty on the wool used in making worsted cloths *exceeds the duty imposed on the finished article.*" Thus what was protection to the home industry yesterday, turns out to-day to be a premium to the foreign importer; and well may the Secretary of the Treasury say: "There is much reason to believe that the manufacture of worsted cloths must soon cease in this country unless the tariff law in this regard is amended" (p. xix). But to amend it, you will have to fight the manufacturers of woollen cloths who profit by this state of things; you will have to open a regular campaign to bring the majority of both Houses of Congress, and eventually the public opinion of the country, round to your views, and the question is, Will that pay?

But the worst of protection is, that when you once have got it you cannot easily get rid of it. Difficult as is the process of adjustment of an equitable tariff, the return to free trade is immensely more difficult. The circumstances which permitted England to accomplish the change in a few years, will not occur again. And even there the struggle dated from 1823 (Huskisson), commenced to be successful in 1842 (Peel's tariff), and

was continued for several years after the repeal of the Corn Laws. Thus protection to the silk manufacture (the only one which had still to fear foreign competition) was prolonged for a series of years and then granted in another, positively infamous form; while the other textile industries were subjected to the Factory Act, which limited the hours of labor of women, young persons and children, the silk trade was favored with considerable exceptions to the general rule, enabling them to work younger children, and to work the children and young persons longer hours, than the other textile trades. The monopoly that the hypocritical free traders repealed with regard to the foreign competitors, that monopoly they created anew at the expense of the health and lives of English children.

But no country will again be able to pass from protection to free trade at a time when all, or nearly all branches of its manufactures can defy foreign competition in the open market. The necessity of the change will come long before such a happy state may be even hoped for. That necessity will make itself evident in different trades at different times; and from the conflicting interests of these trades, the most edifying squabbles, lobby intrigues, and parliamentary conspiracies will arise. The machinist, engineer, and shipbuilder may find that the protection granted to the iron master raises the price of his goods so much that his export trade is thereby, and thereby alone, prevented; the cotton-cloth manufacturer might see his way to driving English cloth out of the Chinese and Indian markets, but for the high price he has to pay for the yarn, on account of protection to spinners; and so forth. The moment a branch of national industry has completely conquered the home market, that moment exportation becomes a necessity to it.

Under capitalist conditions, an industry either expands or wanes. A trade cannot remain stationary; stoppage of expansion is incipient ruin; the progress of mechanical and chemical invention, by constantly superseding human labor, and ever more rapidly increasing and concentrating capital, creates in every stagnant industry a glut both of workers and of capital, a glut which finds no vent anywhere, because the same process is taking place in all other industries. Thus the passage from a home to an export trade becomes a question of life and death for the industries concerned; but they are met by the established rights, the vested interests of others who as yet find protection either safer or more profitable than free trade. Then ensues a long and obstinate fight between free traders and protectionists; a fight where, on both sides, the leadership soon passes out of the hands of the people directly interested into those of professional politicians, the wire-pullers of the traditional political parties, whose interest is, not a settlement of the question, but its being kept open forever; and the result of an immense loss of time, energy, and money is a series of compromises, favoring now one, now the other side, and drifting slowly though not majestically in the direction of free trade—unless protection manages, in the meantime, to make itself utterly insupportable to the nation, which is just now likely to be the case in America.

There is, however, another kind of protection, the worst of all, and that is exhibited in Germany. Germany, too, began to feel, soon after 1815, the necessity of a quicker development of her manufactures. But the first condition of that was the creation of a home market by the removal of the innumerable customs lines and varieties of fiscal legislation formed by the small German states, in other words, the formation of a German

Customs Union or Zollverein. That could only be done on the basis of a liberal tariff, calculated rather to raise a common revenue than to protect home production. On no other condition could the small states have been induced to join. Thus the new German tariff, though slightly protective to some trades, was at the time of its introduction a model of free trade legislation; and it remained so, although, ever since 1830, the majority of German manufacturers kept clamoring for protection. Yet, under this extremely liberal tariff, and in spite of German household industries based on hand-labor being mercilessly crushed out by the competition of English factories worked by steam, the transition from manual labor to machinery was gradually accomplished in Germany too, and is now nearly complete; the transformation of Germany from an agricultural to a manufacturing country went on at the same pace, and was, since 1866, assisted by favorable political events: the establishment of a strong central government, and federal legislature, insuring uniformity in the laws regulating trade, as well as in currency, weights and measures, and, finally, the flood of the French milliards. Thus, about 1874, German trade on the market of the world ranked next to that of Great Britain,[1] and Germany employed more steam power in manufactures and locomotion than any European Continental country. The proof has thus been furnished that even nowadays, in spite of the enormous start that English industry has got, a large country can work its way up to successful competition, in the open market, with England.

