

**THE ECONOMIC SCHOOLS AND  
THE TEACHING OF POLITICAL  
ECONOMY IN FRANCE, VOL. V,  
NO. 4, PP. 603- 635**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649260508

The Economic Schools and the Teaching of Political Economy in France, Vol. V, No. 4, pp. 603-635 by Charles Gide

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.  
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

[www.triestepublishing.com](http://www.triestepublishing.com)

**CHARLES GIDE**

**THE ECONOMIC SCHOOLS AND  
THE TEACHING OF POLITICAL  
ECONOMY IN FRANCE, VOL. V,  
NO. 4, PP. 603- 635**



THE  
ECONOMIC SCHOOLS  
AND THE  
TEACHING OF POLITICAL ECONOMY  
IN  
FRANCE

BY CHARLES GIDE

REPRINTED FROM THE POLITICAL SCIENCE QUARTERLY,  
VOL. V, No. 4.



NEW YORK  
GINN & COMPANY, PUBLISHERS  
1890

Edw 2220.190

YARVARD COLLEGE LIBRARY  
RECEIVED THROUGH THE  
GRADUATE SCHOOL OF  
BUSINESS ADMINISTRATION

JUN 22 1928

## THE ECONOMIC SCHOOLS AND THE TEACHING OF POLITICAL ECONOMY IN FRANCE.

A RECENT American writer, after justly praising the marked progress of economic science in Germany, expresses himself as follows concerning France:

France has done almost nothing for the evolution of economic science since the outbreak of the French Revolution of 1789. Political economy has in France degenerated into a mere tool of the powerful class. Nothing is so calculated to fill one with despair for France as French political economy. Rabid socialism confronts cold-blooded, selfish political economy, and where is a common standing ground? There is so little economic liberalism in no other modern nation.<sup>1</sup>

This is a severe judgment; and, unfortunately for us, it is not merely an individual opinion. Many economists, not only in America but also in Europe, would be likely to express the same conclusion, although possibly in a milder form. It is a commonly accepted opinion in the scientific world that the study of economics in France is decidedly on the wane; that the French genius, which formerly took the initiative in so many fields, and which even in the domain of economics paved the way for Adam Smith, has become barren; and that her most distinguished economists are something like riding-school horses, well trained, but trained to move continually in the same circle.

With two or three exceptions, French authors are seldom quoted in recent economic works. An examination of the lists of authorities now usually appended to new publications will convince us of this fact. And if by chance a French name is mentioned, it is usually not in very flattering terms. Professor Ingram, in his *History of Political Economy*, gives only a very small place to the French. As for the German

<sup>1</sup> Ely, Introduction to Political Economy, p. 324.

economists, it is an accepted fact with them that the French economists are trifling and superficial, adroit in extricating themselves from tight places, but incapable of deep or original thought and unable even to understand German science.

There is indeed a certain element of injustice in this verdict,—the injustice which ever condemns the losing side. Nineteen years ago the French sustained an overwhelming defeat. The consequences have been felt not only in the field of politics but in all other domains, even in those where the fortune of war seems to play no part. The defeat of their standards and the humiliation of their soldiers were quite sufficient to impair their prestige throughout the whole world and to react on their industries, their fashions and their language. Their Lyons silk appeared less beautiful, their champagnes less sparkling, their Parisian women less pretty and their economists less learned! And let no one believe that this feeling is confined to the masses. The most distinguished intellects are unconsciously influenced by it. They also are swept along by the irresistible current. All foreigners now flock to the German universities. It is only there that they learn to know French science, which, as we can readily imagine, is not likely to be presented to them in the most favorable light. French science in Europe partly shares the fate of the French republic. It is kept in the background. As an Italian professor very wittily wrote to me lately, the "triple alliance" has been carried into the scientific world.

But making all allowance for the bias of our judges, it must be owned that their judgment contains, unfortunately, far too large an element of truth. It is only too true that for some time, and especially of late years, economic science in France has simply followed the traditions of the old school and has opened out no new vistas to the mind. It is not to be denied that in the economic movement of our day France has played by no means so brilliant a part as in philology, in mathematics, in biology or, above all, in art and letters. Not that she has failed to produce superior men,—men in our opinion equal to those of any other country,—but certain



causes have paralyzed their genius and have prevented it from obtaining those results which a more favorable environment would have secured.

I desire here to investigate as impartially as possible the causes which have impeded the progress of economic science in France, and which have prevented her from occupying a position as prominent as she could rightfully have claimed. This investigation will perhaps be not without benefit to the American public, who, while there is yet time, may learn from our example what dangers to avoid.

