

International Trade in *News from Nowhere*¹

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The nineteenth-century was a time of tremendous growth in international trade. By the second half of the century world trade was growing at an annual rate of 4.5 per cent. Yet the leadership of the United Kingdom in this sphere of economic activity was not seriously challenged. Its share of international trade averaged 25 per cent, more than twice the share of its nearest competitor, France.² Inevitably, there was a great increase in theoretical thought about both international trade and the capitalism that engendered it, David Ricardo's theory of comparative advantage in 1817 being probably the high-water mark of such analysis. It should thus not be surprising that William Morris's utopian novel *News from Nowhere* (1890) contains both an accurate description of nineteenth-century international trade and a consideration of its legitimacy in Nowhere.

Morris's view of international trade in the nineteenth-century was both stringent and consistent with his general views. For he was opposed to imperialism, another concomitant of capitalism, which thrived on international trade.³ Yet his aversion to the latter in the socialist Nowhere is perhaps surprising, given his strong commitment to international socialism, since, unless there is a compelling reason otherwise, international socialism would seem to call for international trade. But such a compelling reason, as this paper will show, can be found in Morris. Briefly, he refuses to admit international trade into his utopia because he rejects the specialization and division of labour that motivates international trade.⁴

Morris's commitment to international socialism preceded the writing of *Nowhere*. In fact, as Fiona MacCarthy notes 'it is striking how early on Morris perceived that "Socialism in one country" contained a fatal flaw'.⁵ Five years before *Nowhere*, for example, when he drafted the 'Manifesto of the Socialist League' he began 'FELLOW CITIZENS, - We come before you as a body advocating the principles of Revolutionary International Socialism; that is, we seek a change in the basis of Society - a change which would destroy the distinctions of classes and nationalities'.⁶ Later, in a speech given in June 1889 to the International Socialist Working Men's Congress in Paris, Morris says of his English Socialist League 'we are thoroughly International in spirit...'.⁷ June 1889 is also the month that his review of Edward Bellamy's *Looking Backward* was published in the *Commonweal*. Clearly, since *Nowhere* constitutes Morris's response to Bellamy's vision of socialism, Morris was an advocate of international socialism when he wrote *Nowhere*.

At first glance, the notion that Morris would include international trade in his socialist vision might gain credence from the fact that both Thomas More and Edward Bellamy include international trade in their ideal societies. In *Utopia*, for example, while the utopians give away a seventh of their surplus production, the six-sevenths they sell is exchanged for iron, 'about the only important thing they lack', and gold and silver.⁸ The gold is needed in times of 'extreme peril or sudden emergency ... to

hire, at extravagant rates of pay, foreign mercenaries, whom they would much rather risk in battle than their own citizens'.⁹ More's primary reason for international trade, to acquire specie with which to pay the expenses of war, requires that gold has international monetary significance even while it has no such domestic significance.¹⁰ Yet, the motives for international trade in *Utopia* would probably not have appealed to Morris. He was hardly mercantilist, and there could not be a clearer statement of the mercantilist theory of international trade than More's.¹¹

The view of international trade in Bellamy's *Looking Backward* would scarcely have appealed to Morris either. Bellamy favours international trade because it increases the commodities available to citizens and the 'bureau of foreign exchange' insures that the benefits of trade are distributed equally to all citizens rather than to one class.¹² Since both Bellamy and Morris have moneyless economies, it might be worth noting that Bellamy suggests that foreign commerce is possible without money. He invents a rather ingenious system where exports finance imports, and any deficits in the balance of payments are made up by the exchange of staples such as wheat or corn.

Although neither More's nor Bellamy's views would have inclined Morris toward international trade, the essential question of why international socialism does not entail international trade remains. The answer lies in Morris's views of specialization and division of labour and their relation to international trade. This relationship, first treated by Adam Smith in his *Wealth of Nations* (1776), and later by David Ricardo's *Principles of Political Economy* (1817), must now be elaborated.

Ricardo's 'theory of comparative advantage' argues that nations specialize in, and export, those goods for which they have a relative, or opportunity, cost advantage.¹³ He takes for granted that the principles of specialization and division of labour are optimally applied in all domestic industry. Specifically, he assumes the division of tasks between workers, and the specialization of workers at particular tasks – 'efficient' production. He then extends the concept of specialization to *products*, and argues that when countries specialize in the production of products, and trade them internationally, the amount available to be consumed increases. For if the world consisted of only two countries, England and Portugal, and only two goods were produced, cloth and wine, the country, according to Ricardo, which has the comparative advantage in the production of wine (Portugal) should specialize in wine and the country which has the comparative advantage in cloth should specialize in cloth (England). Portugal must then import its cloth (and pay for it by exporting wine) and England must import its wine (and pay by exporting cloth). Each country would thus end up with more cloth and more wine than if it had chosen to abstain from trade altogether.