Then, all at once, a change of front was made: Ger-

[1] General Trade of Exports and Imports added in 1874, in millions of dollars: Great Britain — 3300; Germany — 2325; France — 1665; United States — 1245 millions of dollars. (Kolb, Statistik, 7th edit. Leipsic: 1875; p. 790.)

many turned protectionist, at a moment when more than ever free trade seemed a necessity for her. The change was no doubt absurd; but it may be explained. While Germany had been a corn-exporting country, the whole agricultural interest, not less than the whole shipping trade, had been ardent free traders. But in 1874, instead of exporting, Germany required large supplies of corn from abroad. About that time, America began to flood Europe with enormous supplies of cheap corn; wherever they went, they brought down the money revenue yielded by the land, and consequently its rent; and from that moment, the agricultural interest, all over Europe, began to clamor for protection. At the same time, manufacturers in Germany were suffering from the effect of the reckless overtrading brought on by the influx of the French milliards, while England, whose trade, ever since the crisis of 1866, had been in a state of chronic depression, inundated all accessible markets with goods unsalable at home and offered abroad at ruinously low prices. Thus it happened that German manufacturers, though depending, above all, upon export, began to see in protection a means of securing to themselves the exclusive supply of the home market. And the government, entirely in the hands of the landed aristocracy and squirearchy, was only too glad to profit by this circumstance, in order to benefit the receivers of the rent of land, by offering protective duties to both landlords and manufacturers. In 1878, a highly protective tariff was enacted both for agricultural products and for manufactured goods.

The consequence was that henceforth the exportation of German manufactures was carried on at the direct cost of the home consumers. Wherever possible, "rings" or " trusts were formed to regulate the export trade and

even production itself. The German iron trade is in the hands of a few large firms, mostly joint stock companies, who, betwixt them, can produce about four times as much iron as the average consumption of the country can absorb. To avoid unnecessary competition with one another, these firms have formed a trust which divides amongst them all foreign contracts, and determines in each case the firm that is to make the real tender. This "trust," some years ago, had even come to an agreement with the English iron masters, but this no longer subsists. Similarly, the Westphalian coal mines (producing about thirty million tons annually) had formed a trust to regulate production, tenders for contracts, and prices. And, altogether, any German manufacturer will tell you that the only thing the protective duties do for him is to enable him to recoup himself in the home market for the ruinous prices he has to take abroad. And this is not all. This absurd system of protection to manufacturers is nothing but the sop thrown to industrial capitalists to induce them to support a still more outrageous monopoly given to the landed interest. Not only is all agricultural produce subjected to heavy import duties which are increased from year to year, but certain rural industries, carried on on large estates for account of the proprietor, are positively endowed out of the public purse. The beet-root sugar manufacture is not only protected, but receives enormous sums in the shape of export premiums. One who ought to know is of opinion that if the exported sugar were all thrown into the sea, the manufacturer would still clear a profit out of the government premium. Similarly, the potato-spirit distilleries receive, in consequence of recent legislation, a present, out of the pockets of the public, of about nine million dollars a year. And as almost every large landowner in

northeastern Germany is either a beet-root sugar manufacturer or a potato-spirit distiller, or both, no wonder the world is literally deluged with their productions.

This policy, ruinous under any circumstances, is doubly so in a country whose manufactures keep up their standing in neutral markets chiefly through the cheapness of labor. Wages in Germany, kept near starvation point at the best of times, through redundancy of population (which increases rapidly, in spite of emigration), must rise in consequence of the rise in all necessaries caused by protection; the German manufacturer will, then, no longer be able, as he too often is now, to make up for a ruinous price of his articles by a deduction from the normal wages of his hands, and will be driven out of the market. Protection, in Germany, is killing the goose that lays the golden eggs.

France, too, suffers from the consequences of protection. The system in that country has become, by its two centuries of undisputed sway, almost part and parcel of the life of the nation. Nevertheless, it is more and more becoming an obstacle. Constant changes in the methods of manufacture are the order of the day; but protection bars the road. Silk velvets have their backs nowadays made of fine cotton thread; the French manufacturer has either to pay protection price for that, or to submit to such interminable official chicanery as fully makes up for the difference between that price and the government drawback on exportation; and so the velvet trade goes from Lyons to Crefeld, where the protection price for fine cotton thread is considerably lower. French exports, as said before, consist chiefly of articles of luxury, where French taste cannot, as yet, be beaten: but the chief consumers, all over the world, of such articles are our modern upstart capitalists, who have no edu-

cation and no taste, and who are suited quite as well by cheap and clumsy German or English imitations, and often have these foisted upon them for the real French article at more than fancy prices. The market for those specialties which cannot be made out of France is constantly getting narrower, French exports of manufactures are barely kept up, and must soon decline; by what new articles can France replace those whose export is dying out? If anything can help here, it is a bold measure of free trade, taking the French manufacturer out of his accustomed hot-house atmosphere and placing him once more in the open air of competition with foreign rivals. Indeed, French general trade would have long since begun shrinking, were it not for the slight and vacillating step in the direction of free trade made by the Cobden treaty of 1860; but that has well-nigh exhausted itself and a stronger dose of the same tonic is wanted.

It is hardly worth while to speak of Russia. There, the protective tariff—the duties having to be paid in gold, instead of in the depreciated paper currency of the country—serves above all things to supply the pauper government with the hard cash indispensable for transactions with foreign creditors; on the very day on which that tariff fulfils its protective mission by totally excluding foreign goods, on that day the Russian government is bankrupt. And yet that same government amuses its subjects by dangling before their eyes the prospect of making Russia, by means of this tariff, an entirely self-supplying country, requiring from the foreigner neither food, nor raw material, nor manufactured articles, nor works of art. The people who believe in this vision of a Russian Empire, secluded and isolated from the rest of the world, are on a level with the patriotic Prussian lieu-

tenant who went into a shop and asked for a globe, not a terrestrial or a celestial one, but a globe of Prussia.

