

Civilization or Cave Man Economy?

By FRANK CHODOROV

I have been asked to talk about international trade. I shall begin by talking about civilization, that thing which, we are being told, is on the brink of destruction. For I believe that there is a definite relationship between the processes of civilization and the mode of exchange called international trade.

What is civilization? There have been many definitions of this concept, ranging from those that are purely material to those that are exclusively cultural. To define this word properly, let us examine how we use it. In a general way, we think of civilization as the customs, education, political methods, religion, technical knowledge, and so forth, prevailing at any given period of history, or on some part of the inhabited globe. Perhaps all of these characteristics can be grouped under the term "mores."

We speak of Greek civilization and have a concept of a certain development in arts or the philosophical contributions of the early Greeks. We speak of Egyptian civilization and conjure up an idea of pyramids and angular forms, magnificent courts and corresponding slavery. Japanese civilization of the eighteenth century connotes something different from Japanese civilization of the twentieth century.

Yet there must be something indigenous to all civilizations, and the only way we can isolate this common denominator is by a process of elimination, by imagining a complete absence of civilization.

Let us assume that our pre-civilization ancestor, the cave man, provided all of his satisfactions by his own efforts; that is, he caught the fish he ate, he hunted so that he could have meat and raiment for himself, he alone provided the cave dwelling which he shared with no one except his mate; and if he had any idea of entertainment, it was necessary for him to entertain himself. The very first impulse of man is to seek those satisfactions which enable him to live; and since our

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cave man shared none of his products with his fellow man, it was only by his own labor that he could live.

This cave man's satisfactions must have been quite simple. He could not have satisfactions which required a complexity of effort. In other words, he was a "Jack of all trades and master of none."

In due time it must have occurred to him that if he concentrated upon one of these trades, let us say fishing, while his neighboring cave man concentrated upon the making of such clothes as they both wore, both could be more proficient—each would produce more. But in order for such specialization to be possible, it was necessary for these two cave men to arrange for some method of exchange. In all probability, it occurred to these original men that they must trust one another. The fishing cave man who brought his excess fish to his tailoring neighbor must have agreed to give fish on the promise of the other that when the latter finished the desired loin cloth he would deliver it to the fisherman.

We see, then, that both markets and credit are necessary for specialization. We cannot possibly have division of productive labor unless the specializations can be exchanged; for if one man who makes shoes finds that there is no way to dispose of his shoes, he would starve to death unless he quit concentrating upon shoe making and went to work on food production.



Civilization at bottom is merely a mode of living together. The reason for men living together in a community is that each one, trying to satisfy his desires with the least effort, finds that in a community not only is there greater production through division of labor, but, even more important, the community is itself a market for the exchanges.

Gregariousness may have a psychological interpretation, but economically it is merely the expression of the individual's desire to find satisfactions. The more people there are in a community, the larger the market, the easier trade becomes, and, therefore, the greater is the number of specialized arts.

For instance, it is only in a large city that an operatic star finds a market for her services. So highly developed an entertainment machine as the Yankee baseball club could not be developed in, let us say, Broken Bow, Oklahoma. There could not be an automobile factory making a thousand machines a day unless there were one thousand buyers a day. We find that where specializations have been most highly developed, there are the greatest number of people, and, consequently, the most facile market.

I think we can fairly state, then, that civilization started when the art of trade was discovered. At first the specializations are necessarily confined to immediate necessities, such as food, raiment and shelter. But with his immediate desires satisfied, man seeks higher gratifications, and soon the system of the market enables some people to become priests, troubadours, travelling entertainers, healers.

Thus, the exchange of goods with which civilization starts develops into an exchange of services and ideas. Without a market the doctor could not develop and trade his skill for the necessities of life. Without a market, there would be no lawyers, no actors, no professors; we would all have to be as self-sustaining as the cave man.

Every increase in trade facilities aids in the spreading of cultural values; and, contrariwise, every interference with trade results in a corresponding retardation of cultural progress. In other words, the freer the trade, the greater the advance in civilization, and the more restrictions there are on trade, the surer will be the retrogression of civilization.

We have never had free trade, and I use that word not only in the sense of trade between peoples of various countries, but also of trade between peoples of the same country. We have never permitted the absolutely free exchange of productive specializations, free of political regulations, free of taxes, free of privilege. Therefore, we have never been completely civilized.

And since trade has never been absolutely free, production has never been free. For interference with the market is interference with production. When a market is restricted by government control, by government levies or by monopoly, the result on exchanges is the same. When I go to market with my bushel of onions and am waylaid on the road by a tax collector who takes from me a portion of my onions, and then by someone else who because of a legal privilege deprives me of more of my onions, I cannot expect to get as many potatoes from you in exchange for my depleted stock. You do not have compassion upon me and give me the same number of potatoes even though I give you less onions; I simply haven't the goods to pay for your potatoes and I go home with less than I started out with.

