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THE LIFE AND WRITINGS  
OF  
TURGOT

COMPTROLLER-GENERAL OF FRANCE 1774-6

EDITED FOR ENGLISH READERS

BY

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## PROTECTION TO NATIVE MANUFACTURES

*Letter to the Abbé Terray 'sur la Marque des Fers' <sup>1</sup>*

Limoges, December 24, 1773.

I HAVE the honour 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 rumour 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

<sup>1</sup>See *supra*, p. 73.

to favour. 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 favouring 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 honoured 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.<sup>1</sup>

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

<sup>1</sup> 'Here Turgot puts his finger on the evil. Let A be the body of the privileged; B the rest of the nation; 100,000,000 the yearly gain to the monopolisers. This sum must evidently come out of the pocket of B, to enter the pocket of A. But B, again, evidently represents the non-privileged capitalists, the proprietors, and the mass of simple workmen. Now, if the tithe levied by A strikes these three classes without distinction, it is clear that it takes from the two first but a portion of their superfluities, while it attacks the third in its circumscribed means of subsistence, represented in the *sum of wages* of which Turgot speaks.' (E. Daire, *Œuvres de Turgot*, i. 381, note.)



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 favour 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.

But supposing these principles not to be perfectly demonstrated, supposing even that we admit the expediency of prohibition in some branches of commerce, then I contend that the article of iron ought to be excepted, for a particular and decisive reason. This reason is, that iron is not merely a commodity of itself useful for the different purposes of life ; the iron employed in household utensils, in ornaments and in armour, is not the most considerable portion of the metal

worked and sold. It is principally as an article necessary in the practice of all the arts, without exception, that this metal is so precious and is so important in commerce. It is the chief material employed in all the different manufactures—in agriculture even, to which it furnishes the greater part of its instruments. For this reason it is a commodity of the first necessity. For this reason, even were we to adopt the idea of favouring manufactures by prohibitions, iron ought never to be subject to them, because these prohibitions, in the opinion even of their partisans, ought to be placed only on an article manufactured for consumption, and not on the necessary materials used in manufactures. According to this very policy, the buyer of instruments of iron, of service to his manufacture or to his land culture, ought to enjoy the advantages which the policy gives to the seller over the consumer. To prohibit the import of foreign iron is therefore to favour the ironmasters, not only, as in the ordinary cases of prohibition, at the cost of the home consumers of the simple article; it is to favour them at the cost of all manufactures, of all branches of industry, at the cost of agriculture, and of the production of all food stuffs.

I feel convinced that this reflection, which doubtless has occurred also to yourself, will restrain you from yielding to the indiscreet solicitations of the ironmasters and all those who look upon this branch of commerce as one by itself, and isolated from all the other branches with which it has connections of the first necessity. . . . A great number of arts have need not only of iron, but of iron of different qualities, and adapted to the nature of each work. For some is needed an iron more or less soft, for others an iron more brittle; the most important manufactures employ steel, and steel varies still more in quality; that of Germany is suited for certain purposes, that of England, which is more valuable, for other purposes. Then there are certain kinds of iron which our kingdom does not yield, and which we are obliged to procure from the foreigner. With regard to steel, it is notorious that we make very little of it in France, that we are still at our

first experiments of making it, and that, however fortunate they may eventually turn out, perhaps a half-century may pass before we can make enough steel in France to supply, even in a moderate degree, the needs of our manufactures. We are now obliged to procure for our manufacturers' use instruments ready made from the foreigner, because we cannot in France make them of the necessary perfection, and because our manufacture would lose too much of its value and its price if it were made with imperfect instruments. Thus, to prohibit the import of foreign irons would be to cripple our own manufacture; it would be almost to ruin those in which steel is employed, and all those which have need of particular qualities of iron. To admit these irons, but only under excessive duties, would still bring our manufactures, in time, into an inevitable decay; it would be to sacrifice a large part of our national commerce to the self-interest, ill understood, of the ironmasters.

From narrow views of policy, to be obstinate in desiring everything we need to be of our own make, is just what the proprietors of Brie did, who believed themselves to be wisely economical in drinking the bad wine of their own growth, which really cost them much more, by their sacrifice of land suited for pasture, than the best Burgundy, which they could have bought from the sale of their cheese; they thus sacrificed a very large profit in order to maintain a very small one.

Our true policy consists in following the course of Nature and the course of commerce (not less necessary, not less irresistible than the course of Nature), and without pretending to direct the course. Because, in order to direct it without deranging it, and without injuring ourselves, it would be necessary for us to be able to follow all the changes in the needs, the interests, and the industry of mankind. It would be necessary to know these in such detail as it would be physically impossible to arrive at; in such a study the Government the most able, the most active, the most painstaking, would risk always to be wrong in half the cases. . . . Even if we had in all these particulars that mass of know-



ledge impossible to be gathered, the result would only be to let things go precisely as they would have gone of themselves, by the simple action of men's interests, influenced by the balance of a free competition.

But, if we ought not to drive away the foreign irons of which we have need, it does not follow that we should burden our own irons by taxes on their fabrication or on their transport. Quite the contrary, the fabrication and transport of French irons should be left perfectly free, in order that the contractors may work our mines and our forests to the best advantage, and may by their competition supply to our agriculture and to our arts, as cheaply as possible, the instruments they require.

I have felt it as a satisfaction to my own sense of duty to communicate to you all the reflections which have been suggested to me by a fear that you might yield to proposals which would injure the trade you desire to favour. . . .<sup>1</sup>

<sup>1</sup> *Œuvres de Turgot*, i. 376-88. In almost the same words the greatest French writer of our own century has given expression to the same truth: 'In the matter of commerce, encouragement does not mean *protection*. A nation's true policy is to relieve itself of paying tribute to other nations, but to do so without the humiliating assistance of custom-houses and prohibitory laws. Manufacturing industry depends solely on itself; competition is its life. Protect it, and it goes to sleep; it dies from monopoly as well as from the tariff. The nation that succeeds in making other nations its vassals will be the one which first proclaims commercial liberty. . . . France can attain this result much better than England.' (Balzac, *Médecin de Campagne* [published in 1835], Eng. tr. 1887, p. 63.)