To return to America. There are plenty of symptoms that protection has done all it can for the United States, and that the sooner it receives notice to quit, the better for all parties. One of these symptoms is the formation of "rings" and "trusts" within the protected industries for the more thorough exploitation of the monopoly granted to them. Now, "rings" and "trusts" are truly American institutions, and, where they exploit natural advantages, they are generally, though grumblingly, submitted to. The transformation of the Pennsylvanian oil supply into a monopoly by the Standard Oil Company is a proceeding entirely in keeping with the rules of capitalist production. But if the sugar refiners attempt to transform the protection granted them, by the nation, against foreign competition, into a monopoly against the home consumer, that is to say, against the same nation that granted the protection, that is quite a different thing. Yet the large sugar refiners have formed a "trust" which aims at nothing else. And the sugar trust is not the only one of its kind. Now, the formation of such trusts in protected industries is the surest sign that protection has done its work, and is changing its character; that it protects the manufacturer no longer against the foreign importer, but against the home consumer; that it has manufactured, at least in the special branch concerned, quite enough, if not too many manufacturers; that the money it puts into the purse of these manufacturers is money thrown away, exactly as in Germany.

In America, as elsewhere, protection is bolstered up by the argument that free trade will only benefit England. The best proof to the contrary is that in England

not only the agriculturalists and landlords but even the manufacturers are turning protectionists. In the home of the "Manchester school" of free traders, on November 1, 1886, the Manchester chamber of commerce discussed a resolution "that, having waited in vain forty years for other nations to follow the free trade example of England, the chamber thinks the time has arrived to reconsider that position." The resolution was indeed rejected, but by 22 votes against 21! And that happened in the centre of the cotton manufacture, *i. e.*, the only branch of English manufacture whose superiority in the open market seems still undisputed! But, then, even in that special branch inventive genius has passed from England to America. The latest improvements in machinery for spinning and weaving cotton have come, almost all, from America, and Manchester has to adopt them. In industrial inventions of all kinds, America has distinctly taken the lead, while Germany runs England very close for second place. The consciousness is gaining ground in England that that country's industrial monopoly is irretrievably lost, that she is still relatively losing ground, while her rivals are making progress, and that she is drifting into a position where she will have to be content with being one manufacturing nation among many, instead of, as she once dreamt, "the workshop of the world." It is to stave off this impending fate that protection, scarcely disguised under the veil of "fair trade" and retaliatory tariffs, is now invoked with such fervor by the sons of the very men who, forty years ago, knew no salvation but in free trade. And when English manufacturers begin to find that free trade is ruining them, and ask the government to protect them against their foreign competitors, then, surely, the moment has come for these competitors to retaliate by throwing over-

board a protective system henceforth useless, to fight the fading industrial monopoly of England with its own weapon, free trade.

But, as I said before, you may easily introduce protection, but you cannot get rid of it again so easily. The legislature, by adopting the protective plan, has created vast interests, for which it is responsible. And not every one of these interests—the various branches of industry—is equally ready, at a given moment, to face open competition. Some will be lagging behind, while others have no longer need of protective nursing. This difference of position will give rise to the usual lobby-plotting, and is in itself a sure guarantee that the protected industries, if free trade is resolved upon, will be let down very easy indeed, as was the silk manufacture in England after 1846. That is unavoidable under present circumstances, and will have to be submitted to by the free trade party so long as the change is resolved upon in principle.

The question of free trade or protection moves entirely within the bounds of the present system of capitalist production, and has, therefore, no direct interest for us socialists, who want to do away with that system. Indirectly, however, it interests us, inasmuch as we must desire the present system of production to develop and expand as freely and as quickly as possible; because along with it will develop also those economic phenomena which are its necessary consequences, and which must destroy the whole system, misery of the great mass of the people, in consequence of overproduction; this overproduction engendering either periodical gluts and revulsions, accompanied by panic, or else a chronic stagnation of trade; division of society into a small class of large capitalists, and a large one of practically hered-

itary wage-slaves, proletarians, who, while their numbers increase constantly, are at the same time constantly being superseded by new labor-saving machinery; in short, society brought to a deadlock, out of which there is no escaping but by a complete remodeling of the economic structure which forms its basis. From this point of view, forty years ago, Marx pronounced, in principle, in favor of free trade as the more progressive plan, and, therefore, the plan which would soonest bring capitalist society to that deadlock. But if Marx declared in favor of free trade on that ground, is that not a reason for every supporter of the present order of society to declare against free trade? If free trade is stated to be revolutionary, must not all good citizens vote for protection as a conservative plan?

