

---

A History of Trade

Author(s): Francis Neilson

Source: *The American Journal of Economics and Sociology*, Jan., 1953, Vol. 12, No. 2 (Jan., 1953), pp. 123-128

Published by: American Journal of Economics and Sociology, Inc.

Stable URL: <https://www.jstor.org/stable/3484719>

---

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



is collaborating with JSTOR to digitize, preserve and extend access to *The American Journal of Economics and Sociology*

JSTOR

# A History of Trade<sup>1</sup>

By FRANCIS NEILSON

## I

### Trade as a Life Process

IN SPITE OF the age-long piracies of politicians and bandits, trade survives by bringing to consumers wealth, which satisfies their desires and needs. It also continues to spread the knowledge of the arts of production and tends to develop the means of helping men to enjoy the fruits of their labor with less and less exertion. These are gains to be entered on the credit side of the commercial ledger, devoted to the civilizing processes of trade.

But in reading the story of the struggle of producers and merchants to exchange their commodities, we learn that the gains have been accomplished against forces that have threatened to destroy them, by inflicting onerous restrictions upon their operations and handicapping their efforts with crushing penalties. It has been a battle of trade against political government, and the war against free production and exchange gains in intensity as trade develops and expands.

Taking a bird's-eye survey of the world, after two disastrous commercial wars, we find nearly every country burdened with enormous debt, and many millions in Europe and Asia merely existing in a state of destitution; the crowning achievement of repetitive political blunders, which have been traced back through the centuries to pagan times. In this suicidal method of destroying a competitive State, politicians never tire, and few realize, before or after the strife, that such a policy is not unlike cutting off a nose to spite a face. Could there be a greater absurdity in physical effort than that of losing all to win all?

The records show clearly that a large percentage of leading politicians are hard-shelled Bourbons. They learn nothing from past adventures in

<sup>1</sup> This article is based on *Histoire du Commerce*, published under the direction of Jacques Lacour-Gayet. Paris: Spid. There will be six volumes, at a subscription price of 7,500 fr. Vol. I, *La Terre et Les Hommes* (1950); Vol. II, *Le Commerce de l'Ancien Monde Jusqu'à la Fin du XV<sup>e</sup> Siècle* (1950); Vol. III, *Le Commerce Extra-Européen jusqu'aux Temps Modernes* (in preparation); Vol. IV, *Le Commerce du XV<sup>e</sup> Siècle au Milieu du XIX<sup>e</sup> Siècle* (1952); Vol. V, *Le Commerce Depuis le Milieu du XIX<sup>e</sup> Siècle* (in preparation); Vol. VI, Index Alphabétique—Bibliographie—Table (in preparation).

commercial wars. And, yet, it would be a simple matter to quote the best of the philosophers and historians on the stupidity and futility of gaining anything worth having by destroying wealth and the youth of a people.

How trade revives, phoenix-like, after such convulsions as this century has suffered can be explained only by understanding that it is a life process, inasmuch as people cannot exist without food, fuel, clothing, and shelter, *i.e.*, wealth.

The short-sighted policies of tariffs and trade wars have been utterly condemned by renowned thinkers: Turgot, Bastiat, and Say in Europe, and Adam Smith, Cobden, and Gladstone in England. Long lists could be made of illustrious men in many countries who have denounced the policies of restriction and violence against internal and external trade.

Nearly two centuries ago this pernicious system was the subject of correspondence which passed between Turgot and David Hume. Turgot wrote:

. . . I have many things to say about the inconvenience caused to the consumers by the tax the collection of which is a perpetual interference with the liberty of the citizens. They must be searched in custom-houses, their homes must be entered for levy and excises, not to talk of the horrors of smuggling and the sacrifice of human life to the pecuniary interest of the treasury. A fine sermon legislation preaches to highway-men!

The stupidities of legislators, revealed in the work, *De Platon à la Terreur* by Jacques and Robert Lacour-Gayet, are mild compared with those committed by our "statesmen."

Poor trade! The farther it travels along the rocky road of civilization, the deeper it sinks into the mire of politics, and the heavier the burdens are that it must bear.