And since you have not sold me all your potatoes, you take your surplus stock home, and you don't grow so many next season; that is, you are out of a job. Interference with the market, by regulation or by privilege, therefore has the tendency to cut down production, or employment.

Any difficulties placed in the way of production have an effect on those cultural values which are the marks of advanced civilizations. For it must be remembered that it is not until material needs are satis-

fied that these cultural values make their appearance. When man is struggling merely to live he does not develop an appreciation for art. And as this struggle becomes more intense and more general, interest in thought diminishes in proportion. Thus we see that handicaps on production as well as on exchange retard the progress of civilization.

War is a complete denial of freedom of the market. In the first place, warriors do not produce. Their specialty is destruction. The goods they destroy are produced by workers who get nothing in exchange except a promise to pay, some time in the future. This repayment may be made to their children and children's children, by production in the future. For all debts are liquidated ultimately with goods or services. Now, then, if warriors destroy production without bringing to market something in exchange, it is obvious that the producers have less for themselves, and the processes of a free market are therefore denied. Whenever—by any technique—I am deprived of my production, my power to trade is to that extent limited.

Embargoes, blockades, quotas, inflation, sinking of ships, all of the methods of war, have for their purpose the interference with the exchange of goods for goods. They are avowedly a denial of trade, and trade is synonymous with civilization.

More important from the ultimate point of view of mankind than even the destructive activities of war, are the tendencies to isolate peoples completely from one another mentally and spiritually. The technique of modern warfare is complete isolation, before as well as during the war.

It is the business of the government which prepares you for war to teach you to hate. It is the business of the government which prepares you for war to teach you not to trade with certain peoples because they have bad "ideologies." It is the business of the government which prepares you for war to prevent information coming to you which might predispose you kindly toward the people whom you will be called upon to kill. It is the busi-

ness of war to break down that free exchange of goods, services, and ideas which is indigenous to all civilizations at all times.

You have no doubt observed that in dealing with the interrelated questions of trade and civilization, I have not distinguished between international trade and internal trade. There is none. What difference is there, essentially, in the exchange of goods between a New Yorker and a Vermonter and the exchange of goods between a New Yorker and a Canadian? Does a political frontier inherently make a man a bad customer? When Detroit sells an automobile to Minnesota, the debt is eventually liquidated by a shipment of flour; and if the automobile is sold to Brazil, the sale is completed with a shipment of coffee. Nationality, color, race, or religion are of no consideration in any of these exchanges. These characteristics become of importance only where the war technique has become an integral part of our political system.

Trade, internal or international, is the harbinger of good will among men, and peace on earth. The opposite of trade is isolation, and isolation is a mark of decadence, of a return to a cave man economy. If it is good for America to isolate itself from other countries, economically and culturally, it is good for New York to isolate itself from Connecticut, for Manhattan to isolate itself from the Bronx, for every man to isolate himself from his neighbor. Just as individuals specialize in occupations, so do nations, and usually the specializations are determined by superior natural resources or the development of special skills. It is no reflection on the United States that Australian wool has a longer staple than that grown on American sheep. But it is a reflection on American intelligence that she makes it difficult for us to get this better wool, just as it is a reflection on the intelligence of Australians that they impose on themselves difficulties in the getting of our superior automobiles.

Isolation and self-sufficiency are war techniques. Both ideas derive from the stupid concept of war as

the reason for and goal of national existence. Both, therefore, are tendencies toward de-civilization. And in the final analysis, the isolation and self-sufficiency idea is merely national cave man economy.

In closing I want to point out to you business men that it is your duty to emphasize the dignity and importance of trade in our national life. In the early days of the science of political economy it was taught that trade is a necessary evil—that it is not productive. This erroneous theory, first enunciated by the French Physiocrats and later de-

veloped by the Marxists to the point where they pontifically declared all exchange occupations to be parasitical, is not yet quite deleted from all of our books on economics; lately our political thinking has evidenced some traces of it.

One of the contributions to economic thought developed by the foremost American economist, Henry George, was that exchange is part of production—that the salesman and the banker have as much to do with production as the man at the machine. For, said George, the object of production is consumption,

and a thing is not produced until it reaches the consumer. Therefore, any specialist who aids in the distribution of things is a producer of things. As the number of our specializations increases a larger army of distributors is necessary. The market becomes more important, and the jobber, retailer, advertiser, and common carrier become greater and greater factors in our productive machiney.

And the size and freedom of the market are the measuring sticks of civilization.