Political Economy in the Eighteenth Century: Popular or Despotic? The Physiocrats Against the Right to Existence

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Abstract

Control over food supply was advanced in the kingdom of France in the Eighteenth century by Physiocrat economists under the seemingly advantageous label of ‘freedom of grain trade’. In 1764 these reforms brought about a rise in grain prices and generated an artificial dearth that ruined the poor, some of whom died from malnutrition. The King halted the reform and re-established the old regime of regulated prices; in order to maintain the delicate balance between prices and wages, the monarchy tried to limit speculation in subsistence goods and achieved some success in regulating the provisioning of public markets. Le Mercier de la Rivière concluded that executing these reforms required more effective political control. After 1774 the new king gave the Physiocratic reforms a second chance, reforming property rights and establishing an aristocracy of the landed rich. Again, this led to price hikes and as a result so-called ‘popular emotions’ erupted. Turgot ordered military intervention to dispel the protesters, marking a first rupture between the monarchy and the people over speculation on subsistence. Turgot’s experiment failed and he was dismissed, but the Physiocracy had discovered that the market in subsistence offered new opportunities for economic power under the misleading legitimacy of ‘economic laws’. Turgot’s followers, Dupont de Nemours and Condorcet, continued to develop this ‘theory’ that was later translated into a ‘scientific language’ that ultimately asserted the autonomy of the economic sphere and its alleged independence from ethics and politics. The paper examines the continuity of events through the six great jacqueries and the French Revolution, including the all-important agrarian reform that ensued after 1792. Robespierre’s concept of ‘popular political economy’ is analysed and compared with the notion of unfettered private property rights that lies at the heart of neoliberalism.

Keywords: Physiocracy, political economy as natural laws in the XVIIIth Century, subsistence markets, Turgot, Quesnay, provisioning weapon

1. Introduction

‘But in the sixteenth century, the idea of profit as more important than human life, so familiar to us that we have lost our sense of moral indignation, was very new and very shocking’ (Hill, 1940, p. 23).

Among the important works of Edward Palmer Thompson ‘The Moral Economy of the English Crowd in the Eighteenth Century’, published in 1971, occupies an especially important place. He severely criticised the historiography of his era, because it no longer viewed the ‘common people’ as agents of history in the period before the French Revolution – a period constituting the quasi totality of human history! He emphasised the gap that separated the nuanced work
of anthropologists that ‘allowed us to know all about the delicate tissue of social norms and reciprocities which regulates the life of Trobriand islanders’ from the gross reductionism of the historiography that he qualified as ‘the spasmodic school’ characterised by the ‘eighteenth-century English collier who claps his hand spasmodically upon his stomach, and who responds to elementary economic stimuli’ (Thompson, 1971, p.78).

One of the core features of this ‘spasmodic school’ was the assumption that another sort of economic thinking existed before – or outside of – ‘classical’ economics. Against this, E. P. Thompson identified a ‘moral economy’ of eighteenth-century English common people – he sought to identify their social relations, politics, and notions of rights – and he restored their place as historical actors. Marc Bloch had already shed similar light on the medieval period with his description of the struggle between the seigneurie (manor) and the village community:

‘In the eyes of the historian who only has to observe and explain the links between phenomena, the agrarian revolt appears as inseparable from the seigneurial regime as, for example, the great capitalist enterprise does from the strike’ (Bloch, 1931[1964], V, 2, p.175).

By bringing these perceptions by E. P. Thompson and M. Bloch together, I would like to propose the following thesis: to the historian who only has to note and explain the links between these two phenomena, the food riot appears as inseparable from the unlimited freedom of commerce in basic subsistence as, for example, the agrarian revolt was to the seigneurial regime, or strike was to the large capitalist enterprise. In the modern era, we have seen the culmination of the effects of these three processes.

Among those who influenced his work, Thompson acknowledged historian George Rudé’s work on the Guerre des farines (Flour War) of 1775 and its frequent reprisals during the French Revolution, which helped to remodel the definition of the rights of man and the citizen, and political economy during the years 1792-4 (Rudé, 1956; 1961; 1964; and Rose, 1956-1957; 1959). Thompson’s publication on the ‘popular moral economy’ in 1971 opened minds, encouraged a rereading of earlier historical work, such as that of Jean Meuvret (1971; 1977 and 1988)¹, and generated a debate that continues today. As one could have predicted, these reflections have revived polemics among partisans of the ‘evidence’ for ‘the natural laws of the economy’, too often identified as ‘liberal’.

In 1988, Guy-Robert Ikni and I published a collection of essays in homage to Thompson’s ‘moral economy of the crowd’ on the themes of the ‘war over grain’ in the eighteenth century, and the popular and philosophical criticisms of the experiments with the free trade in grain – both before and during the French Revolution.² We were both pleased to offer the first translation into French of Thompson’s work, and were surprised to learn that it had taken so long to get translated.

The notion of a ‘popular moral economy’ had helped Ikni and me to clarify our own reflections on what we understood as a collusion between the ‘liberal’ and ‘orthodox Marxists’, who refused to see the people as constructive actors in history, and who characterised the

¹ Jean Meuvret offers a careful study of crises of subsistence in France from the seventeenth to the eighteenth centuries. His work allows us to identify the chronology of the shift from real dearths with natural causes to artificial dearths with human causes such as speculation with the worst casualties among the most disadvantaged.

² Gauthier, F. and Ikni, G. R. eds. (1988) - with contributions by E.P. Thompson, Valérie Bertrand, Cynthia A. Bouton, David Hunt, Guy Ikni and myself. Jean-Pierre Miniou, who founded this publishing house, carefully translated Thompson’s text. Cynthia Bouton (1993) had just defended her Ph.D. dissertation in the United States on the Flour War of 1775 and published it shortly thereafter. David Hunt offered an in-depth reflection on the place of peasant movements in revolutionary politics. Valérie Bertrand had just finished an M.A. thesis on the critiques of economic liberalism in the revolutionary Jacques Hébert’s journal, Le Père Duchesne. This enthusiastic team could thus offer an homage to Thompson while he was still alive!
French Revolution as ‘bourgeois’. In our Introduction to *La Guerre du blé au XVIIIe siècle*, we emphasised this collusion in these terms:

‘The neoliberals of today share this notion of History and commune over the stalinist version of economism, the conception of progress, and the myth of development’ (Gauthier and Ikni, 1988, p.11).