If a country nowadays accept free trade, it will certainly not do so to please the socialists. It will do so because free trade has become a necessity for the industrial capitalists. But if it should reject free trade, and stick to protection, in order to cheat the socialists out of the expected social catastrophe, that will not hurt the prospects of socialism in the least. Protection is a plan for artificially manufacturing manufacturers, and therefore also a plan for artificially manufacturing wage-laborers. You cannot breed the one without breeding the other. The wage-laborer everywhere follows in the footsteps of the manufacturer; he is like the "gloomy care" of Horace, that sits behind the rider, and that he cannot shake off wherever he goes. You cannot escape fate; in other words, you cannot escape the necessary consequences of your own actions. A system of production based upon the exploitation of wage-labor, in which wealth increases in proportion to the number of laborers employed and exploited, such a system is bound to in-

crease the class of wage-laborers, that is to say, the class which is fated one day to destroy the system itself. In the meantime, there is no help for it; you must go on developing the capitalist system, you must accelerate the production, accumulation, and centralization of capitalist wealth, and, along with it, the production of a revolutionary class of laborers. Whether you try the protectionist or the free trade plan will make no difference in the end, and hardly any in the length of the respite left to you until the day when that end will come. For long before that day will protection have become an unbearable shackle to any country aspiring, with a chance of success, to hold its own in the world market.

FREDERICK ENGELS.

FREE TRADE

GENTLEMEN: The Repeal of the Corn Laws in England is the greatest triumph of free trade in the nineteenth century. In every country where manufacturers discuss free trade, they have in mind chiefly free trade in corn or raw material generally. To burden foreign corn with protective duties is infamous, it is to speculate on the hunger of the people.

Cheap food, high wages, for this alone the English free traders have spent millions, and their enthusiasm has already infected their continental brethren. And, generally speaking, all those who advocate free trade do so in the interests of the working class.

But, strange to say, the people for whom cheap food is to be procured at all costs are very ungrateful. Cheap food is as ill reputed in England as is cheap government in France. The people see in these self-sacrificing gentlemen, in Bowring, Bright & Co., their worst enemies and the most shameless hypocrites.

Every one knows that in England the struggle between Liberals and Democrats takes the name of the struggle between Free Traders and Chartists. Let us see how the English free traders have proved to the people the good intentions that animate them.

This is what they said to the factory hands:

"The duty on corn is a tax upon wages; this tax

you pay to the landlords, those medieval aristocrats; if your position is a wretched one, it is only on account of the high price of the most indispensable articles of food."

The workers in turn asked of the manufacturers:

"How is it that in the course of the last thirty years, while our commerce and manufacture has immensely increased, our wages have fallen far more rapidly, in proportion, than the price of corn has gone up?

"The tax which you say we pay the landlords is about three pence a week per worker. And yet the wages of the hand-loom weaver fell, between 1815 and 1843, from 28s. per week to 5s., and the wages of the power-loom weavers, between 1823 and 1843, from 20s. per week to 8s. And during the whole of the time that portion of the tax which you say we pay the landlord has never exceeded three pence. And, then, in the year 1834, when bread was very cheap and business lively, what did you tell us? You said, 'If you are poor, it is only because you have too many children, and your marriages are more productive than your labor!'

"These are the very words you spoke to us, and you set about making new Poor Laws, and building workhouses, those Bastilles of the proletariat."

To this the manufacturers replied:

"You are right, worthy laborers; it is not the price of corn alone, but competition of the hands among themselves as well, which determines wages. But just bear in mind the circumstance that our soil consists of rocks and sandbanks only. You surely do not imagine that corn can be grown in flower-pots! If, instead of wasting our labor and capital upon a thoroughly sterile soil, we were to give up agriculture, and devote ourselves exclusively to commerce and manufacture, all Europe would abandon

its factories, and England would form one huge factory town, with the whole of the rest of Europe for its agricultural districts."

While thus haranguing his own workingmen, the manufacturer is interrogated by the small tradesmen, who exclaim:

"If we repeal the Corn Laws, we shall indeed ruin agriculture; but, for all that, we shall not compel other nations to give up their own factories, and buy our goods. What will the consequences be? I lose my customers in the country, and the home market is destroyed."

The manufacturer turns his back upon the workingmen and replies to the shopkeeper:

"As to that, you leave it to us! Once rid of the duty on corn, we shall import cheaper corn from abroad. Then we shall reduce wages at the very time when they are rising in the countries where we get our corn. Thus in addition to the advantages which we already enjoy we shall have lower wages and, with all these advantages, we shall easily force the Continent to buy of us."

But now the farmers and agricultural laborers join in the discussion.

"And what, pray, is to become of us? Are we to help in passing a sentence of death upon agriculture, when we get our living by it? Are we to let the soil be torn from beneath our feet?"

For all answer the Anti-Corn Law League contented itself with offering prizes for the three best essays upon the wholesome influence of the repeal of the Corn Laws on English agriculture.

These prizes were carried off by Messrs. Hope, Morse and Greg, whose essays were distributed broadcast throughout the agricultural districts. One of the prize

essayists devotes himself to proving that neither the tenant farmer nor the agricultural laborer would lose by the repeal of the Corn Laws, and that the landlord alone would lose.

"The English tenant farmer," he exclaims, "need not fear repeal, because no other country can produce such good corn so cheaply as England. Thus, even if the price of corn fell, it would not hurt you, because this fall would only affect rent, which would go down, while the profit of capital and the wages of labor would remain stationary."

The second prize essayist, Mr. Morse, maintains, on the contrary, that the price of corn will rise in consequence of repeal. He is at infinite pains to prove that protective duties have never been able to secure a remunerative price for corn.