## II

### The Romance of Trade

THERE HAVE APPEARED, in France, the first two volumes of a momentous work called *Histoire du Commerce*, under the editorial direction of Jacques Lacour-Gayet. No one who reads them will ever again consider political economy a *dismal* science or the story of commerce as *dry-as-dust* history. Indeed, it may be said that these volumes contain a romance of singular interest, as fascinating as any about an attractive adventurer who explores a new world and discovers riches unknown to the old. The introduction by the editor should be published in pamphlet form and circulated in the departments of economics and sociology in our institutions of learning. He says:

Everything that human genius has invented or conceived has been immediately spread by commerce. It is to it that the alphabet, writing, calculus, scientific discoveries, the chief works of art and letters, technical processes, customs, doctrines, religion owe a great part of their diffusion. Ideas, as invisible passengers, have often traveled with goods (I, xx).<sup>2</sup>

How many of us realize, when we are motoring, and see heavy trucks carrying tons of merchandise, what amazing achievements have been wrought by road-makers since the first traders followed the tracks of animals? We speed along the highways so smoothly now that the ease and comfort of travel seem to blot out the memory of roads even before macadam and concrete covered the muddy ruts of fifty years ago.

When we learn from these volumes what thrilling adventures to overcome natural obstacles have been experienced by traders since the days of primitive travel, our amazement grows to admiration of feats that were performed. American students will find here succinct descriptions of the wonders that have taken place to make communication for them a contraction of distance and safe passage.

The choice of direction of certain forest trails frequently comes back to the animals. In a virgin forest, man makes use of the trails marked out by elephants. In British Columbia, the hunters, then the searchers for gold, and finally the builders of the Canadian Pacific Railway have followed the animals. Between Dakota or Nebraska and Texas, more than 1,500 kilometers from north to south, buffalo have marked out the surest routes, chosen with sagacity according to the distribution of points of water, of vales, of openings in the forest or the firmness of the ground. These tracers of routes, road-breakers, have indicated to the cow-boys the trails over which to conduct their steers to the ranches, and, in the Appalachians, the naturally passable trails for the heavy wagons of the pioneers (I, 19).

Who thanks the buffalo for tracing the simplest road from Dakota to Texas? The visitor to India, who now travels in ease, knows not what he owes to the elephant for his enjoyment.

### III

#### **Political Impediments to Trade**

THE SUBJECTS FOR STUDY are so sharply departmentalized in our colleges and universities today that a general knowledge of the history of economic forces contributing to sociological changes is hard to acquire. This work we are reviewing supplies information on the hindrances to the progress of commercial association and the methods by which people benefited from

<sup>2</sup> The English translations were made literally and then submitted to M. Robert Lacour-Gayet, who very kindly passed on them.

the products of other lands. It is well to know that political changes took place so that trade might become the perquisite of the State for revenue. Even in the case of the caravan, we are told how tariffs, prohibitions, frontier annoyances, diplomatic discussions, and other restrictive measures affected it; but a better and safer means of transport was found by using the water route for the dispatch of goods.

The contribution made by pilgrims to paths along which traders moved their goods is not forgotten by M. Lacour-Gayet's band of learned recorders:

Religion is indeed an important factor in determining certain directions of roads. The pilgrimages to Rome, to Jerusalem, and to Saint-Jacques-de-Compostelle are among the best known. Saint-Jacques-de-Compostelle, in Galicia, was the place of a pilgrimage organized by the monks of Cluny in order better to grapple with the infidel, with its numerous monasteries on the roads which led there. These latter are best known to us through the *Guide de Voyage*, dating from 1139, and indicating the routes, the stopping places, the rivers, the drinking water, and the numerous sanctuaries containing relics and souvenirs (I, 27). . . .

#### IV

##### Methods of Transport

THE CHAPTER ON TRADE and the methods of transport is a fine example of the art of giving much useful information in little space. It tells us the weight of tea bricks borne by the porters in Tibet and that the slaves in Guinea carry 100 kg. (over 200 pounds) "at a fast pace" (I, 66). From primitive modes of transport we are taken to railways and, in the description of their development, we find many references to our feats of speed and luxurious accommodations.

The amount of ground covered in these chapters on human activity is so wide and varied that we are amazed at the vivid marshalling of facts related.