One could not overlook the fact that this collusion found particular expression in France in the person of François Furet, who passed from the Communist to the neoliberal party, and who had easily transferred his understanding of a ‘bourgeois revolution’ into a ‘revolution of liberal elites’. We noted that Furet shared with certain neoliberals the idea that in its democratic phase (which he labelled with the ambiguous term ‘jacobinism’[^1]) the French Revolution became a ‘matrix of twentieth-century totalitarianisms’.

From his own angle, the serious neoliberal Florin Aftalion reduced the right to liberty to the Physiocratic notion of ‘the right to exclusive property’ and characterised as ‘totalitarian’ the defense of the right to existence, to work, to assistance, and education:

‘To deny a merchant the right to fix as he sees fit the price of the goods which belong to him, and which he wishes to sell, is both to prevent him from exercising one of the essential prerogatives of his property rights over these goods… , [and] from acting rationally…. (I)t therefore leads him either to abandon (voluntarily or because of bankruptcy) an activity which has ceased to be lucrative, or to defraud, or to engage in black-market activities in order to release the necessary profit margins’ (Aftalion, 1990, pp. 189-190).

This interpretation had the merit of driving us back to the fundamental debate of the end of the eighteenth century, between two concepts of the rights of man: the Physiocrats’ individualist notion of ‘absolute private property’ on the one hand, and the notion of the ‘universal right to existence as the first right of man and the citizen’, on the other. Here is what Aftalion wrote on this second concept:

‘Their [the sans-culottes] preoccupation each day was simply to find sufficient food to stave off starvation. They also believed that the fundamental rights of man were those of life, work, welfare, and education’ (Aftalion, 1990, pp. 126-7).

He went on to characterise the democratic politics of the French Revolution as ‘totalitarian’:

‘Yet, in practice, the kind of wholly controlled society which emerged under the Terror left as little freedom to individuals as if it had been in the hands of genuine collectivists…and one can date the birth of totalitarianism from the French Revolution, even if, subsequently, it was to be given a number of different ideological packagings’ (Aftalion, 1990, p. 191).

[^1]: The term ‘jacobinism’ is ambiguous because between 1789 and 1794 it designated a revolutionary party/faction and was influenced by contradictory currents: supportive of the Constitution at the time of the meeting of the Estates General in 1789, it passed under the influence of Barnave and the ‘monarchists’ from 1790-1791, the Brissotins/Girondins in 1792, and finally the Montagnards from 1793-94. If we include later historiographical interpretations, we can conclude that the term lacks precision!
The ‘orthodox Marxist’ (and neoliberal) versions added to their common materialist economism a version of history built upon their respective prejudice about the ‘end’ of history. According to the first group, the Russian Revolution invested a posteriori the French Revolution with a meaning that made it the necessary preface; according to the second group, the French Revolution informed all so-called ‘Marxist’ revolutions and social politics of the twentieth century with their matrices for ‘totalitarianism’. This collusion between the two interpretations locked the bicentenary of the French Revolution in a double impasse.

So, where are we in 2015? And can we imagine that the subprime crisis might bring a weakening of the neoliberal doctrine and its partisans? I propose a rapid overview of the current state of the history of the freedom of commerce in grains and its critics both before and after the French Revolution, from the point of view of the rights of man and the citizen.

2. Experiments with the Unlimited Freedom of Commerce in Grain from 1764 to 1789

In the 1750s, Francois Quesnay seduced the King of France with his reform projects by arguing that they could quickly remedy the current crisis. Quesnay and his friends proposed an audacious programme that tied the reform of agriculture and commerce in grain, to the reform of municipal government.

These reforms sought to reinforce landed property by privatising communal lands in the interests of seigneurs, and to extend the great grain-producing holdings. They sought to release commerce in grain from all regulation – that had previously protected consumers and had limited speculation that raised prices on basic subsistence – but which they considered too constraining. The resulting price rise, Quesnay claimed, would benefit large-scale producers of grain, seigniorial rentiers, and the treasury – everyone, in accordance with their notion of ‘general interest’.

These economic reforms were accompanied by an audacious reorganisation of municipal government that allowed a veritable seizure of power by the rich. This reorganisation aimed to bring noble and commoner interests together through the introduction of property-based elective institutions that restricted the right to vote to the richer members of the community.

3. The Regulation of Commerce in Grain and its ‘Tipping Point’

In 1764, Minister Laverdy provoked disaster when he began to apply these reforms, beginning with the policy of ‘unlimited freedom of commerce in grain’. In effect, the subsequent rise in prices of basic subsistence produced an extensive ‘artificial dearth’ that ruined the poor, some of whom died of malnutrition. Ultimately, the king halted all reform in 1768 and reestablished the ‘ancien regime’ of regulation of prices that protected consumers.

What had happened? Let me briefly offer some context. First, some ‘intendants’ (the direct agents of the monarchy in the provinces) had already opposed these reforms because they knew that such unregulated commerce in grain would bring disastrous consequences. They knew that the delicate balance between the price of subsistence and low wages involved a critical ‘tipping point’. This needs explanation.

4 The confusion between the materialism attributed to Marx and that associated with Benthamite utilitarianism or ‘liberalism’ has wasted considerable intellectual energy and merits a systematic clarification.

