

Economic Liberty

Anne-Robert-Jacques Turgot

The philosophe Turgot was also a physiocratic exponent of laissez-faire . This selection is from a letter of 1773 to the Abbe Terray about “protection to native manufacturers.”

I have the honor to report to you on the state of the ironworks and manufactures in the Generality of Limoges....

As to the observations you seem to desire on the means of giving more activity to this branch of industry (or of restoring to it what it is said to have lost), I have few to offer. I know of no means of stimulating any trade or industry whatever but that of giving to it the greatest liberty, and of freeing it from all those burdens which the ill-understood interest of the revenue has multiplied to excess upon all kinds of merchandise, and particularly upon the manufactures in iron.

I must not conceal from you that one of the chief causes of the delay in my responding to your inquiries has been the rumor spread that they had for their object the establishment of new burdens or the extension of old ones. The opinion, founded on too much experience, that the investigations of Government have for their sole object the finding of means to extract more money from the people, has given rise to a general mistrust, and the most of those to whom inquiries have been addressed either have not replied, or have sought to mislead the Government by replies sometimes incomplete, sometimes false. I cannot believe that your intention is to impose new charges upon a commerce which, on the contrary, you announce your desire to favor. If I thought so, I confess I should congratulate myself on the involuntary delay in my furnishing you with the information you have requested, and I should regret my not being able to prolong the delay still further.

If, after complete liberty has been obtained by the relief from all taxes on the fabrication, the transport, the sale, and the consumption of commodities, there remains to the Government any means of favoring a branch of trade, that can only be by the means of instruction; that is to say, by encouraging those researches of scientific men and artists which tend to perfect art, and, above all, by extending the knowledge of practical processes which it is the interest of cupidity to keep as so many secrets. It would be advisable for the Government to incur some expense by sending young men to foreign countries in order to instruct themselves in processes of manufacture unknown in France, and for the

Government to publish the result of these researches. These means are good; but liberty of movement and freedom from taxes are much more efficacious and much more necessary.

You appear, in the letters with which you have honored me on this subject, to believe that certain obstacles which might be placed to the import of foreign irons would act as an encouragement to our national trade. You intimate even that you have received from different provinces several representations to the effect that the demand which these foreign irons obtain acts to the prejudice of commerce in manufacture of the native iron. I believe, indeed, that iron-masters, who think only of their own iron, imagine that they would gain more if they had fewer competitors. It is not the merchant only who wishes to be the sole seller of his commodity. There is no department in commerce in which those who exercise it do not seek to escape from competition, and who do not find sophisms to make the State believe that it is interested, at least, to exclude the rivalry of foreigners, whom they easily represent to be the enemies of national commerce. If we listen to them, and we have listened to them too often, all branches of commerce would be infected by this spirit of monopoly. These foolish men do not see that this same monopoly is not, as they would have it believed, to the advantage of the State, against foreigners, but is directed against their own fellow-subjects, consumers of the commodity, and is retaliated upon themselves by these fellow-subjects—sellers in their turn—in all the other branches of trade. They do not see that all associations of men engaged in a particular trade need only to arm themselves with the same pretexts in order to obtain from the misled Government the same exclusion of foreigners; they do not see that in this balancing of vexation and injustice between all kinds of industry, in which the artisans and the merchants of each kind oppress as sellers, and are oppressed as buyers, there is no advantage to any party; but that there is a real loss on the total of the national commerce, or rather a loss to the State, which, buying less from the foreigner, must consequently sell him less. This forced increase of price for all buyers necessarily diminishes the sum of enjoyments, the sum of disposable revenues, the wealth of the proprietors and of the sovereign, and the sum of the wages to be distributed among the people.

Again, this loss is doubled, because in this war of reciprocal oppression, in which the Government lends its strength to all against all, the only one left outside excepted is the small cultivator of the soil, whom all oppress in concert by their monopolies, and who, far from being able to oppress anyone, cannot even enjoy the natural right to sell his commodity, either to foreigners or to those of his fellow-subjects who would buy it; so that he remains the only one who suffers from monopoly as buyer; and at the same time as seller. There is only he who cannot buy freely from foreigners the things of which he has need; there is only he who cannot sell to foreigners the commodity he produces, while the cloth-merchant or any other buys as much wheat as he wants from the foreigner and sells to him as much as he can of his cloth.

Whatever sophisms the self-interests of some commercial classes may heap up,

the truth is that all branches of commerce ought to be free, equally free, entirely free; that the system of some modern politicians who imagine they favor national commerce by prohibiting the import of foreign merchandise is a pure illusion; that this system results only in rendering all branches of commerce enemies one to another, in nourishing among nations a germ of hatred and of wars, even the most feeble effects of which are a thousand times more costly to the people, more destructive of its wealth, of population and of happiness, than all those paltry mercantile profits imaginable to *individuals* can be advantageous to their nations. The truth is, that in wishing to hurt others we hurt only ourselves, not only because the reprisal for these prohibitions is so easy that other nations do not fail in their turn to make it, but still more because we deprive our own nation of the incalculable advantages of a free commerce—advantages such, that if a great state like France would but make experience of them, the rapid advancement of her commerce would soon compel other nations to imitate her in order not to be impoverished by the loss of their own.