

The Light from Paris

French Excellence in economics

However limited the influence of French economists have been upon contemporary economical debates, the history of the birth and rise of the economic thought has been shaped by the breakthrough contributions of Frenchmen. From Boisguilbert to Bastiat, or from Turgot to Walras: very few are the countries which can offer to the world a similar sum of revered thinkers.

Our insistence on the French School of Economics does not derive from a nationalist fervor, and is not the fruit of an unreasonable zeal. Before David Ricardo's England came to lead and impulse the movement of the economic science, France was the historical cradle of this new field of knowledge and its more nutritive foster mother. It was a Frenchman who first wrote a book about money; a Frenchman who first published a *Treatise on Political Economy*; a Frenchman who first gave to this new science its definition, scope, and methodology; a Frenchman who first employed mathematics to solve its theoretical problems; and lastly, a Frenchman who allowed the transformation of political economy into modern economics.

The ambition of the Institut Coppet, and of its new review, is to present this impressive flow of intellectuals devoted to the noble cause of science, notably the Boisguilbert, Quesnay, Turgot, Say, Bastiat, *etc.*, these scholars once revered and now sadly ignored, who enriched our nation and greatly contributed to its prestige.

The majority of the economists we will deal with have been and can be conveniently grouped under the term French School of Economics. Nonetheless, they were much more than just the promoters of a single catechism. Even during the most ideological hours of political economy, the tremendous dynamics emanating from French thinkers transformed their science into an ever shifting whole, always under pressure from skeptics and contradictors. In the nineteenth century, when, across the English Channel, the economic science had been frozen into the ricardian dogma, the French political economists, honoring the theoretical depth of their predecessors, continued on the road of scientific progress.

The outlines of the history which is the topic of this review are contained in the main reference books on the history of economic thought, and we certainly do not aim to offer a umpteenth presentation. The ambition is broader, and the project is more exhilarating. Our articles will present their ideas, their works, and the principles on which we can model our proposals. Even biographical references will be used, given that the information about the life of great thinkers are often useful for the history of science, and that, as Pellegrino Rossi once said, “there are personal facts which happen to influence the scientific development of the individual and the creations of its genius.”¹

In all periods of history, France has provided the economic science with numerous thinkers having quite unusual intellectual fervor; individuals who have rendered distinguished service in their field. This very fact, which went unnoticed in our own country, was nonetheless reported by foreign economists. A theorist as famous as William Stanley Jevons, for instance, had no problem writing that “The truth is with the French school, and the sooner we recognize the fact, the better it will be for all the world”² This sentence is all the more remarkable in a time of growing nationalism, in which Jevons’ England was still considered the Queen of the economists, and was shining in their eyes like the Pole Star.

The great French tradition emerged with the Scholastics writings of the Middle Ages. The forgotten names of philosophers such as Pierre Abélard remain among the brightest intellectual inspirations, who lead economic reflection toward rigorous scientificity. More significantly, at least in the view of this article, is the case of the first theorists of money: Jean Buridan, woefully overlooked, and Nicolas Oresme, author of a book rich in teachings, as will be discussed in a later article.

The great effort toward scientificity consisted in the transformation of the part of moral philosophy or political philosophy which once was economics, into an autonomous and rigorous discipline. It nowhere received a greater intellectual impetus than in our country. It is indeed in France that appeared the first treatise “strictly about economic matters” (Oresme’s *De Moneta*, according to Joseph Schumpeter³), and the first *Treatise on Political Economy* in history, in 1615, written by a certain Antoine de Montchrestien.

The subsequent centuries only confirmed this superiority. A giant leap forward was made in 1695 with the publication of the *Détail de la France*, by Pierre de Boisguilbert, who was defined as “the origin of free-market economics”⁴, and of the *Dîme Royale*, skillful proposal of tax reform by Vauban (1707).

¹ Pellegrino ROSSI, *Journal des économistes*, 1842, t. II, p.222

² William Stanley JEVONS, *The Theory of Political Economy* (1871), 2nd edition, 1879, pp.27-28

³ Joseph A. SCHUMPETER, *Histoire de l’analyse économique*, t. I, Gallimard, 2004, p.151

⁴ Gilbert Faccarello, [Aux Origines de l’économie politique libérale : Pierre de Boisguilbert](#) *, Paris, Anthropos, 1986

Nonetheless, only few people were willing to accept such revolutionary ideas. The Royal power was not prepared either: the *Dîme royale* was prohibited by censorship, and Boisguilbert could only promote his ideas by hiding himself, and by publishing anonymously. The substantive work of the Enlightenment philosophers, Voltaire, Diderot, Montesquieu, and many more, helped shaped public opinion, and offered a help of tremendous importance. Only then could the French economists of the eighteenth century, the prescientific elite of our science, plant the intellectual seeds which gave, few decades later, in France and in Scotland, so bountiful harvests.