5 Marc Bloch (1930) was the first to study the history of Physiocratic reforms in his L’individualisme agraire dans la France du XVIIIe siècle. See also Jean Meuvret (1971); Maurice Bordes (1968; 1972); and Gauthier and Ikni (1988).
Studies of prices and wages have shown that a family of five people consumed approximately three kilograms of bread a day. The wage of a day-laborer working in construction in Paris at this time was 20 sous a day. When the price of bread was 4 sous per kilo, the family ‘ate’ 60% of this wage; when the price rose to 6 sous per kilo, they consumed 90%! If the price of bread rose again, food demanded the family’s entire income and beyond, and produced a subsistence crisis that made it impossible to buy other necessities such as vegetables, drink, clothing, rent, etc. The ‘tipping point’ was thus reached and often resulted in what contemporaries called *émotions populaires* (popular emotions) (Labrousse, 1944, t. 1).6

In the eighteenth century, these *émotions populaires* erupted at the marketplace as soon as prices rose. People assembled and demanded the intervention of public authority to lower prices. Contemporaries called these interventions *taxations populaires*. People were surely ‘moved’ emotionally, but they were also acting politically. For example, if the authorities did not respond, the people did not literally pillage merchant stalls, but rather bought grain or flour at a popularly fixed and reduced price. The mounted police often did not turn against the people, but rather supported efforts to force merchants to lower prices. Until the era of Physiocratic reforms, public authorities did not seek to repress families who tried to provision themselves. The phrase *émotion populaire* reflected respect for the fears and suffering of the people. Repression was directed not against the price fixers, but against merchants, who were responsible for raising prices (Rudé, 1956; 1961; 1964; Bouton, 1988; 1993).7

Widespread poverty (from the expropriation of peasant lands and competition for wages among urban artisans and the poor peasantry) and depressed wages had shaped the development of the market in France (Bloch, 1931[1999]; Baulant, 1971).8 In order to maintain the perilous balance between prices and wages and avoid the tipping point, the monarchy had tried to limit speculation in the price of subsistence and had achieved some success by regulating the supply to public markets and prices. E.P. Thompson called this policy ‘royal paternalism’.9

After 1764, when the monarchy reversed its position on the economy, numerous ‘intendants’ who had supported this policy of ‘royal paternalism’ found themselves confronting the disastrous consequences of the unlimited free trade in grain. Here are some examples of the ways that prices rose in the Paris Basin. In the generality of Champagne, the price of one *setier*10 of grain that was 12 *livres* had risen in 1768 to 21 *livres*; in Soissons prices rose from 12 to 17; in Orléans from 12 to 24; in Rouen from 14 to 30; and in Paris from 13 to 27 (Labrousse, 1933; Baulant, 1968).

In 1768 the King finally responded to this situation by halting this experiment in free trade.

4. **Social Physics and ‘Legal Despotism’ According to the Physiocrats**

After having observed the serious difficulties that the Physiocratic reformers had confronted during the experiments after 1764, the great theoretician of Physiocracy, Le Mercier de la Rivière, concluded that executing these reforms effectively required more political control.

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6 See also Meuvret (1971, n. 6) on prices and wages.
7 Maurice Bordes (1988) studied reserves and the criticisms that the royal intendants levelled against free trade in 1764-65.
9 See E. P. Thompson (1971, p. 83) who defines English royal paternalism as a system of regulating public markets, codified not only by Parliament but also by common and customary law. The same type of royal regulation can be found in France. Cynthia Bouton (1988, p. 95) uses the expression ‘royal paternalism’.
10 The *setier* in Paris weighed 130 kilos.
Since he believed that ‘natural laws’ governing the economy should control ‘the natural and essential order of political societies’, he concluded that the solution lay in making the government itself conform to these laws.

In order to understand what he meant, we must clarify that Le Mercier drew his model not from the sciences humaines (social sciences) but from the natural sciences and social physics – as he vehemently asserted:

‘If someone has difficulty recognising the natural and essential order of society as a branch of physics, I regard him as a willing blind person, and I will take great care not to cure him’ (Le Mercier de la Riviére, 1767[2001], chap. 6, p. 49).

For Le Mercier, conformity to physical or divine laws, as he defined them, lay in the natural order. Thus, his anthropology derived neither from notions of human liberty nor free will, but from laws of nature, which he expressed in the following terms:

‘Who doesn’t see, who doesn’t sense that man is made for being governed by a despotic authority? Who has not experienced that as soon as the evidence is made clear, [despotic authority’s] intuitive and determining powers keep us from all deliberation. This power is a despotic authority. In order to despotically command our actions, it must also despotically command our will. This natural despotism of facts leads to social despotism’ (Mercier de la Riviére, 1767[2001], chap. 22, p. 280, italics from the original).

From this we can see that, according to Le Mercier, knowledge of the natural laws governing the political order prevents all debate and all possibility of doubt. Indeed, Le Mercier found a particularly inspired expression for this thought.

One of the foundations of this natural order of political societies was the ‘right to absolute private property’ that the Physiocrats wanted to impose on a society that they did not understand. Quesnay defined this as the touchstone of the Physiocratic system:

‘Let landed property and movable riches be assured to those who are the Possessors of them. FOR THE SECURITY OF PROPERTY IS THE SUBSTRUCTURE UPON WHICH THE ECONOMIC ORDER OF SOCIETY RESTS’ (Quesnay, 1915, pp. 393-394, capital letters from the original).

The Physiocrats hoped to turn the management of the natural order of society over to the land owners. Le Mercier explained that:

‘One will observe, no doubt, that the physical necessity of landed property...was that to which all other institutions is subordinated. It results obviously from this that the distribution of harvests must be instituted in such

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11 See also Markovits (1988); Citton (2000); Gauthier (2002; 2004).
12 In effect, the most widespread form of property in the kingdom until 1793 was the seigneurie, which involved an exchange of obligations between seigneurs and their tenants. The seigneur exercised the right of eminent domain, collected rents from tenants, and exercised justice in order to have these obligations observed; the tenants controlled the organization of agricultural production and also retained some rights. For example, their tenure was saleable, exchangeable, and heritable, and the seigneur could not expropriate the rights of the tenant. The seigneur’s right of eminent domain most resembled private property, but it was embedded in the structure of the seigneurie. The seigneur sought to expand his land holdings by claiming new land through the usurpation of the common lands and by buying land from his tenants, which he could then detach from the system that limited property rights. Another widespread form of property was communal lands which carried collective usage rights, which were indispensable for the equilibrium of the communal agrarian system. See for example, Bloch (1966).
a way that the status of landed proprietor be the *highest state socially possible*’ (Le Mercier de la Rivière, (1767[2001]), chap. 2, p. 25, italics from the original).