In support of his assertion he quotes the fact that, wherever foreign corn has been imported, the price of corn in England has gone up considerably, and that when no corn has been imported the price has fallen extremely. This prize-winner forgets that the importation was not the cause of the high price, but that the high price was the cause of the importation. In direct contradiction of his colleague he asserts that every rise in the price of corn is profitable to both the tenant farmer and laborer, but does not benefit the landlord.

The third prize essayist, Mr. Greg, who is a large manufacturer and whose work is addressed to the large tenant farmers, could not afford to echo such silly stuff. His language is more scientific. He admits that the Corn Laws can increase rent only by increasing the price of corn, and that they can raise the price of corn only by inducing the investment of capital upon land of inferior quality, and this is explained quite simply.

In proportion as population increases, it inevitably follows, if foreign corn cannot be imported, that less fruitful soil must be placed under cultivation. This involves more expense and the product of this soil is consequently dearer. There being a demand for all the corn thus produced, it will all be sold. The price for all of it will of necessity be determined by the price of the product of the inferior soil. The difference between this price and the cost of production upon soil of better quality constitutes the rent paid for the use of the better soil. If, therefore, in consequence of the repeal of the Corn Laws, the price of corn falls, and if, as a matter of course, rent falls along with it, it is because inferior soil will no longer be cultivated. Thus the reduction of rent must inevitably ruin a part of the tenant farmers.

These remarks were necessary in order to make Mr. Greg's language comprehensible.

"The small farmers," he says, "who cannot support themselves by agriculture must take refuge in manufacture. As to the large tenant farmers, they cannot fail to profit by the arrangement: either the landlord will be obliged to sell them land very cheap, or leases will be made out for very long periods. This will enable tenant farmers to invest more capital in their farms, to use agricultural machinery on a larger scale, and to save manual labor, which will, moreover, be cheaper, on account of the general fall in wages, the immediate consequence of the repeal of the Corn Laws."

Dr. Bowring conferred upon all these arguments the consecration of religion, by exclaiming at a public meeting, "Jesus Christ is Free Trade, and Free Trade is Jesus Christ."

It will be evident that all this cant was not calculated to make cheap bread attractive to workingmen.

Besides, how should the workingmen understand the sudden philanthropy of the manufacturers, the very men still busy fighting against the Ten-Hours Bill, which was to reduce the working day of the mill hands from twelve hours to ten?

To give you an idea of the philanthropy of these manufacturers I would remind you of the factory regulations in force in all their mills.

Every manufacturer has for his own private use a regular penal code by means of which fines are inflicted for every voluntary or involuntary offence. For instance, the hand pays so much when he has the misfortune to sit down on a chair, or whisper, or speak, or laugh; if he is a few moments late; if any part of a machine breaks, or he turns out work of an inferior quality, etc. The fines are always greater than the damage really done by the workman. And to give the workman every opportunity for incurring fines the factory clock is set forward, and he is given bad material to make into good stuff. An overseer unskilful in multiplying infractions of rules is soon discharged.

You see, gentlemen, this private legislation is enacted for the especial purpose of creating such infractions, and infractions are manufactured for the purpose of making money. Thus the manufacturer uses every means of reducing the nominal wage, and even profiting by accidents over which the workers have no control. And these manufacturers are the same philanthropists who have tried to persuade the workers that they were capable of going to immense expense for the sole and express purpose of improving the condition of these same workingmen! On the one hand they nibble at the workers' wages in the pettiest way, by means of factory regulations, and, on the other, they are prepared to make the

greatest sacrifices to raise those wages by means of the Anti-Corn Law League.

They build great palaces, at immense expense, in which the league takes up its official residence. They send an army of missionaries to all corners of England to preach the gospel of free trade; they print and distribute gratis thousands of pamphlets to enlighten the workingman upon his own interests. They spend enormous sums to buy over the press to their side. They organize a vast administrative system for the conduct of the free trade movement, and bestow all the wealth of their eloquence upon public meetings. It was at one of these meetings that a workingman cried out:

"If the landlords were to sell our bones, you manufacturers would be the first to buy them, and to put them through the mill and make flour of them."

The English workingmen have appreciated to the fullest extent the significance of the struggle between the lords of the land and of capital. They know very well that the price of bread was to be reduced in order to reduce wages, and that the profit of capital would rise by as much as rent fell.

Ricardo, the apostle of the English free traders, the leading economist of our century, entirely agrees with the workers upon this point. In his celebrated work upon Political Economy he says: "If instead of growing our own corn . . . we discover a new market from which we can supply ourselves . . . at a cheaper price, wages will fall and profits rise. The fall in the price of agricultural produce reduces the wages, not only of the laborer employed in cultivating the soil, but also of all those employed in commerce or manufacture."

Do not believe, gentlemen, that it is a matter of indifference to the workingman whether he receives only four

francs on account of corn being cheaper, when he had been receiving five francs before.

Have not his wages always fallen in comparison with profit? And is it not clear that his social position has grown worse as compared with that of the capitalist? Beside which he loses actually. So long as the price of corn was higher and wages were also higher, a small saving in the consumption of bread sufficed to procure him other enjoyments. But as soon as bread is cheap, and wages are therefore low, he can save almost nothing on bread for the purchase of other articles.