Many of the outstanding merchants who created enormous establishments of commerce were children of poor parents, or of those who began in a small way. From Jacques Coeur and Colbert to Gordon Selfridge and Charles Luckman, we are given a glimpse of their successful mercantile activities.

#### V

##### The Birth of Trade

HISTOIRE DU COMMERCE starts at the beginning of the evolutionary process of production and exchange. The first volume is entitled *Land and Men*. These terms are in the proper order to give us a clear understanding of the

birth of commercial activity. The need to nourish, to clothe, and to arm themselves was the spur that drove men to fish, to hunt, and, later, to till the earth for the satisfaction of their physical desires.

... Today, the migrations of fishermen and hunters in the pursuit of game correspond to the same preoccupation (I, 1).

But one grave change has taken place since industry has been highly mechanized and communications simplified both as to speed and safety. The traders have lost many companions they traveled with in medieval days. The roads then, particularly in Europe, were traveled by pilgrims and traders, and we are reminded how the Gospel was carried by these bands to the fairs in the different countries:

... And it must be noted that, as the important Roman roads for commerce have favored the spread of the Gospel, the regions deprived of roads have been the last to be christianized (I, 125).

Chambers of commerce might now consider a revival of the system of spreading the Gospel in the markets of the world. A hint might be taken from the following:

Markets and pilgrimages, therefore, remain indissolubly bound, and one can understand the political, intellectual and religious influence of the pilgrims and merchants who travel together along the roads of the world, going to Mecca, Rome or Jerusalem (I, 125).

## VI

### **Subsequent Volumes**

THE SECOND VOLUME, which gives the history of trade from ancient times to the end of the fifteenth century, is a masterly performance of covering many centuries of industrial activity of peoples east and west, with brevity that does not stint the interest of the scholar. The maps are of singular importance. One shows the trade routes of the Roman Empire. From Persia and Armenia to Lisbon and north to York, up into Scotland; and from southeast to northwest, they extended from Memphis (Egypt) to Chester (England). The political history in which this epic of trade is set gives the story of its development an added interest by linking them together in their vicissitudes.

This invaluable work is to be in six volumes, and the prospectus indicates the wide scope of the subjects to be dealt with. Those to appear in the near future have for their subjects: *The Foreign Trade of Europe until Modern Times*; another volume will be devoted to *Trade from the Fifteenth Century to the Middle of the Nineteenth*; and the fifth one will be

upon *World Trade Since the Middle of the Nineteenth Century*. The final volume will contain alphabetical index, bibliography and tables.

Our economists and sociologists would do well to urge their librarians to order this unique work, which is published by Spid, 372 rue St. Honoré, Paris.

*Port Washington, N. Y.*

### *Credit Reform by a Federal Agency*

NOT LONG AGO a South Carolina bank ran this advertisement: "In the interest of the farmers of Hampton County and in cooperation with the Department of Agriculture, The Exchange Bank, Estill, S. C., is pleased to present Mr. Harold Foster, Supervisor, Farmers Home Administration, and Mr. C. W. Thompson, County Agent." Then the advertisement emphasized the importance of increased cotton production and recommended the pamphlets supplied by Mr. Thompson or the bank. Next it abstracted the program of F.H.A. and advised readers to get in touch with Mr. Foster to find out more.

It is noted that F.H.A. helps farmers live better by better farming, for it provides qualified applicants with credit to operate a farm, to buy or develop one already owned, and to construct needed buildings or improve the land on farms owned. The credit includes expert assistance to the family in planning farm and home operations and on-farm training in sound farm-management methods to make that plan work. The credit is available only to those ineligible for private loans from banks or other lending agencies, but expert advice rapidly converts these borrowers into successful farmers who become eligible for private credit after completing their loan payments.

The advertisement continued that F.H.A. had helped over a thousand Hampton County farmers to date, several hundred of whom had repaid their loans in full. These "graduates" continued farming by the good methods they had learned and using private credit for their operations. On the average they have farm incomes about three times as great as before they got their F.H.A. loans, and that income is spent in Hampton County. The children of these people attend school more regularly than before and their health is better. Local churches and community activities are more prosperous because F.H.A. graduates can now participate more actively. F.H.A. could hardly ask for a better boost than that.

T. SWANN HARDING