This meant that a right to private property became a power to dominate in the service of ‘legal despotism’. This last concept was, for Le Mercier, the logical consequence of his ‘physical, divine, and natural laws’ governing the economy that determined the right of private property and the order of political societies. Thus *sciences humaines* founded on debate and reflective choice emanating from society itself had no meaning for Le Mercier. The political order must conform to physical laws – ‘legal despotism’ – especially after the failure of the reforms of 1764 and what Le Mercier interpreted as the failure of the monarchy to follow the programme correctly. He used the word ‘despotism’ because divine laws required compliance and the word ‘legal’ because they subjected society to these laws.

After the Physiocrats’ fall in 1768, Turgot turned to martial law in order to assure the application of divine law.

5. *The Flour War and Turgot’s Martial Law in 1775*

The fall of the Physiocrats in the late 1760s correlated with a debate which made the name Physiocrat a bad word. But after the death of Louis XV in 1774, the young Louis XVI decided to give their reforms, now proposed by Turgot, a second chance. Turgot had been one of Laverdy’s counsellors, but in the wake of the previous criticism, he renounced the label *Physiocracy*, cleansed the aggressive dogmatism and corrected it with his personal observations. He nonetheless retained the same objectives aimed at reforming property rights and municipal authority by establishing an aristocracy of the landed rich that aimed to extend grain-producing arable land by favoring, this time, those he called ‘*les fermiers capitalistes entrepreneurs de cultures*’ (‘the entrepreneurs of capitalist agriculture’) (Turgot, (1770 [1970] p. 328).

He agreed that raising the price of grain could achieve this goal, but Turgot also believed that this rise had a ‘natural’ limit, which correlated with that of grain sold in the North Sea market. This ‘good’ or ‘proper’ price (*bon prix*), as he called it would result in doubling the current price in France! Turgot published his edict on the unlimited freedom of commerce in grains after he became Controller General in September 1774, and by March 1775 prices had already exceeded even this ‘good price’. As a result, ‘popular emotions’ erupted in unprecedented numbers. Grain merchants stopped supplying markets to avoid becoming price-fixing protestors converged on Versailles to persuade the King to intervene on their behalf. Moved by this spectacle, Louis XVI was on the verge of conceding when Turgot ordered the military to disperse the crowd: the first time that the Crown turned to the military to repress subsistence protests. The people interpreted this move by the King as

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13 On the Flour War see the work of George Rudé (1956 and 1961); Vladimir S. Ljublinski (1979); Guy Ilki (1980) and Cynthia Bouton (1993).
abandonment. The next day, Turgot proclaimed martial law, which punished by death those who opposed the free pricing with price fixing. Condorcet wrote about the events:

‘M. Turgot ran to Versailles, woke up the King and his ministers, proposed his plan, and had it accepted. The notices of the [Parlement’s] arrêt were covered over with placards that prohibited all assemblies under penalty of death, in the name of the King. Parlement, ordered to appear at Versailles that morning, learned in a lit de justice that the King had revoked the arrêt and handed jurisdiction over all sedition to the ‘Prévôts de maréchaussée’ and excused [Parlement] for a response that could have had fatal consequences.

From that moment everything became tranquil; the scattered rioters, who were almost always arrested and ultimately punished, disappeared promptly. A small number of victims were sacrificed for public tranquility. The people witnessed for the first time a government, untouched by all fear, consistently pursue its principles. It oversaw the preservation of subsistence, the security of merchants. It deployed all its energy and all its force against disorder; it lavished assistance, but resisted succumbing to prejudice, to popular opinion, to any sacrifice contrary to justice. Soon, confidence returned and replaced anxiety and complaints’ (Condorcet, (1786[1849]) t. 5, p. 102-103).

This event marked the first split between King and people over speculation on subsistence. The people held the government responsible for limiting speculation, by fixing prices if necessary, and objected to being abandoned to the manoeuvres of grain merchants who had become the masters of prices!

Mably also interpreted the events:

‘I would also say that the riots that you have just witnessed are nothing; but they could announce and prepare even more important events. The rioters, it is true, had barely finished pillaging than they had become fearful and repentant. Some restituted what they had taken, others fled and hid in the woods. This is behaviour that comes naturally to men accustomed to trembling before a cavalier of the maréchaussée and upon hearing the name of Monsieur the Intendant (Turgot); but be sure that a second time they will be less timid and more enterprising. If resources lack, if despair takes over, they will burn farms and chateaux and the government—who will not have foreseen these disorders, will not be able to remedy them’ (Mably, 1775[1790], an III, t. 13, p. 276).

Turgot’s experiment failed. However, he had, at least temporarily, managed ‘to seize power’ in the sense that the young Louis XVI, who admired him, had let his minister carry out his reforms and even ordered his ‘intendants’ to stop intervening. The cause of this failure lay in the nature of the reform itself, which took the form of a veritable war against those most vulnerable to high prices. Moreover, the ‘good price’ was not respected for two reasons: the French market was not integrated with the Baltic and North Sea market\(^\text{14}\), and merchants,

\(^{14}\) The cereal importations from the North Sea market had developed as peasant agriculture in England declined, when the monopolistic production of the large-scale farms proved increasingly insufficient for domestic consumption. The government imported grain from the Baltic and the North Sea areas, where markets developed in response. However, the kingdom of France, which retained its dominant peasant agriculture, only imported grain during crises.
who had no reason to limit their speculation to some imaginary maximum price, priced their grain higher and higher. In response, protestors resisted with general recourse to prices at 12 livres per setier (Bouton, 1993, pp. 81-97) a price they thought appropriate to feed themselves.

After this failure, Turgot was discreetly dismissed the next year and the King returned to a policy of ‘royal paternalism’ that limited grain merchant speculation before it reached the ‘tipping point’.