## I.

I have just remarked that if the results achieved by French economics have not been what we might expect, it is not for want of men. Let me begin by recalling some of the less familiar names. It is now generally acknowledged that the Physiocrats—or rather, as they were then already called, the Economists—were the real founders of political economy. The time-honored title of father of political economy, conferred upon Adam Smith, is a marked injustice to that phalanx of eminent men, Quesnay, Dupont de Nemours, Mercier de la Rivière, the abbé Baudeau, Letrosne, Turgot, Condorcet, the marquis de Mirabeau. In no other country and at no other epoch has so brilliant a school sprung so suddenly into being, and never perhaps has the science excited an enthusiasm so general and so ardent. The somewhat scornful indifference with which the works of the Physiocrats have been treated, and for which France herself is chiefly to be blamed, will some day be regarded as one of the most striking examples of ingratitude that history offers. Adam Smith himself fully acknowledges his indebtedness to them. It is even said that he would have dedicated his work to Quesnay, if the latter had still been living. Dr. Quesnay's first economic treatise was published in 1756, that is to say, twenty years before the appearance of Adam Smith's great work. This is not the place to analyze or to criticize the theories of the

Physiocrats. I desire only to point out, that although we may tax them with many errors, excusable in beginners, we certainly cannot charge them with want of originality. To cite but one example: the famous system of Henry George which has caused such commotion was taught word for word by the Physiocrats. Henry George acknowledges this himself, although he asserts that he is only indirectly acquainted with their works. "The French economists of the last century," he says, "headed by Quesnay and Turgot, proposed just what I have proposed, that all taxation should be abolished, save a tax upon the value of land."<sup>1</sup>

But we must not believe that the science of economics in France has spoken its first and last word through the Physiocrats, or that it has remained silent for a whole century. It has had since then illustrious exponents of world-wide reputation. It has had other exponents of no less, perhaps even of greater eminence, of whom no one speaks. It is unneces-

<sup>1</sup> Progress and Poverty, book viii, chap. iv. As Mr. George declares that he knows the Physiocrats only at second-hand, and as the same is probably true of many American readers, I reproduce here by way of curiosity one of the passages in which we may find Henry George's doctrine most clearly expounded. The passage is from Mercier de la Rivière's work on The Natural Order of Political Society: "This order may be summed up in two fundamental rules: first, that taxation should not be arbitrary; second, that it should be nothing but the result of the co-ownership of the sovereign in the net produce of the land within its domain. . . . Thus the essential form of the tax consists in taking the tax directly where it is, and in not wishing to take it where it is not. According to what I have stated in preceding chapters, it is evident that the fund out of which the tax is paid cannot be found in the hands of the landowners, or rather of the farmers who in this respect represent them. For they receive this fund from the land itself, and when they turn it over to the sovereign they do not give anything which really belongs to them. It is therefore from them that the tax must be demanded in order that it may not be a burden on any one." ("Cet ordre se trouve tout entier renfermé dans deux règles fondamentales: la première, que l'impôt n'ait rien d'arbitraire; la seconde, qu'il ne soit que le résultat de la copropriété acquise au souverain dans les produits nets des terres de sa domination. . . . Ainsi la forme essentielle de l'impôt consiste à prendre directement l'impôt où il est et à ne pas vouloir le prendre où il n'est pas. D'après ce que j'ai dit dans les chapitres précédents, il est évident que les fonds qui appartiennent à l'impôt ne peuvent se trouver que dans les mains des propriétaires fonciers ou plutôt des cultivateurs ou fermiers qui, à cet égard, les représentent; ceux-ci reçoivent ces fonds de la terre même et lorsqu'ils les rendent au souverain, ils ne donnent rien de ce qui leur appartient: c'est donc à eux qu'il faut demander l'impôt pour qu'il ne soit à la charge de personne.")

sary to mention the name of J. B. Say, who, in a treatise which has been translated into all languages, first sketched the complete plan of the classic text book of political economy, with its four divisions and its symmetrical arrangement; a plan which has been followed without much change by all writers of text books to the present day. Nor is it necessary to mention the name of Bastiat, the very incarnation of optimistic economics, who displayed in his work an eloquence and an ardor unparalleled in the literature of the science. Nor shall I mention others, *dii minores*, such as Dunoyer, who developed the idea, at that time new, of including among economic goods or wealth immaterial products and services; nor Michel Chevalier, who was one of the first to turn to the economic development of the United States for ideas and illustrations.

But all these economists belong to the classical school—to the school which has exclusively controlled and which to-day still dominates the thought of France. I would say a word of some other dissenting economists who, precisely because of their dissent and of certain reasons that I shall mention later, remained unknown to fame and received a tardy recognition only when at last discovered by foreigners.

The first of these was Condillac, — like Adam Smith a philosopher and an economist, but who, in contradistinction to Smith, was well known as a philosopher and almost unknown as an economist. Nevertheless he published in 1776, simultaneously with the appearance of Smith's famous *Inquiry*, the *Treatise on Commerce and Government*, a work which abounds in profound thoughts, and in which the very recent theory of value, that of relative or final utility, was already clearly demonstrated. Condillac not only shows that the value of commodities depends on their utility, but he proves in addition that this utility is necessarily a function of their quantity.<sup>1</sup> Without doing injustice to the illustri-

<sup>1</sup> As Condillac's work is probably read by Americans even less frequently than are those of the Physiocrats, it will perhaps be of service to quote a few sentences from his theory of value: "Since value is based on wants, it is natural that the