The English workingmen have shown the English free traders that they are not the dupes of their illusions or of their lies; and if, in spite of this, the workers have made common cause with the manufacturers against the landlords, it is for the purpose of destroying the last remnant of feudalism, that henceforth they may have only one enemy to deal with. The workers have not miscalculated, for the landlords, in order to revenge themselves upon the manufacturers, have made common cause with the workers to carry the Ten Hours Bill, which the latter had been vainly demanding for thirty years, and which was passed immediately after the repeal of the Corn Laws.

When Dr. Bowring, at the Congress of Economists, drew from his pocket a long list to show how many head of cattle, how much ham, bacon, poultry, etc., is imported into England, to be consumed—as he asserted—by the workers, he forgot to state that at the same time the workers of Manchester and other factory towns were thrown out of work by the beginning of the crisis.

As a matter of principal in political economy, the figures of a single year must never be taken as the basis for formulating general laws. We must always take the

average of from six to seven years, a period during which modern industry passes through the successive phases of prosperity, overproduction, crisis, thus completing the inevitable cycle.

Doubtless, if the price of all commodities falls—and this is the necessary consequence of free trade—I can buy far more for a franc than before. And the workingman's franc is as good as any other man's. Therefore, free trade must be advantageous to the workingman. There is only one little difficulty in this, namely that the workman, before he exchanges his franc for other commodities, has first exchanged his labor for the money of the capitalist. If in this exchange he always received the said franc while the price of all other commodities fell, he would always be the gainer by such a bargain. The difficulty does not lie in proving that, the price of all commodities falling, more commodities can be bought for the same sum of money.

Economists always take the price of labor at the moment of its exchange with other commodities, and altogether ignore the moment at which labor accomplishes its own exchange with capital. When it costs less to set in motion the machinery which produces commodities, then the things necessary for the maintenance of this machine, called workman, will also cost less. If all commodities are cheaper, labor, which is a commodity too, will also fall in price, and we shall see later that this commodity, labor, will fall far lower in proportion than all other commodities. If the workingman still pins his faith to the arguments of the economists, he will find, one fine morning, that the franc has dwindled in his pocket, and that he has only five sous left.

Thereupon the economists will tell you:—

"We admit that competition among the workers will

certainly not be lessened under free trade, and will very soon bring wages into harmony with the low price of commodities. But, on the other hand, the low price of commodities will increase consumption, the larger consumption will increase production, which will in turn necessitate a larger demand for labor, and this larger demand will be followed by a rise in wages.

"The whole line of argument amounts to this: Free trade increases productive forces. When manufactures keep advancing, when wealth, when the productive forces, when, in a word, productive capital increases, the demand for labor, the price of labor, and consequently the rate of wages, rises also."

The most favorable condition for the workingman is the growth of capital. This must be admitted: when capital remains stationary, commerce and manufacture are not merely stationary but decline, and in this case the workman is the first victim. He goes to the wall before the capitalist. And in the case of the growth of capital, under the circumstances, which, as we have said, are the best for the workingman, what will be his lot? He will go to the wall just the same. The growth of capital implies the accumulation and the concentration of capital. This centralization involves a greater division of labor and a greater use of machinery. The greater division of labor destroys the especial skill of the laborer; and by putting in the place of this skilled work labor which any one can perform, it increases competition among the workers.

This competition becomes more fierce as the division of labor enables a single man to do the work of three. Machinery accomplishes the same result on a much larger scale. The accumulation of productive capital forces the industrial capitalist to work with constantly increasing

means of production, ruins the small manufacturer, and drives him into the proletariat. Then, the rate of interest falling in proportion as capital accumulates, the little *rentiers* and retired tradespeople, who can no longer live upon their small incomes, are forced to look out for some business again and ultimately to swell the number of proletarians. Finally, the more productive capital grows, the more it is compelled to produce for a market whose requirements it does not know—the more supply tries to force demand, and consequently crises increase in frequency and in intensity. But every crisis in turn hastens the concentration of capital, adds to the proletariat. Thus, as productive capital grows, competition among the workers grows too, and grows in a far greater proportion. The reward of labor is less for all, and the burden of labor is increased for some at least.

In 1829 there were, in Manchester, 1088 cotton spinners employed in 36 factories. In 1841 there were but 448, and they tended 53,353 more spindles than the 1088 spinners did in 1829. If manual labor had increased in the same proportion as productive force, the number of spinners ought to have risen to 1848; improved machinery had, therefore, deprived 1100 workers of employment.

We know beforehand the reply of the economists—the people thus thrown out of work will find other kinds of employment. Dr. Bowring did not fail to reproduce this argument at the Congress of Economists. But neither did he fail to contradict himself. In 1833, Dr. Bowring made a speech in the House of Commons upon the 50,000 hand-loom weavers of London who had been starving without being able to find that new kind of employment which the free traders hold out to them in the distance. Let us hear the most striking portion of this speech of Mr. Bowring.

"The misery of the hand-loom weavers," he says, "is the inevitable fate of all kinds of labor which are easily acquired, and which may, at any moment, be replaced by less costly means. As in these cases competition amongst the work-people is very great, the slightest falling-off in demand brings on a crisis. The hand-loom weavers are, in a certain sense, placed on the borders of human existence. One step further, and that existence becomes impossible. The slightest shock is sufficient to throw them on to the road to ruin. By more and more superseding manual labor, the progress of mechanical science must bring on, during the period of transition, a deal of temporary suffering. National well-being cannot be bought except at the price of some individual evils. The advance of industry is achieved at the expense of those who lag behind, and of all discoveries that of the power-loom weighs most heavily upon the hand-loom weavers. In a great many articles formerly made by hand, the weaver has been placed *hors de combat;* and he is sure to be beaten in a good many more fabrics that are now made by hand."