In fact, neither the Physiocrats nor Turgot favored such speculative practices, which they vehemently criticised. But, in reality, a large distance separated their theory from its practice. We have only recently become aware of this gap, however, because the first ‘rediscoverers’ of the Physiocrats, such as Georges Weulersse at the beginning of the twentieth century, admired the theory and ignored its application. The history of the reforms Physiocracy informed has only gradually revealed this gap and led to a better understanding as we consider contemporary criticisms. Indeed, contemporaries of the Physiocrats, such as Galiani and Mably, had clearly perceived this distance, and published their observations in order to enlighten the reformers who had visibly failed to understand the market mechanisms they had put in place. The new expansion of popular protest (émo­tions populaires) should have brought the gravity of their errors to the reformers’ attention but, as we know, not only did the Physiocrats refuse to acknowledge their mistakes, but Turgot actually turned to military repression!

I would like to draw attention to two points. First, although the reformers had thought that high prices would benefit landowners (in 1764) and then the fermiers (in 1774) who held long-term leases on land, this was not, in fact, the case. Instead, grain merchants benefited disproportionately when they took advantage of this ‘unlimited freedom of commerce in grain’ to speculate without restraint in order to raise prices. One wonders why the reformers – who had failed to anticipate this response – did not try to stop it once they recognised what was happening? They made a second, similar error with regard to wages and fixed incomes. The reformers sought price rises – up to what they considered the ‘good price’ – a rise they predicted would result in increased wages and incomes not related to this trade itself. But they neither explained how this would happen nor foresaw it not happening.

We must therefore recognise that this ‘unlimited freedom of trade in grain’ had become, in the hands of the merchant-speculators, a ‘provisioning weapon’ and produced a disette factice (a market-generated shortage) carrying deadly consequences and igniting popular subsistence protests. The reforms inspired by the Physiocrats and then by Turgot were transformed, in practice, into pure speculation on high prices. One can easily understand why these experiences left their contemporaries with a profoundly negative memory, which explains why the name Physiocracy fell out of favour for over a century! In contrast, public authorities learned from these mistakes and opted to regulate the price of bread sold in France (except during war and serious political crisis) right up to... 1975.

6. Unlimited Freedom of Trade in Grains as a ‘Provisioning Weapon’

When Quesnay advocated ‘unlimited freedom of trade in grain’, he had worked out that the specific character of the market in subsistence could offer a new opportunity for a certain type of economic power: in effect, there was nothing ‘elastic’ about the market in basic subsistence. If bread became inaccessible because of high prices, nothing could replace it. In

This ‘king’s grain’ came from the Ottoman Empire across the Mediterranean. Therefore, no market integration occurred to link France with the North Sea markets, as Turgot had imagined.
his essay on the grain trade, Mably explained to those economists who had yet to understand clearly this fact:

‘Basic reason tells me that none of my needs are as pressing, as constant, or as daily as my need to eat. If my suit, my shirts, etc…need replacing, I can wait. But I cannot wait a day without bread without the spectre of death before my eyes. And thus peoples’ spirits are driven to the last extremities’ (Mably, 1775[1794], p. 263).\(^{15}\)

At the time of the Flour War and the news of subsistence disorders, the following anecdote was attributed to the royal court: ‘There is no bread? Well, then, let them eat brioche!’ This formula expressed the idea of an elastic market, capable of replacing one item with another. However, in the case of the substitution of bread with brioche, one finds an element of compassion mixed with ignorance of the causes of inaccessible bread. In contrast, when at around the same time, the Paris intendant, Bertier de Sauvigny (Lefebvre, 1963, p. 143) responded to the pressing need of hungry families with ‘There is no bread? Then eat grass!’ he expressed a cynicism authorised by the Physiocrats’ system and reflected the simple greed of the grain merchants. To speculate on luxury products or non-basic foods did not carry the same consequences as on basic subsistence foods! Thus, these reforms reveal a turning point in the history of commerce.

Was Turgot unaware of the ‘tipping point’? To this question, he responded that economic mechanisms must follow their course and eventually wages would rise. But what would happen in the meantime? Again, we turn to Mably, who, having clearly understood the distance between Turgot’s theory and its application, responded with an address to greedy speculators:

‘Sirs, I would add, take care that you do not take advantage of the opportunity to raise prices of grain. You are hard and unjust enough to not adjust wages of workers to the prices of their food which your avarice set. But you flatter yourselves that this happy time will last forever? In order to disabuse you of this notion, try to visualize the necessary consequences of this liberty you demand so loudly. If you do not change your behavior and the government that supports you, soon the poor will refuse to have children and fathers and mothers will let children die of hunger from lack of bread. Before he [the King] reaches the age of twenty, the Kingdom will have lost a third of its inhabitants. Consumption will decline and the price of bread will decline as a result. Public misery will rule, the way you rule today’ (Mably, 1775[1794], p. 276).

Mably proposed solutions to this menace by explaining that not all merchandise had the same economic and social function:

‘I would like…it if one would research carefully if the commerce in grain should not be submitted to all the same rules as the trade in other commodities. From my perspective, I believe that it is because they confused these that the economists filled their writings with sophisms and faulty reasoning. Simple reason tells me that none of my needs are as pressing, as

\(^{15}\) Mably wrote this text in 1775 as part of his criticism of the era’s political economy and circulated it in manuscript format among his friends. It was published posthumously in 1790. See also Gauthier and Ikni (1988, pp. 113-121).
constant, as the need to eat... Our daily subsistence is too precious, too important, to leave it to business, to speculation, to the hopes and greed of merchants. The more we need basic and urgent necessities, the more men greedy for gain will subject us to a harsh and imperious law.... Hunger is impatient and I will be dead before grain arrives from Danzig or the Barbary' (Mably, 1775[1794], p. 262).

He argued that it was the responsibility of public authority to free itself from such illusory theories and establish a policy that regulated the provisioning of the markets and prices for basic necessities proportionate to the income of society:

‘If the poor are citizens like the rich, if there is too much wealth at one extreme and too much poverty at the other, social vices will multiply and society will find itself plunged into the greatest tragedy. Who is the man reasonable enough to claim that a healthy policy cannot prescribe how the rich can enjoy their wealth and prevent them from oppressing the poor?’ (Mably, 1775[1794], p. 274).

Speculation on basic necessities was a lived experience for those on low wages and Mably’s analysis identified it as a deadly power in political economics. Physiocrats and Turgot's followers embraced it and thus gave it an implacable legitimacy by presenting it as an ‘economic law’ – a fact of nature.

