

## 4. Reform of international trade

### Pax Economica

The first version of his prescient *Pax Economica* appeared in late April 1913. Thereafter, in Germany, the USA, and in England he published pamphlets, before publishing his work of synthesis, *Pax Economica*, in 1920.

To abolish war and establish peace, it is necessary to trace and address the root causes of antagonisms. Thus for Henri Lambert these are the economic circumstances which dominate national and international relations. It is therefore necessary to increase awareness and understanding of the great economic truths, both at the level of peoples and of their leaders who are so often ignorant of the operation and effects of economic mechanisms. It is this mission that he undertook in the spring of 1913, a mission to which he held ceaselessly constant throughout the course of his struggle.



*"There is undoubtedly a general and synthetic natural law," he declared, "governing the universe in all its universality, and to which all phenomena must answer, in expression of the final cause. It can only be a law of progress linking matter, by means of energetic properties that are attached to it, to a work of transformation and ascension, slow but relentless to be sure, towards the True, the Beautiful, and the Good. There is no one who can claim the whole universal design as aimless, as possibly "without purpose." There is no one who is able to conceive all things and phenomena for any other purpose, any other reason, than our improvement, development and indefinite progress towards the True, the Beautiful, the Good – and Happiness. The entire universe, as each of its parts, is subject to and must correspond to this final cause.*

*The general law of progress dominates the destinies of mankind. There can be no harmonious social life, no harmonious relations between societies, outside the conditions allowing this Law of laws to accomplish its effects: any attempt at obstruction will be a rebellion, a crime against Nature herself, and will become, sooner or later, subject to a rectifying penalty, automatically applied, and manifested in the form of what we would call a "punishment". He continued, stating that "the most characteristic natural phenomena, and the most essential and fundamental condition for human progress, are the division of labour with the exchange of the products of labour. Suppression of the division of labour and of exchange would mark the return of man to the most primitive state. Any impediment to the development among members of a community becomes fatally reflected by the stopping or slowing of improvements in the economic and moral condition of the individual and of the society in which he finds himself. Similarly, barriers to the fulfilment of this natural phenomenon among individuals belonging to different human communities have resulted in the slowing or halting of their economic, social and moral progress. Their regression to a state of barbarism is, therefore, to be feared. War appears as one of the penalties or punishments that will end by striking down nations, when, by creating barriers between them to the development of the division of labour and exchange, they fail in their mutual mission of accomplishing the economic, social and moral progress, indefinite, parallel and adequate, which nature assigns to humanity."*

Once again, the act of exchange and division of labour were put at the heart of the problem, as they were to be central to his *New Social Contract* and to his finalist philosophy. For Henri Lambert the division of labour and international free trade are essential: *"for the full implementation" of the destinies of humanity calling for an irresistible progress to take place in social and international peace, whether because of ideas or because of the violence of wars and uprisings.*" Thus, he was convinced that *"in the conditions of modern warfare, there cannot be a powerful nation in terms of arms that is not, at the same time, a major economic power. Inevitably, such a nation will, or will eventually, become a free trader. Due to its needs and its power of expansion and penetration, it cannot develop otherwise. The strength of its arms, will sooner or later, place it in the service of free trade. It will require free entry amongst others, and being economically strong, and at the same time will not hesitate to grant it at home. This nation will not be long, indeed, in realising that the indefinite enrichment of a country is only possible through the enrichment of other countries, that are its customers or suppliers: free trade will find itself introduced through arms, and progress will be established by war. But at what cost in terms of humiliation and suffering for the vanquished!"*

For him, therefore, the enemy is protectionism, an economic and social system that is "regressive, violent, and almost barbaric", but that will be defeated by ideas or by force.

This is the dilemma that faced Europe in 1913.

Faced with this imminent threat, pacifists, according to Henri Lambert, seem *"not to take sufficient account of this truth of paramount importance. Also, there is reason to fear that their noble efforts are ineffective, or at least very insufficiently operative. Preaching the spirit of reconciliation, harmony, political honesty of states, international justice, arbitration, and disarmament, pacifists do not address the cause. They seem not to see that the warlike spirit, international nationalist inequities, arms and even the alleged "hostility of races", at least between the major European states, are caused by the hostility of those interests generally entertained by protectionism. Similarly, the efforts of the organised proletarian pacifists might more usefully be ranged against protectionism than in furtherance of internationalist and anti-militarist propaganda.*

*In fact, no military disarmament is possible or even desirable, without economic disarmament. Furthermore, no conception is more internationalist than free trade, which is, necessarily, the fundamental institution of all realistic internationalism. In many respects, rightfully considered by the proletariat, the abolition of customs borders soon amounts to the removal of political boundaries, making the latter pointless. Workers do not appear to suspect, moreover, that protectionism represents inequities and damage inflicted upon labour on the part of capital.*

His strong belief in free trade led him, as is often the case with those who are certain they have found the key to a problem, to reduce events to a single cause.

If free trade is the fundamental solution to the problems of humanity, protectionism is one of the main causes of *"socialism, erroneous doctrine, certainly, and regression of the means of social reform which it advocates, but a justified and necessary protest against the errors and abuses of capital, which are not only the result of protectionism.*

*Protectionism and militarism, pauperism and socialism, the monstrous children of error and of the spirit of rapine or violence, mating in turn, re-engendering, increasing, enchaining and dragging European humanity towards the abyss."*

To conclude, his striking aphorism: "*protectionism is the socialism of the rich; socialism is the protectionism of the poor.*"