Further on he says: "I hold in my hand a correspondence of the governor-general with the East India Company. This correspondence is concerning the weavers of the Decca district. The governor says in his letter: 'A few years ago the East India Company received from six to eight million pieces of calico woven upon the looms of the country. The demand fell off gradually and was reduced to about a million pieces. At this moment it has almost entirely ceased.' Moreover, in 1800, North America received from India nearly 800,000 pieces of cotton goods. In 1830 it did not take even 4000. Finally, in 1800 a million of pieces were shipped for Portugal; in 1830 Portugal did not receive above 20,000.

"The reports on the distress of the Indian weavers are terrible. And what is the origin of that distress? The presence on the market of English manufactures, the production of the same article by means of the power-loom. A great number of the weavers died of starvation; the remainder have gone over to other employment, and chiefly to field labor. Not to be able to change employment amounted to a sentence of death. And at this moment the Decca district is crammed with English yarns and calicoes. The Decca muslin, renowned all over the world for its beauty and firm texture, has also been eclipsed by the competition of English machinery. In the whole history of commerce, it would, perhaps, be difficult to find suffering equal to what these whole classes in India had to submit to."

Mr. Bowring's speech is the more remarkable because the facts quoted by him are correct, and the phrases with which he seeks to palliate them are characterized by the hypocrisy common to all free trade discourses. He represents the workers as means of production which must be superseded by less expensive means of production, pretends to see in the labor of which he speaks a wholly exceptional kind of labor, and in the machine which has crushed out the weavers an equally exceptional kind of machine. He forgets that there is no kind of manual labor which may not any day share the fate of the hand-loom weavers.

"The constant aim and tendency of every improvement of mechanism is indeed to do entirely without the labor of men, or to reduce its price, by superseding the labor of the adult males by that of women and children, or the work of the skilled by that of the unskilled workman. In most of the throstle mills, spinning is now entirely done by girls of sixteen years and less. The in-

troduction of the self-acting mule has caused the discharge of most of the (adult male) spinners, while the children and young persons have been kept on."

The above words of the most enthusiastic of free traders, Dr. Ure, are calculated to complement the confessions of Dr. Bowring. Mr. Bowring speaks of certain individual evils, and, at the same time, says that these individual evils destroy whole classes; he speaks of the temporary sufferings during a transition period, and does not deny that these temporary evils have implied for the majority the transition from life to death, and for the rest a transition from a better to a worse condition. When he asserts, farther on, that the sufferings of the working class are inseparable from the progress of industry, and are necessary to the prosperity of the nation, he simply says that the prosperity of the bourgeois class presupposes as necessary the suffering of the laboring class.

All the comfort which Mr. Bowring offers the workers who perish, and, indeed, the whole doctrine of compensation which the free traders propound, amounts to this: —

You thousands of workers who are perishing, do not despair! You can die with an easy conscience. Your class will not perish. It will always be numerous enough for the capitalist class to decimate it without fear of annihilating it. Besides, how could capital be usefully applied if it did not take care to keep up its exploitable material, *i. e.*, the workingmen, to be exploited over and over again?

But, then, why propound as a problem still to be solved the question: What influence will the adoption of free trade have upon the condition of the working class? All the laws formulated by the political econo-

mists from Quesnay to Ricardo, have been based upon the hypothesis that the trammels which still interfere with commercial freedom have disappeared. These laws are confirmed in proportion as free trade is adopted. The first of these laws is that competition reduces the price of every commodity to the minimum cost of production. Thus the minimum of wages is the natural price of labor. And what is the minimum of wages? Just so much as is required for production of the articles absolutely necessary for the maintenance of the worker, for the continuation, by hook or by crook, of his own existence and that of his class.

But do not imagine that the worker receives *only* this minimum wage, and still less that he *always* receives it. No, according to this law, the working class will sometimes be more fortunate, will sometimes receive something above the minimum, but this surplus will merely make up for the deficit which they will have received below the minimum in times of industrial depression. That is to say that within a given time which recurs periodically, in other words, in the cycle which commerce and industry describe while passing through the successive phases of prosperity, overproduction, stagnation, and crisis, when reckoning all that the working class has had above and below mere necessaries, we shall see that, after all, they have received neither more nor less than the minimum; *i. e.*, the working class will have maintained itself as a class after enduring any amount of misery and misfortune, and after leaving many corpses upon the industrial battle-field. But what of that? The class will still exist; nay, more, it will have increased.

But this is not all. The progress of industry creates less and less expensive means of subsistence. Thus

spirits have taken the place of beer, cotton that of wool and linen, and potatoes that of bread.

Thus, as means are constantly being found for the maintenance of labor on cheaper and more wretched food, the minimum of wages is constantly sinking. If these wages began by letting the man work to live, they end by forcing him to live the life of a machine. His existence has no other value than that of a simple productive force, and the capitalist treats him accordingly. This law of the commodity labor, of the minimum of wages, will be confirmed in proportion as the supposition of the economists, free trade, becomes an actual fact. Thus, of two things one: either we must reject all political economy based upon the assumption of free trade, or we must admit that under this same free trade the whole severity of the economic laws will fall upon the workers.