This simple example can be generalized to include many goods and many countries, but the conclusion is the same. Countries that specialize and trade must benefit because aggregate consumption is increased.¹⁴ Under trade, each country specializes in the production of a set of goods that it exports, and ceases production of another set of goods that it imports. Cloth, for example, is produced only in one country, for example, England, and everyone in the trading world wears only cloth made in England. International trade thus takes the specialization always inherent in capitalism to an extreme.

That Ricardo's description of international trade essentially describes the world of

the nineteenth-century is generally accepted today. The Nobel prize winning economic historian Douglass North has said this of the period:

The growth of specialization and division of labour was both occupational and territorial. As the new technology lowered transportation and information costs, it led to regional, national, and world-wide specialization which produced markets sensitive to world-wide supply and demand conditions, transmitted changes in economic conditions throughout the world, and encouraged opportunism on an international scale... Political instability as well as economic interdependence was the price of specialization.¹⁵

The treatment of nineteenth-century international trade in *Nowhere* and in North affords striking parallels. For example, those markets North cites as 'sensitive to world-wide supply and demand conditions' are similar to Morris's *raisonneur*, Hammond's, 'elaborate system of buying and selling, which has been called the World-Market'.¹⁶ When Hammond says that the revolution that created Nowhere was partly caused by the 'breakdown of the whole system founded on the World-Market', he anticipates North's 'political instability' caused by specialization (Ch. XVII, p. 147). Furthermore, North's reference to a system that 'encouraged opportunism on an international scale', echoes one of Hammond's most trenchant indictments of such opportunism. 'When the civilized World-Market coveted a country not yet in its clutches ... some bold, unprincipled, ignorant adventurer was found (no difficult task in the days of competition), and he was bribed to "create a market" by breaking up whatever traditional society there might be in the doomed country, and by destroying whatever leisure or pleasure he found there' (Ch. XV, p. 125).¹⁷

North and Morris both give an accurate description of the facts of international trade. But the two are hardly of one mind about its desirability, or indeed its morality. North (as well as Ricardo for that matter) sanguinely accepts specialization for the productivity it achieved. International specialization increases gross domestic product; it makes possible the consumption of more goods than would otherwise be available. Morris would not disagree that specialization increases total output. He would, however, vehemently reject the notion that more is better. As Hammond says of Nowhere 'we have now found out what we want, so we make no more than we want; and as we are not driven to make a vast quantity of useless things, we have time and resources enough to consider our pleasure in making them' (Ch. XV, p. 127). Morris is no ascetic, but his belief that sometimes less is better is so strong that Hammond, referring to the manufacture of goods that might in themselves be useful, says that 'when we have found out that some piece of work was too disagreeable or troublesome, we have given it up and done altogether without the thing produced by it' (Ch. XV, p. 127).

Morris's antipathy to specialization and division of labour, which has been fully explored by Christopher Shaw, is well known: there is virtually no international trade in *Nowhere* because Morris destroys the foundations of international trade.¹⁸ Preferring less to more in the service of the pleasurable work, he makes nonspecialization and the lack of division of labour a positive good. Describing the London of *Nowhere*, Hammond says, 'when you get down to the Thames side you come on the Docks, which are works of the nineteenth-century, and are still in use, although not so thronged as they once were, since we discourage centralization all

we can, and we long ago dropped the pretension to be the market of the world' (Ch. X, p. 101). To discourage centralization is to discourage specialization and hence international trade.

But foreign travel is not discouraged in *Nowhere*,¹⁹ and Hammond challenges the protagonist William Guest to 'cross the water and see. You will find plenty of variety: the landscape, the building, the diet, the amusements, all various. The men and women varying in looks as well as in habits of thought: the costume far more various than in the commercial period' (Ch. XIV, p. 117). Clearly, the inhabitants of all countries of the world are not wearing the same clothing, produced by a single producer and obtained by international trade. The citizens of every place in the world of *Nowhere* 'can be serviceable and pleasant to each other, without in the least wanting to rob each other; we are all bent on the same enterprise, making the most of our lives' (Ch. XIV, p. 117). Their end is to make the most of life, not to make the most GDP.

