

CHAPTER V

Of the change of place, or of Commercial Industry.

THE insulated man would fabricate to a certain point, because he would labour for himself; but he would not trade,—for with whom could he have trade? Commerce and society are one and the same thing. Accordingly we have seen in the first chapter, that society from its origin is essentially nothing but a continual commerce, a perpetual series of exchanges of every kind,—of which we have rapidly indicated the principal advantages and the prodigious effects. Commerce then exists long before there are merchants, properly so called. These are agents who facilitate it, and who serve it, but who do not constitute it. We may even say that the exchanges which they make in their commercial capacity are but preparatory exchanges; for the exchange for use is not completed, has not fully attained its end, until the merchandise has passed from him who fabricated to him who wants it, whether to consume it or to make it the subject of a new fabrication; and the latter ought at this moment to be regarded as a consumer. The merchant, properly so called, interposes between these two persons, the producer and the consumer; but it is not to injure them. He is neither a parasite nor an inconvenient person: On the contrary, he facilitates relations, commerce, society; for, once again I repeat, all these are one and the same thing between this producer and this consumer. He is useful then, and consequently a producer also; for we have seen (Chapter II.) that whosoever is useful is a producer, and that there is no other way of being so. It is now to be shown how the merchant is a producer of utility. But previously let us give some preparatory explanations, which will be of service to us in the sequel. We have in the first chapter only shown the general advantages of exchange, and those of the commerce between man and man. Let us render sensible those of the commerce between canton and canton, and country and country; and for this purpose let us take France for example, because it is a very large

and well known country.

Let us suppose the French nation the only one in the world, or surrounded with deserts impossible to be traversed. It has portions of its territory very fertile in grain; others more humid, which are good only for pasturage; others formed of arid hills, which are only proper for the cultivation of vines; finally others more mountainous, which can produce little else than wood. If each of those portions should be reduced within itself what would happen? It is clear that in the corn districts a tolerably numerous population could still be subsisted; because it would at least have the mean of amply satisfying the first of all wants, that of nourishment: however this is not the only want. Clothing, shelter, &c. &c. are also necessary. These people then will be obliged to sacrifice in woods, pasturage, and bad vines, much of this good land; of which a much smaller quantity would have sufficed to procure for them what they wanted by way of exchange, the remainder of which would still have nourished many other men, or served to provide better for those who live there. Thus this people would not be so numerous as if they enjoyed commerce, and yet they will want many things. This is still more true of those who inhabit the hills suitable to vines. If they are even industrious they will only make wine for their own use, not being able to sell it. They will exhaust themselves in unfruitful labours to produce on their arid hills some grain of inferior quality, not knowing where to purchase; they will want every thing else. The population, although agricultural, will be miserable and thin. In districts of marshes and meadows, too humid for corn, too cold for rice, it will be much worse. They must necessarily cease to cultivate, and be reduced to be graziers, and even to nourish as many animals only as they can eat. It is very true that in this situation—having beasts of burden, of draught, and for the saddle, to render themselves formidable,—they will soon become brigands, as all erratic people are; but this will be an evil the more. As for the country of woods there would be no mean of living but the chase, in proportion and so far as they would be able to find wild animals, without even thinking to preserve their skins; for what use could they make of them. This however is the state of France: if you suppress all correspondence between its parts, one half is savage the other badly provided.

Let us suppose, on the contrary, this correspondence active and easy, but always without exterior relations. Then the production proper to each canton would no longer be arrested for want of a vent, nor by

the necessity of pursuing in spite of localities labours very unfruitful but necessary, for want of exchanges, in order themselves to provide either well or ill for all their wants, at least for the most pressing. The country of good land will produce as much corn as possible; and will send it to the country of vineyards, which will produce as much wine as can be sold. Both will supply the country of pasturage, in which the animals will multiply in proportion to the market, and the men in proportion to the means of existence which this market would procure for them. And these three countries united would feed in the mountains the most rugged industrious inhabitants, by whom they will be furnished with wood and metals. They would increase the quantity of flax and hemp in the north to send linen cloth into the south; which last would increase their silks and oils to pay for them. The smallest local advantages would be turned to profit. A district of flint would furnish gun-flints to all the others which have none, and its inhabitants would live on the produce of this supply. Another of rocks alone will send mill-stones into several provinces. A little spot of sand will produce madder for all the diers. Some fields of a certain kind of clay will furnish earth for all the potteries. The inhabitants of the coast will set no bounds to their fishing, being able to send their salted fish into the interior; it will be the same with sea salt, with alkalies, with marine plants, with the gums of resinous trees. New kinds of industry will be seen arising every where, not only for the exchange of merchandise, but also by the communication of knowledge; for if no country produces all things none invents all things. When there is communication, what is known in one place is known every where; and it is much readier to learn, or even to perfect, than to invent; besides it is commerce itself which inspires the desire of inventing, it is even its great extension which alone renders possible many different kinds of industry. Yet these new arts occupy a multitude of men, who do not live on their labour, but because that of their neighbours having become more fruitful suffices to pay them. Here then is the same France, lately so indigent and uninhabited, filled with a numerous and well provided population. All this is solely owing to the better employment of every local advantage and of the faculties of every individual, without a necessity for the French nation to have made the smallest profit at the expense of any other nation, without even a possibility of its so doing, since our hypothesis supposes it alone in the world. We will see elsewhere what we should think of those pretended profits which

