

## The Preaching Must Never Stop

by Lawrence Moss

*Larry Moss was Professor of Economics, Babson College, Massachusetts, Editor of The American Journal of Economics and Sociology from 1996-2009, and an all-round great guy. This is the introductory section of a paper published in the book The Path to Justice: Following in the Footsteps of Henry George, published in 2001 by Blackwell.*

The Tinbergen Archives in Los Angeles, California are a monument comprised of books, lectures, and films — a monument that exists for the sole purpose of honoring the dead. Established to inform succeeding generations about this “century’s greatest crime,” the destruction of most of Europe’s Jewish community, it “preserves the history of the Holocaust and the blessed memory of the Six Million who lost their lives so cruelly and unjustly.” Mr. Cal Tinbergen, the Director of the Archives, has assembled media of all types to fortify “the fight against bigotry and hatred.” In this never-ending battle Tinbergen and others are driven to spread ideas about tolerance and understanding over bigotry and hatred, so that peace and respect for human dignity someday might prevail in the world.

I admire the clarity of Mr. Tinbergen’s vision about who he is and what he does. I imagine he is a man who gets up each morning and sets out on a business routine calculated to fight bigotry and hatred and keep the memory of the victims of the Nazi genocide alive. I, myself, get up each morning, but with less clear goals. My college hires me to teach students how economic theory helps to make the world intelligible, especially for business decision makers. Along the way, I must qualify extreme principles in various ways and then challenge my students with examinations and term paper reports about my lectures. Deep down, however, I want to preach tolerance as well, but economists are not supposed to preach at all.

Indeed, there is a long tradition in economic theory that promotes tolerance — based not on religious and moral duty, but on the value of capturing the gains from open trade and exchange. That tradition exalts the middleman or entrepreneur, who discovers new and more valued combinations of resources and legal rights and sees nation-states as administrative regions that can provide frameworks for interregional trade, without themselves becoming salespeople for the trading groups and firms in their regions. When I get this message across to my students, I do indeed teach them

something worthy of comparison with Mr. Tinbergen's crusade against bigotry and hatred.

I teach the gospel of free trade. As a member of a discipline that dates back more than 300 years, I manage to advance several steps beyond Mr. Tinbergen's call for mere tolerance of other peoples, races, and regional cultures. I use a variety of arguments to encourage government officials, politicians, business leaders, trade unionists, and even spiritual leaders to appreciate the importance of commercial exchange and to stop punishing people for engaging in trade and exchange. The Nazi round-up of the Jewish merchants and shop owners for supposedly profiting at the expense of the German people, the slaughter of the Armenian merchants during the first World War for their middleman activities, which had long aroused suspicion among Turks, and the current tensions in Indonesia directed against the Chinese business community accused of causing the Asian currency crisis — all are examples of merchant hatred.

As a student of the market process, I have kind words for the middleman trader who pioneers new trade routes and profits from integrating regions. As an economist, I take the work of the Tinbergen Institute one important step further: I address what happens to living standards in each respective region when trade and commerce are allowed to emerge and take shape in market settings. To an economist it is not enough that the inhabitants of Region A stop slaughtering those of Region B. For people to live dignified lives, they must have comforts. They must have materials to fuel their creative labors so that new shapes can emerge, and they must connect with each other for mutual interest and gain. Because free trade and exchange are so obviously advantageous, officials should tolerate economic activity and not tax, prohibit, or crush the improvements it makes possible.

Economic science admits that from the efficiency point of view there are exceptions to the general rule that free trade is a universal good. The best reasoning in economics uses sets of assumptions to demonstrate that “wisely chosen but always moderate” interventions can result in surprising net gains. Indeed, the study of the exceptions to free trade — the mainstay of the modern trade theory course at a university — sometimes swamps an entire semester's work in trade theory.... Exceptions to any rule should not pile up until they bury the general rule completely. Free trade is a distinctively human practice. A person's right to trade with others is an important, if not sacred, human right. Governments and others have a correlative duty not to interfere, except to prevent the most egregious forms of behavior. This important point — a point about deontology or moral duty and not merely about efficient exchange — has to be reemphasized in every generation: the preaching for free trade must never stop.