In brief, to reject, as Morris does, international specialization is essentially to reject international trade. He rejects specialization and division of labour for several reasons, but chief among them is his rejection of the idea that more is better.²⁰ His acceptance of *less* when necessary, as has been noted by H. Smith, establishes the consistency of Morris's socialism in *Nowhere*. Smith observes correctly in *The Economic Journal*, that to eschew specialization and division of labour and their results is 'possible only in a society which was extremely simple in its tastes, extremely conservative in its habits'.²¹ According to Smith, because of his obvious grasp of this principle, 'probably William Morris had a clearer idea of the basic economics of socialism than any of the economists who have written on the subject, because he started free from those preconceived and inappropriate concepts which it is the aims of teachers of the economics of free-enterprise to inculcate'.²² In any event, Morris's preference for international socialism without international trade implies no contradiction.

NOTES

¹ This research was supported in part by the National Endowment for the Humanities. The author wishes to thank Gary Saul Morson and Michael Williams for their help in this project.

² W. W. Rostow, *The World Economy. History and Prospect*, (Austin Texas: University of Texas Press 1978), pp. 70–71.

³ For details of Morris's views on imperialism see Peter Faulkner's 'A Note on Morris and Imperialism', *The Journal of the William Morris Society*, IX, 2, 1991, pp. 22–27.

⁴ If 'international socialism' implies the abolition of nation states, then in some technical sense *international trade* would no longer be possible. In that case the phenomenon under study in this paper would perhaps more properly be called *interregional trade*. To simplify the language of the paper, and because the analysis is unaffected, I will use the term 'international trade' to denote trade between nations if nations exist, or trade between different regions of the world if nations are abolished.

⁵ Fiona MacCarthy, *William Morris: A Life for Our Time*, (New York: Alfred A. Knopf 1995), p. 505.

⁶ This document is reproduced in E. P. Thompson's *William Morris: Romantic to Revolutionary*, (New York: Random House 1977), p. 732.

- ⁷ Quoted in *William Morris: A Life for Our Time*, op. cit., p. 580.
- ⁸ Thomas More, *Utopia*, eds. George L. Logan and Robert M. Adams, (Cambridge: Cambridge University Press 1989), p. 61.
- ⁹ *ibid.*, p. 62.
- ¹⁰ Thus it is not true as is sometimes said that in both More and Morris ‘precious metals [are] freed from all monetary significance’. Paul Meier, *William Morris: The Marxist Dreamer*, trans. Frank Gubb, (New Jersey: Humanities Press 1978), I, p. 61. It might also be noted that More’s reason for using gold for chamber pots in *Utopia* is precisely because gold does have international monetary significance.
- ¹¹ In mercantilist thought, a country benefits from international trade in two different ways. First, a country might usefully import some good or resource that it lacks. Second, in mercantilism, a country benefits from international trade if it exports more than it imports so that it achieves a surplus in its balance of payments. In that case gold (or the international currency) will flow into the surplus country, from which it can meet the expenses of government, particularly, the expenses of war.
- ¹² Edward Bellamy, *Looking Backward 2000–1887*, ed. John L. Thomas, (Cambridge MA: Harvard University Press 1967), p. 185.
- ¹³ Briefly, the ‘opportunity’ cost of a decision is the value of the best alternative. If a person chooses to go to college instead of taking a job, the opportunity cost of that decision is the earnings foregone on the job not taken. If a country chooses to produce a particular product, the opportunity cost of that production is the value of whatever good is not produced.
- ¹⁴ That aggregate consumption has increased implies, in the context, that gross domestic product (GDP) has increased.
- ¹⁵ Douglass C. North, *Structure and Change in Economic History*, (New York: Norton 1981), p. 179.
- ¹⁶ William Morris, *News from Nowhere and Other Writings*, ed. Clive Wilmer, (New York: Penguin 1993), p. 123. Subsequent references are given in brackets in the text.
- ¹⁷ Notice a point made by Faulkner and others, that Morris sees all such trade as little other than imperialism. Many other passages could be used to support this same point, for example ‘the appetite of the World-Market grew with what it fed on: the countries within the ring of “civilization” (that is, organized misery) were glutted with the abortions of the market, and force and fraud were used unsparingly to “open up” countries *outside* that pale’ (Ch. XV, p. 125).
- ¹⁸ Christopher Shaw, ‘William Morris and the Division of Labour’, *The Journal of the William Morris Society*, IX, 3, 1991, pp. 19–30. Particularly, Shaw relates Morris’s views to Smith’s, but not Ricardo’s, and international trade is not touched upon.
- ¹⁹ Further, there is a suggestion that immigration might be acceptable as well (Ch. XV, p. 128).
- ²⁰ It need hardly be said that Morris rejects this premise also because of his views on the nature of work.
- ²¹ H. Smith, ‘The Economics of Socialism Reconsidered’, *The Economic Journal*, LXV, 1955, p. 420.
- ²² *ibid.*, p. 420.