After Turgot's downfall, his followers – such as Dupont de Nemours or Condorcet – continued to polish his theory, and after his death, celebrated him as a reforming genius. The dogmatic sectarianism of this theory, no matter how severely ravaged by its critics, survived, but was further translated into a ‘scientific’ language that ultimately became the autonomy of the economic sphere.

Autonomy in relation to what? One could understand this expression as a desire to erect economics as an independent discipline or, perhaps, to conceive of it as a self-regulated market. But here it meant the way that this autonomy was thought of and criticised in the eighteenth century, from a political point of view. We should remember that the conceptualisation of the economy was not a Physiocratic invention, but had existed long before. Simone Meyssonier’s work on the économistes at the turn of the eighteenth century, (Meyssonnier, 1989) or E.P. Thompson’s work on the ‘moral economy of the poor’, testify to this longer history. Nor should we forget that, since the Middle Ages, the monarchy had adhered to just such a popular conception of the economy, one that demanded that public authority protect society against speculative practices. The monarchy had subjected the economy to its political will and thus applied a political economy that conformed to the social ethics of the era. During the time of the Physiocrats, and then Turgot's reforms, the victims of the politics of unlimited freedom in grain commerce declared it a crime against the right to existence and injurious to liberty and the life of the social body.

Moreover, during the earlier era, the autonomy of the economy had emerged from an ethical principle – the right to existence, the right to subsistence – and function of a social right. However, the Physiocrats, and Turgot in their wake, believed they had discovered the physical laws governing the economy and thus refused to subject their economy to a political ethic that protected society. To achieve their objective, they relocated the economic sphere within the laws of physics and declared it part of the ‘natural and essential order of political societies’. Their contemporary, Mably, observed this development as a split within the

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16 Dantzig meant grain from the North Sea markets, and Barbary, grain from the Ottoman Empire.
humanist anthropology of enlightenment and simultaneously demonstrated its impasses and dangers. We have seen that the Physiocrats and Turgot sought to establish the preeminence of the exclusive right to property over the human rights to existence, to subsistence, and to participation in the political life of society. Even if the Physiocrats failed in their time, they opened the way to the major conflict that remains both unresolved today and very much part of current politics.

The question of the ‘autonomy of the economic’ – in its current neoliberal version – has the same significance as it did in the time of the Physiocrats. In order to remain independent from humanist ethics that protect society, the economic must impose itself on the political and sustain the dominance of its ethic of the exclusive right to property. We therefore confront an ethical and political struggle to impose the ‘physical laws of the economy’ (Polyani, 1944[1957], p. 115; p. 135).

But how else to impose such a mode of thought if not by affirming it first dogmatically and then by force? That was, and remains, the dilemma.

7. Reprisal of the Guerre du blé during the Revolution

On 19 August 1789, the Constituent Assembly voted, yet again, for freedom of commerce in grain. And, again, the application of free trade in grain provoked popular resistance. Then, on 21 October, the Assembly voted for martial law, which punished price fixers with death. Little by little, this experiment gestated the ‘programme of the maximum’ – just as new as the politics of the Physiocrats – that came into being by stages from July 1789 to the fall of ‘Mountain’ (the political group whose members were called Montagnards) on 27 July 1794. As I cannot describe the developments in full here, I will limit myself to a chronological overview and point out the stakes as seen in the parliamentary debates.

Six great jacqueries (peasant revolts) and two new revolutions punctuated the revolutionary period from July 1789 to the May 1793 declaration of the ‘programme of the maximum’. The peasant jacqueries accompanied protests against high prices, strikes by harvesters, seizures of control of municipalities, and the creation of a national guard to protect against martial law. In effect, wherever jacqueries erupted, martial law was not applied.\(^{17}\)

From the first jacquerie of July 1789, the peasantry initiated what became the economic and social politics of the Mountain by proposing a contract of sharing the seigneurie: the seigniorial domain would remain in the hands of the seigneur while the domain of the censives (peasant holdings) would pass fully as alleu (unencumbered property)\(^ {18}\) to the peasants who worked the land. Feudal law and seigniorial justices would be abolished without indemnity and common lands would become the collective property of the communes.

The Revolution of 19 August 1792 – the fruit of the most important jacquerie of the revolutionary period\(^ {19}\) – founded the Republic and permitted a vote (25-28 August 1792) on agrarian reform, which revisited the peasant propositions. The Convention, elected by universal suffrage in September 1792, was also a new constitutional assembly, but the fear of a popular victory allowed the Girondin party to retain control. Property owners rallied to the Gironde, who refused to implement the agrarian reforms and sought a diversion by declaring a war of ‘liberation’ in Europe. The people did not approve of this pseudo liberation brought by

\(^{17}\) On the peasant movement see Henry Doniol (1876[1978]), which offers a comparative history of the abolition of feudalism; Anatoli Ado (1970) provides a chronology of jacqueries and a description of the peasant movement. For a helpful synthesis see Gauthier (2004a, pp. 252-283).

\(^{18}\) The alleu (allod) is land held as property free from any rents and obligations. Peasant alleu were under assault by feudal law, from which the phrase ‘no land with a seigneur’ derived. Peasant law derived its counterposition, ‘no seigneur without a title’ (Bloch, 1939, chap. 2, p. 355ff).

\(^{19}\) On these episodes see Mathiez (1927[2012], II, p. 213ff).
foreign armies and, in April 1793, Girondin politics turned into a fiasco. The Republic was under siege.

Between 10 August 1792 and the Revolution of 31 May to 2 June 1793, debates intensified over what would become the ‘popular political economy’.

8. Popular Political Economy against Despotic Political Economy

The popular movement gradually constructed its ‘programme of the maximum’, which rested on agrarian reform in order to liberate land from parasitical rentes, limit the size of large agricultural holdings, control commerce and the price of grain, and re-equilibrate prices, wages, and profits.