It was with the Physiocrats that begun, strictly speaking, the era of scientific economics. They did not appear without having been announced, and if they have seen farther than others, it is only because, as we say eloquently, they were standing on the shoulder of giants. Their predecessors had indeed guided them skillfully and successfully, and it was the works of Jean-François Melon (*Essai politique sur le commerce*, 1734), of Nicolas Dutot (*Réflexions politiques sur les finances et le commerce*, 1735), and the thoughts of the marquis d'Argenson (*Considérations sur le gouvernement de la France*, written in 1734), which rendered possible the later revolution of Quesnay, the Physiocrats, and Turgot.

Professional and academic economists did not even exist, either in France or in Italy; even in England, the major contributions came from philosophers, such as William Petty or David Hume. François Quesnay was no more an economist. After a certified surgeon's experience, he was appointed royal physician, and only then started to study political economy. But then, with ease and skill, he systematized a far-reaching economic knowledge, and, after having conceived the optimal analysis tools for the economist's tasks, he used his bright intuitions to shed light on his century. He was followed by a horde of disciples, and even by some kings of Europe.

With the emergence of the Physiocratic school the prehistory of economic science drew to a close. They provided a thoughtful perspective on basics economics: value, prices, money, market phenomena, and many more, with a wisdom and sensitivity that we often believe to be only present in Smith and his successors. Not content simply to offer scientific principles to political economy, the Physiocrats invested a great deal of effort for their popularization. It was thanks to them, indeed, that appeared the first reviews and journals of economics. It started with the *Gazette du Commerce* (1764), continued with the *Journal de l'Agriculture, du Commerce et des Finances* (1765), and, in the end, appeared the celebrated *Éphémérides du citoyen* (1765). Directed by Dupont de Nemours, these publications had a decisive impact on the dissemination of free-market ideas in the general public. In the *Éphémérides*, one even proposed the creation of a Chair in political economy, in Paris. This would have been the first to even appear in the whole world, but this idea was not implemented.

Enfant terrible of a Physiocratic movement about which he showed respect but from which he moved away intelligently, Anne Robert Jacques Turgot offered to the entire Europe the glorious heritage of French political economy. With his *Réflexions sur la formation et la distribution des richesses* (1766), he set very high the bar of scientific economics, a bar which Adam Smith, our Scottish athlete, only crossed by a narrow margin.

As a matter of fact, it was in France that Adam Smith became an economist. The Glaswegian professor of moral philosophy encountered in Paris one of the richest flourishing intellectual, creative and artistic breeding ground in the history of Europe. He met with Voltaire, Diderot, d'Holbach, Condorcet, Turgot, and with the Physiocrats, such as Dupont de Nemours, Baudeau, and Mercier de la Rivière. He found intellectual motivation, and after many years of a slow writing effort, he published his *Inquiries upon the nature and causes of the Wealth of Nations* (1776). The many problems he addressed in this book had already been studied by French economists, but from their scattered efforts he gave an original synthesis. It was an overwhelming success.

However, one may find things to criticize in Adam Smith's classic. His theory of value, painstakingly built up, was based upon unstable pillars, and after its retrieval by Marx, it was swept away by "marginalists". His macroeconomical view of production, in the same way, entirely framed in terms of inflexible social classes, was unable to foresee the fundamental function of the entrepreneur. David Ricardo, Thomas Malthus, Nassau Senior, John Ramsay McCulloch: the entire ricardian school adopted these positions, and suffer from their illfated consequences.

Our nation, nevertheless, attached for a long time to a strictly individualistic and subjective study of economic phenomena, retained a clear overview of these issues, and obtained the recognition from marginalist economists such as W.S. Jevons or Carl Menger. In their time, however, they were harshly criticized. Destutt de Tracy, influent economist, friend of Jefferson, but now quite forgotten, suffered from international criticism. After the publication of his major work ([*Traité d'économie politique*](#), 1803), Jean-Baptiste Say was also under attack. His book was immediately translated into English, Italian, German, and spread over all Europe. Among members of the English school, Malthus was responsible for the response; Say's *Lettres à Malthus* (1820) bear witness to the depth of the divergences. In 1819, other occasion for confrontation: David Ricardo's *Principles of political economy* have been translated and are published in French, two years only after the release of the original edition. The French editor assigned to Say, now professor of political economy at the prestigious Athénée de Paris, the task of adding "explanatory and critical notes". Extended, and thinly argued, these notes happened to refute some of Ricardo's core principles. Say wrote about subjectivism, entrepreneurship, and business cycles, and offered insightful alternatives. The two irreconcilable sides ultimately got apathetic. But while English economists continued to recite Ricardo's