To sum up, what is free trade under the present condition of society? Freedom of Capital. When you have torn down the few national barriers which still restrict the free development of capital, you will merely have given it complete freedom of action. So long as you let the relation of wage-labor to capital exist, no matter how favorable the conditions under which you accomplish the exchange of commodities, there will always be a class which exploits and a class which is exploited. It is really difficult to understand the presumption of the free traders who imagine that the more advantageous application of capital will abolish the antagonism between industrial capitalists and wage-workers. On the contrary. The only result will be that the antagonism of these two classes will stand out more clearly.

Let us assume for a moment that there are no more Corn Laws or national and municipal import duties;

that in a word all the accidental circumstances which to-day the workingman may look upon as a cause of his miserable condition have vanished, and we shall have removed so many curtains that hide from his eyes his true enemy.

He will see that capital released from all trammels will make him no less a slave than capital trammelled by import duties.

Gentlemen! Do not be deluded by the abstract word Freedom! Whose freedom? Not the freedom of one individual in relation to another, but freedom of Capital to crush the worker.

Why should you desire farther to sanction unlimited competition with this idea of freedom, when the idea of freedom itself is only the product of a social condition based upon free competition?

We have shown what sort of fraternity free trade begets between the different classes of one and the same nation. The fraternity which free trade would establish between the nations of the earth would not be more real. To call cosmopolitan exploitation universal brotherhood is an idea that could only be engendered in the brain of the bourgeoisie. Every one of the destructive phenomena which unlimited competition gives rise to within any one nation is reproduced in more gigantic proportions in the market of the world. We need not pause any longer upon free trade sophisms on this subject, which are worth just as much as the arguments of our prize essayists Messrs. Hope, Morse, and Greg.

For instance, we are told that free trade would create an international division of labor, and thereby give to each country those branches of production most in harmony with its natural advantages.

You believe perhaps, gentlemen, that the production of coffee and sugar is the natural destiny of the West Indies. Two centuries ago, Nature, which does not trouble herself about commerce, had planted neither sugar-cane nor coffee trees there. And it may be that in less than half a century you will find there neither coffee nor sugar, for the East Indies, by means of cheaper production, have already successfully broken down this so-called natural destiny of the West Indies. And the West Indies, with their natural wealth, are as heavy a burden for England as the weavers of Decca, who also were destined from the beginning of time to weave by hand.

One other circumstance must not be forgotten, namely, that, just as everything has become a monopoly, there are also nowadays some branches of industry which prevail over all others, and secure to the nations which especially foster them the command of the market of the world. Thus in the commerce of the world cotton alone has much greater commercial importance than all the other raw materials used in the manufacture of clothing. It is truly ridiculous for the free traders to refer to the few specialties in each branch of industry, throwing them into the balance against the product used in everyday consumption, and produced most cheaply in those countries in which manufacture is most highly developed.

If the free traders cannot understand how one nation can grow rich at the expense of another, we need not wonder, since these same gentlemen also refuse to understand how in the same country one class can enrich itself at the expense of another.

Do not imagine, gentlemen, that in criticizing freedom of commerce we have the least intention of defining pro-

tection. One may be opposed to constitutionalism without being in favor of absolutism.

Moreover, the protective system is nothing but a means of establishing manufacture upon a large scale in any given country, that is to say, of making it dependent upon the market of the world; and from the moment that dependence upon the market of the world is established, there is more or less dependence upon free trade too. Besides this, the protective system helps to develop free competition within a nation. Hence we see that in countries where the bourgeoisie is beginning to make itself felt as a class, in Germany for example, it makes great efforts to obtain protective duties. They serve the bourgeoisie as weapons against feudalism and absolute monarchy, as a means for the concentration of its own powers for the realization of free trade within the country.

But, generally speaking, the protective system in these days is conservative, while the free trade system works destructively. It breaks up old nationalities and carries antagonism of proletariat and bourgeoisie to the uttermost point. In a word, the free trade system hastens the Social Revolution. In this revolutionary sense alone, gentlemen, I am in favor of free trade.

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Daniel De Leon was a pioneer among men. He was the torch bearer, the carrier of a new idea in a land where the capitalist class had become powerful almost beyond comprehension; where the corroding influences of the capitalist system had devitalized and turned to its own uses such as there was of a labor movement. De Leon battled during his long and useful life against these corrupting and corroding influences, and while fighting, he formulated the tactics needed in the workers' struggle for emancipation. He formulated the idea of industrial Socialist society, pointing to the purely transitory nature of the political state, emphasizing time and again the pregnant truth that if civilization is to continue in its onward march, the working class of the world must rear the new Republic of Labor, and that the woof and the warp, so to speak, of the new social fabric, must be wrought in accordance with the occupational or industrial mould of present-day society, with an industrial administration, or an Industrial Council, to take the place of the antiquated state machinery. He further emphasized the necessity of the workers' now preparing to build that new society by organizing into industrial unions.

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N. Y. LABOR NEWS CO., 45 ROSE ST., N. Y.