During the important debates that took place in the Convention between September and December 1792 on the unlimited freedom of commerce in subsistence and martial law, a petition from the Department of the Seine-et-Oise (Archives Parlementaires, 1857) specified the nature of the offensive against the people:

‘Citizens, the first principle that we must expose to you is this: Freedom of commerce in grains is incompatible with our Republic. In what does our republic consist? A small number of capitalists and a large number of poor. Who conducts the commerce in grain? The small number of capitalists. Why? To enrich themselves. How? By raising the price of grain through resale to the consumer. But you should also notice that this same class of capitalists and proprietors—masters of the price of grain—is the one that fixes the wages for a day of work…and of basic subsistence….

But if this class who lives by working with its hands is the largest, called by the equality of laws from the beginning, it is also the only force of the State, how can one suppose that it could suffer such a state of affairs that hurts it, that crushes it and takes away its substance and its life?’

However, on 8 December 1792, the Gironde maintained this system, while the popular movement continued to build, by communal democracy, its programme that prevented the Girondins from fully applying their plan. In Lyon, the sans-culottes expressed themselves in March 1793 through their elected representative, Marie-Joseph Châlier:

‘The existence of the people is a sacred property,… grain being a part of human existence, the cultivator is only the farmer for all and everything that exceeds his property—that is the subsistence that assures existence—is a sacred deposit that belongs to all individuals, who accord him a just and primary indemnity for the price of his labors’ (Koi, 1975).

On 5 September 1792, the sans-culottes of Paris proposed to the Convention a general programme:

‘Let all items of primary necessity be fixed without variation. Let primary materials be fixed in such a way that industry, wages of work, and profits from commerce, which will be moderated by the law, can make man industrious and can put the cultivator and merchant in a position to procure not only
things indispensable to their preservation, but also all that can add to their enjoyment. Let a maximum on fortunes be fixed. Let no individual possess more than the maximum’ (Soboul, 1979, p. 163).

Robespierre, deputy from Paris to the Convention, synthesised these criticisms of the right to property when he proposed a reformulation of the rights of man and the citizen to the Convention on 2 December 1792. He argued that vital necessities should not be considered private property, but rather ‘all society’s common property’. According to Robespierre, a right to property that did not take into consideration these sorts of distinctions authorised murder:

‘I defy the most scrupulous defender of property to contest these principles, at least to declare openly that he means by this word the right to skin and assassinate his fellow men. How can one claim that all types of hindrances, or rather all regulations on the sale of grain be an attack on property and disguise this barbarous system under the special name of freedom of commerce?’ (Soboul, 1979, p. 113).

Here we are at the heart of the problem of the right to property, posed during the Revolution. In his ‘Project de déclaration des droits de l’homme et du citoyen’, presented to the Convention on 24 April 1793, Robespierre presented his definition of the rights of man, and made the right to existence and to the means to preserve existence, the first among these rights:

‘The aim of all political association is the maintenance of the natural and imprescriptible rights of man and the development of all his faculties. The principal rights of man are those that provide for the conservation of his existence and his liberty.’

In contrast, the right of property was not a natural right, but rather a convention and thus modifiable by the law and framed in these terms:

‘The right of property is limited like all the others by the obligation to respect the rights of others. It cannot prejudice the security, the liberty, the existence, or the property of others. All possession, all trafficking that violates this principle is illicit and immoral’ (Robespierre, 1793[2000], p. 234).

Robespierre not only proposed a limitation on the exercise of the right of property and a redistribution of wealth (progressive taxation and social rights), but he also left to the legislative authority the possibility of intervening in all situations where economic power contradicted the ‘principle rights of man’. He thus refused the autonomy of the economic sphere and offered concrete means to identify its operation and combat it.

While commenting on the project for a declaration of rights and the constitution before the Convention on 10 May 1793, Robespierre employed the expression ‘popular political economy’ to designate the programme of a democratic and social Republic’s rights of man and the citizen (Robespierre, 1793[2000], p. 256; and Gauthier, 1992[2014], p. 73ff).

A new Revolution, from 31 May to 2 June 1793, gave way to the vote on the Constitution on 24 June. This Constitution remained ambiguous in declaring simultaneously an unlimited right to property and social rights, but abolishing martial law. The Mountain directed the Republic through its period of great danger, which included civil and foreign war.
Within a year, France had re-established peace, while conducting a policy that, from the agrarian reform to the maximum, restabilised prices and wages and also raised the lowest salaries. The agrarian reform restored 50% of arable land to those who worked it, recognised communal lands as communal collective property, broke the monopoly on the land in France by making smaller parcels available to peasants, eradicated feudalism, and reinforced the power of village communities.20

But the most important contribution remained the experiment with the ‘popular political economy’ – a concrete manifestation of the ‘moral economy’ identified by E.P. Thompson in popular practice – as a tangible and rational awareness of the ‘urgency of necessity’ for a society that did not want to die and so needed to protect itself against the aggression of the economists’ destructive political economy. In this, this ‘popular political economy’ speaks to us today.

9. Conclusion – Recent Globalisation Shifts Understanding of the History of Physiocracy

The beginning of the twentieth century experienced a fad for theories of capitalism from the eighteenth century and, in France, Georges Weulersse dedicated several impressive studies to the Physiocrats, which nonetheless revealed that he failed to understand the concrete history of their politics and presented them as amiable ‘liberals’. This revival gave birth to a wave of interpretations of economic thought, that, in the 1950s and 70s, became focussed on Turgot and the Flour War (Weulersse, 1910; 1950a; 1950b; 1985; Faure, 1961; Kaplan, 1976; 1982). After several decades, marked by a dominant interpretation of Physiocracy as liberalism, the debate reopened in the more menacing context of the 1980s, which saw the first damage caused by the offensive called the ‘market economy’ and the fissuring of the ‘liberal’ dream.

Thus Jean Cartelier a historian of economic theory and editor of the work of the Physiocrats, published a self-criticism that merits attention. A quarter of a century earlier, he had defended an interpretation of Physiocracy that reproached ‘Marxism’ for its so-called materialism, a position he currently disavows:

‘The thesis according to which Quesnay, with his materialist angle, anticipated Marx (advanced by Meek, 1962, Cartelier, 1976, and others) rests on a misinterpretation, if it is true, as I suggest here, that a political design is the true foundation for the system’ (Cartelier, 1991, p. 56).