catechism, across the Channel, French economists maintained awake their spirit of discovery, and started studying business cycles, or money production, with astonishing *finesse*. Clément Juglar, Augustin Cournot, Jean-Gustave Courcelle-Seneuil: numerous are these “revolutionary” contributors.

In the mean time, the precious French legacy was valorized, and vigorously popularized. On the disciplinary side, it was due to the *Journal des Économistes*, founded in 1841. Simultaneously, economic principles were transformed into humorous educational stories and pamphlets, by Frederic Bastiat, and even into poetry, as in the now forgotten Barandeguy-Dupont (*La bourse, ou Les chercheurs d'or au dix-neuvième siècle*, 1856). In the last century, they already had been illustrated with popular novels, like *Chinké: Histoires cochinchinoises*, by Gabriel-François Coyer (see article in this review).

It is worth noting that it was in France, also, that grew the roots of the socialist contestation, illustrating the diversity of the economic thought in our country. The eighteenth century had already seen Malby, Forbonnais, and Necker; the nineteenth century brought about Sismondi, Louis Blanc, Considérant, Pecqueur, Lerous, Fourier, Cabet, Proudhon: they became the main opposition to free-market economists, and influenced Marxism. Like Smith one hundred years before him, Karl Marx has lived in Paris for some time. It was in France that he discovered political economy, and that he wrote his *Economic and Philosophic Manuscripts* of 1844, his refutation of Proudhon (*The Poverty of Philosophy*, 1847, answering Proudhon's *The Philosophy of Poverty*), as well as the famous *Communist Manifesto* (1848).

Socialism grew up in France, and it was also in our nation that he received the sharpest and most brutal refutation. Frederic Bastiat, in particular, combated vigorously. On the aftermath of the French revolution of 1848, which gave to the different socialist schools some real prominence, Michel Chevalier, then professor of political economy at the Collège de France, set himself the task of refuting socialist thought once and for all. His brochure, *L'Économie politique et le Socialisme*, was released in 1849. His rigorous and somehow prophetic criticism of socialism remained for a long time a model of its kind. His argument remains nevertheless silenced since his influence did not reach further than the college de France.

Beyond these ideological struggles, the theoretical depth of French economic thought remained remarkable, and numerous innovative analysis tools emerged. This was for example the case for the mathematical method, which later acquired greater importance. It was a Frenchman, Augustin Cournot, who first initiated this revolutionary move, with his famous *Recherches sur les principes mathématiques de la théorie des richesses*, published in 1838. His steps were followed by Léon Walras. After Cournot, Walras continued the mathematization of the economic science. Independently from Carl Menger and W.S. Jevons, he also developed the

marginalist theory of value. Founder of the École de Lausanne, he was, according to Joseph Schumpeter, the greatest of all economists, since he was tackling the problem of showing the law of economic evolution and change.

At the turn of the century, France continued to provide an extremely rich ground for political economy. From one side to the other, the economic thought still rested upon the shoulders of some of our fellowmen. As an example, the first to theorize the “impoverishment theory” — basically saying the poor get poorer and poorer — was French, and it was also from a French economist, the great Paul Leroy-Beaulieu, that this disastrous theory finally received a clear refutation: in 1881, he published a 900-page-long book untitled *Essay on the distribution of wealth, and on the tendency of a lower inequality of conditions*.

Starting in the early 1880s, the light coming from Paris appeared to be severely fading, and around 1920, it seemed entirely extinguished. The inquiry of explanatory causes would require another article almost as large as this one. Suffice it to point out some of them. First of all, the success of the socialist side, and the rejection of non-Marxist economics as “bourgeoise”, partisan, and thus unscientific. It was then the development of nationalist fever and the worship of government, which later led to the lunacy of fascisms, and the disappearance of both classical liberalism and economic science.

To this day, the withering away of this intellectual vigor once so superior and glorious is far too real, far too hurting, to be held silent. But it is fruitless and joyless to complain. The French economists only dominated their science to give us practical lessons and rules of action. Let's listen to them. Let's be worthy of their example, respectful for their effort, and attentive to their recommendations: it is for sure the best way to celebrate their legacy.

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