one people makes at the expense of another, and how we ought to appreciate them. But we may affirm in advance, that they are illusory or very small; and that the true futility of exterior commerce, that in comparison with which all others are nothing, is to establish between different nations the same relations which interior commerce establishes between different parts of the same nation, to constitute them, if we may thus speak, in a state of society with one another; to enlarge thus the extent of market for all, and by this mean increase likewise the advantages of the interior commerce of every one.

This commerce, without doubt, can and does exist, to a certain point, before there are *commercialists*, properly so called; that is to say men who make commerce their sole occupation; but it could not be much developed without their assistance. When a man has fabricated, or is in possession of some useful thing, he may it is true exchange it himself, without an intermediary, for another useful thing which some other man possesses; but this is not often either easy or commodious. This other man may not have a desire of selling when we wish to buy; he may be unwilling to sell but a great deal at a time; he may not care for that which is offered in exchange; he may be very distant; we may even not know that he has that which we desire. In fine, in the course of life one has need of an almost infinite multitude of different things. If it were necessary to draw directly each of them from its immediate producer, one would pass their whole time in going backward and forward, and even in distant journeys; the inconveniences of which would greatly surpass the utility of the things which would be their object; it would therefore be necessary to do without them.

The merchant comes: He draws from all places the things which superabound therein, and carries thither those which they want. He is always ready to buy when any one wishes to sell, and to sell when any body wishes to buy. He keeps his merchandise till the moment it is wanted, and retails it if necessary. In short, he takes it off the hands of the producer, who is encumbered with it, places it within reach of the consumer who desires it; and all their relations have become easy and commodious: Yet what has he done? In his commercial capacity he has operated no change of form, but he has operated changes of place, and a great utility is produced. In effect, since values are the measure of the degrees of utility, (see chapter 3d) it is manifest that a thing carried from a place where it is at a low price and brought to one in which it bears a high one, has acquired by its transportation a degree

of utility which it had not before.

I know that this explication is so simple that it appears silly, and that all this appears written for children; for men are not supposed to be ignorant of facts so common and truths so trivial. But these trivial truths demonstrate another very much contested, which is, that whoever produces utility is a producer, and that the merchant is quite as much one as those to whom they have wished exclusively to give this title. Now let us search what is his recompense for the utility he has produced.

If we examine commercial industry it presents us the same aspect as fabricating industry. Here also, there is theory, application and execution; and consequently three kinds of labourers, the man of science, the undertaker, and the workman. Also, it is true that those whose labour is applied to the most necessary things are inevitably the worst paid; but it is not as in the enterprizes of agriculture. The undertaker can augment his speculations indefinitely as far as the market permits, and thus compensate the smallness of his profits by the extent of his business. Hence the proverb, there is no small trade in a large city. The head of a commercial enterprize also gives salaries to those he employs: He makes all the advances; and he is recompensed for his pains, his expenses, and his risks, by the augmentation of value which his labour has given to things—an augmentation which causes his sales to surpass his purchases. It is true that as the undertaker of fabrication he loses, instead of gaining, if being deceived in his speculations his labour is unfruitful. Like him, also, he labours sometimes on his own funds, sometimes on those he borrows. In short, the similarity is complete, and this dispenses me from entering into more details. It is not yet time to discuss delicate questions, nor to appreciate the merit of certain very complicated combinations. As yet we have had occasion to give a general glance of the eye only on the march of society and the train of affairs. If we have formed a just idea of them we shall soon see that many things which are thought very mysterious are merely perplexed by prejudice and quackery, and that mere common sense is sufficient to resolve difficulties which appear very embarrassing when we have not remounted to principles. To complete the laying our foundation let us say a word of money.