In fact, this ‘Marxism’ had little to do with Marx’s thought. Marx never mistook the Physiocrats for ‘liberals’, and even less as his inspiration! Cartelier also challenges the notion that Physiocracy belonged to the liberal movement and comes to characterise it as ‘totalitarian thought’:

‘As totalitarian thought avant la lettre, Physiocracy does not belong to the liberal and individualist movement, as one has sometimes wished to locate it because of its defense of freedom of trade’ (Cartelier, 1991, p. 56).

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20 On the political and social economy of the Mountain, see the careful study by Jean-Pierre Gross, (2000 trans.1997).
In the twentieth century, Physiocracy was thus identified successively as liberal, Marxist, totalitarian – the three political colours that dominated the century: one might say that confusion reigned! However, describing Physiocracy does not require calling forth the theory of the totalitarian state, elaborated by Mussolini, who expressed his typically fascist rejection of the Enlightenment.\(^\text{21}\) Why not restore to it its specific character since it represented itself, without make-up or mask, as a theology, a new cult of natural and divine law of the economy, whose physical determinism and denial of humanity was revealed by experience? Contemporaries have noted the sectarian character of Physiocracy. Galiani associated Physiocratic theory with a pertinent neologism, ‘economystification’ (Galiani, 1979, p. 75); Linguet used a precise term, ‘économie’ (Linguet, 1788); Mably who sparkled in dialogue, nicknamed one of his protagonists Eudoxe (Eudoxus), the ‘Good-doctrine’:

‘...I am going to tell you about an exchange I had with Eudoxus. You know him, it is with the best faith in the world that he is an economist, because he has neither an inch of land nor a grain of wheat to sell. He watches with joy the rising price of bread because he imagines that it is for the greatest good of the state. He doesn’t realize that the people are silly enough to want to live thriftily and, [since he is] made for his legal despotism, he wants only freedom of trade, and especially in the grain trade’ (Mably, 1775[1794] p. 242).

During the same period, Adam Smith evoked the Physiocratic ‘sect’ and its ‘doctrine’:

‘This sect, in their works, which are very numerous, and which treat not only of what is properly called Political Œconomy, or of the nature and causes of the wealth of nations, but of every other branch of the system of civil government, all follow implicitly and without any sensible variation, the doctrine of Mr. Quesnay. There is upon this account little variety in the greater part of their works. The most distinct and best connected account of this doctrine is to be found in a little book written by Mr. Mercier de la Rivière, some time Intendant of [Martinique], entitled, The natural and essential Order of Political Societies’ (Smith (1776[1904], vol. 2, bk. 4, chap. 9, p. 38).

In a posthumous work, Karl Polanyi observed that the Physiocrats embraced ‘the new phenomenon, never witnessed before, that there was an interdependence of fluctuating prices which directly affected multitudes of men’. As foreign commerce penetrated local markets – wages, food prices and rent became subject to ‘price-making markets’. This ‘new field of activity’, he observed, ‘was the economy’, which proved ‘a revelation for the Physiocrats’ and ‘transformed them into a philosophical sect’ (Polanyi, 1977, pp. 6-7).\(^\text{22}\)

In his work, Polanyi shed light on the economism that had recently appeared:

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\(^{21}\) The theory of the ‘totalitarian state’ installs the personal power of the leader, who becomes the source of morality, right, and law, which he has stripped from society because he, el duce, concentrates in his person fascist knowledge and power. See Faye (1982).

\(^{22}\) This author’s works were translated into French very late (for example: La subsistance de l’homme, La place de l’économie dans l’histoire et la société, Paris, Flammarion, 2011) and remained marginalised by economic scholars because they remained committed to ‘economism’ (économisme). However, the translation and publication of this work was ultimately the work of an economist, Bernard Chavance, a fact that announces a happy shift in perspectives! In addition, the marginalisation of the work of Karl Polanyi may also help to explain another fact. In his Great Transformation (1944), in which Polanyi studied the English ‘Speenhamland system’ of 1795 as an experiment in ‘social self-protection’, E. P. Thompson saw in this same phenomenon an expression of the ‘popular moral economy’, but he never referred to Polanyi, despite the fact that the two authors demonstrate an interesting convergence in point of view.
'The nineteenth century, which universalized the market, would naturally experience economic determinism in its daily life and inclined to assume that such determinism was timeless and general. Its materialistic dogmatism in regard to men and society simply mirrored the institutions that happened to shape the environment' (Polanyi, 1977, pp. xlvi-xlvii).

This dogmatism has, according to its own logic, refused all concrete studies which were not a priori self-referential or which discussed these assumptions based on the mechanisms of 'prices'. This 'economic solipsism' is expressed by the assumption that, according to the author, 'the market makes prices' (Polanyi, 1977, pp. 14-17). How can one struggle against such prejudices that result in the negation of historical realities 'in the name of a dogmatic conception of progress'? Polanyi rightly responds: with a return to history and to the study of the place of the economy in societies, as he has shown in his research, his teaching, and his publications.

As I proposed in my introduction, given our current situation, this analysis of the history of the freedom of the grain trade at the end of the eighteenth century, from the perspective of the rights of man and the citizen, calls for further analysis of the Physiocrats and their followers. Their doctrine was founded on an understanding of the economy, not as a human activity, but as emanating from natural or physical laws. They very explicitly demanded the subordination of all human faculties to these natural laws of the economy. Turgot softened the dogmatic character of this claim to subordinate despotically the social to the physical laws of the economy, by asserting the autonomy of the economic sphere: an autonomy in regard to human rights.

Still, it does not suffice to simply assert that the Physiocrats' social physics contradict the rights of humanity; we must precisely identify these rights. First, human rights do not belong to the realm of natural or physical laws, but rather to a humanist anthropology. This means that these rights concern all humans and are necessarily reciprocal, beginning with the right to existence and to the means to sustain it. This right to existence must be restored to the centre of the economic as a human social activity. The economy would thus be directed to reassuring the right to existence in society, a right to which the economy must submit itself.

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