

Editorial

Free trade is anti-American

Nowadays, most people think “free trade” is as American as apple pie. We are taught that for a nation to protect its industry with tariffs is an “unfair” restriction of commerce—and Americans know that if you do something unfair, the umpire will be justified in throwing you out of the ball game. We are taught that free trade strengthens the economy by encouraging the survival of the fittest: If manufacturers in one country produce better, more cheaply than their competitors, the consumer will reap the benefits. Those who reject these apparent truisms are viewed suspiciously as “anti-American,” or even “communist.”

What a shock it is, then, to discover that 170 years ago, the British free-trade school of Adam Smith was scientifically torn to shreds by German-American economist Friedrich List, who proved its fraudulent nature beyond a shadow of a doubt, and established in its stead the American System of political economy. That system was adopted by President Lincoln, making America the greatest industrial power in the world.

We therefore draft Mr. List into service as co-author of this editorial, to expose the British System which he combatted, and which we combat today.*

List announces his aim as, not just to protect the manufacturers of Pennsylvania, but “to lay the axe to the root of the tree, by declaring the system of Adam Smith and Co. to be erroneous—by declaring war against it on the part of the American System.”

Addressing the ignorance of most Americans on the subject of political economy, List writes:

“I remember an anecdote of a physician, who, finding his patient consulting a medical work about his disease, admonished him to take care not to die of an error in print. So, sir, I would admonish the people of these United States who rely on the celebrated system of Smith, to take care not to die of a *beau ideal*. Indeed, sir, it would sound almost like sarcasm, if in after ages, an historian should commemorate the decline of this country in the following terms:

*Quotations are from List’s 1827 letters to Philadelphia’s Charles J. Ingersoll, published in *Friedrich List: Outlines of American Political Economy*, available from Ben Franklin Booksellers, 1-800-453-4108.

“ ‘They were a great people, they were in every respect in the way to become the first people on earth; but they became weak and died, trusting in the infallibility—not of a Pope nor of a King—but of two books imported into the country, one written by a Scotchman [Smith], the other by a Frenchman [Jean Baptiste Say]—books, the general failure of which was shortly afterwards acknowledged by every individual.’ ”

The fraudulent nature of Smith’s system, writes List, begins with the very title of his book: *Wealth of Nations*. In fact, the book disregards nations altogether; it deals with the economy from the standpoint of the individual entrepreneur, and of the human race as it would be if it were *not* separated into nations. If the whole world were one nation, free trade would be fine. An Englishman would as readily emigrate to Hungary as a New Jerseyman today emigrates to Missouri. No nation would have reason to fear from any other. Such a state of affairs might be desirable, says List, “but, sir, it is not the state of the actual world.”

In the real world, as List shows, free trade is a weapon used by the British oligarchy against its political opponents. The essence of the British system is to dominate others, “even at the expense of the lives of the citizens, to keep the world and especially her colonies in a state of infancy and vassalage”; the American national economy, on the other hand, aspires only to become *independent*.

The contest between these systems, List writes, may not be decided for several centuries. In the end, history will censure those who ruin their own nations by adopting English free trade, just as “it laughs at Esau for having sold his primogenitive birthright for a mess of pottage rather than to rely on his own power for procuring the means of existence.”

Today, that contest is truly being decided, as many articles in this issue of *EIR* show. The British financier oligarchy has brought the world to the brink of the greatest financial collapse in history. The American System, under the guidance of economist Lyndon LaRouche, is ready to replace it, if the world’s political leaders will only act in time.