

FRANCE
A HISTORY OF NATIONAL ECONOMICS
1789 - 1939



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By

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PREFACE

WHAT ails France today? What attempts have been made by France to increase its economic power? These are the questions which this book tries to answer for the layman, the student, the statesman, and the scholar.

The order is a large one, but the filling of the order is larger still. By analogy, French economic policies and French present-day problems throw much light upon the difficulties of nearly all the countries of western Europe.

The search for answers to the initial questions has been centered around one of the major problems of contemporary times—national economics or, as it is called in America, economic nationalism. Although it is realized that national economics is not always the prime mover in recent history, it is believed that this basic issue furnishes an excellent opportunity to treat economic development, class interests and conflicts, political controversies, and international rivalries. A survey of all these matters provides a veritable “inside story” of France—a story that aims to be penetrating in its analysis and free from the superficiality which sees profundity in mere personal intrigues.

That the national problems of France are discussed in their historical setting is clear from the title. This is important, because no cross-section investigation of present-day France would furnish an understanding of the dynamics of the past which will certainly protrude into the future.

This brief justification for bringing another book into the world is predicated upon the belief that man can do something about contemporary difficulties if he understands them. Without this faith, the writing of such books would be only an idle pastime.

In this place I wish to express my gratitude for the encouragement that has been given me by my friends in making this study. To Professor Carlton J. H. Hayes I owe an intellectual debt that I shall never be able to repay. To the memory of the late Professor Henri Sée I pay homage for the kindness with which he gave freely of his time and

great learning to my endeavors. To Professor Charles W. Cole I am a debtor for a friendship that has been as intellectually refreshing as it has been pleasant.

Furthermore, I am deeply grateful to several persons who have had a hand in the preparation of the manuscript. I am especially appreciative for the criticism of the first three chapters by Professor Georges Lefebvre, of the Sorbonne, and by Professor Séc; of the last seven chapters by Professor Georges Weill; of the last two chapters by Professor Eli Heckscher; and of the entire manuscript by Professor Hayes. Sincere thanks are also extended to Doctor George Woodbridge, of Columbia University, for the hapless job of reading proofs and for his many helpful suggestions. To Columbia University I desire to express my gratitude for having awarded me a Cutting Travelling Fellowship that enabled me to spend over a year of study in France and for a grant from the William A. Dunning Fund that made possible what was a third trip to Europe in the search for necessary materials. I want to acknowledge further my great appreciation to Charles Scribner's Sons, and especially to their editor, Doctor W. D. Howe, for their friendly co-operation and their belief in the wisdom of placing scholarly works upon the American market. Finally, I want to testify to the inspiration and joy which I have received from my colleagues and my students. To the latter I dedicate this volume.

S. B. C.

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BIBLIOGRAPHY AND NOTES

CHAPTER I

(1) There is no good monograph in any language on the general theory and practice of national economics from 1500 to 1900. The works on mercantilism come nearest to filling the want, but, for the most part, they are very brief, sketchy, and unsound. The best general treatment in English is probably J. W. Horrocks, *A Short History of Mercantilism* (London: Methuen and Co., 1925), viii, 249 pp. It attempts to trace the phenomena of national economics from ancient times to the present in every Western European country. Its treatment is therefore necessarily very summary. The present author concurs in most of Horrocks' generalizations. It should be noted that Horrocks feels that the word "mercantilism" is a misnomer for the material under discussion, but employs it for want of a better term. His remarks about the national economics of the nineteenth century are particularly noteworthy.

The best-known work on mercantilism in English is undoubtedly Gustav Schmoller, *The Mercantile System and its Historical Significance. Illustrated Chiefly from Prussian History* (New York: Macmillan Co., 1896; a new edition was brought out in New York by P. Smith, 1931), viii, 95 pp. This work is a translation of the introduction to Schmoller's *Studien über die wirtschaftliche Politik Friedrichs des Grossen* (1884). It is a most suggestive pamphlet; its most significant thesis is that mercantilism was not an economic philosophy of bullionism, balance of trade, or productivity, but was a philosophy of state-making. It contains very little detail, and much of the illustrative data is taken, as its title states, from Prussian history.

One of the longer studies on mercantilism is that by Eli Heckscher, *Mercantilism* (London: Allen and Unwin, 1935), 2 vols. This is an informative book, but it does not consider Portugal and Spain. Professor Heckscher's comparison of *laissez-faire* and mercantilism is stimulating. See also Heckscher's article "Mercantilism," *Economic History Review*, November, 1936.

In French, the most competent survey in the form of a monograph is J. Morini-Comby, *Mercantilisme et protectionnisme. Essai sur les doctrines interventionnistes en politique commerciale du XV^e au XIX^e siècle* (Paris: Alcan, 1930), xx, 217 pp. This book, which has an extensive bibliography, deals largely with economic theory and minimizes the economic policies of the growing national states of Europe. It, too, may be criticized for its brevity and failure to reduce national economic phenomena into categories for

different times and places. There is also Laurence Bradford Packard, *The Commercial Revolution, 1400-1776, Mercantilism—Colbert—Adam Smith* (New York: Henry Holt and Co., The Berkshire Studies in European History, 1927), vii, 105 pp., which is of the character of a textbook. The article on mercantilism in Ludwig Elster, Adolph Weber, and F. Wieser, *Handwörterbuch der Staatswissenschaften* (Jena: Fischer, 1925); the one by W. A. S. Hewins in R. H. I. Palgrave's *Dictionary of Political Economy* (London: Macmillan Co., 1925); and that by Eli Heckscher in the *Encyclopedia of the Social Sciences* (New York: Macmillan Co., 1930) are worthy of note. For the position of labor under mercantilism see E. S. Furniss, *The Position of the Laborer in a System of Nationalism* (New York: Houghton Mifflin Co., 1920).

Perhaps the best treatment of national economic theory may be found in general histories of economic theory. The section on mercantilism in L. H. Haney, *History of Economic Thought* (New York: Macmillan Co., 1920), xix, 677 pp., however, is not well organized nor lucidly presented; J. K. Ingram, *A History of Political Economy* (London: Black, 1915), xix, 315 pp., is to be used with care; Othmar Spann, *The History of Economics* (New York: W. W. Norton & Co., 1930), 328 pp., devotes only twenty-four pages to "The Mercantile System"; and Edwin Cannan, *A Review of Economic Theory* (London: P. S. King & Co., 1929), x, 448 pp., dismisses mercantilism in seven pages. One of the best surveys to be had is found in René Gonnard, *Histoire des doctrines économiques. Doctrines antérieures à Quesnay* (Paris: Librairie Valois, 1928), vol. I. A brilliant and informative account is A. Dubois, *Précis de l'histoire des doctrines économiques dans leurs rapports avec les faits et avec les institutions. L'époque antérieure aux physiocrates* (Paris: Rousseau, 1903), 342 pp. His approach to the problem—the linking together of the practical and theoretical sides of the phenomena—is highly commendable. August Oncken, *Geschichte der Nationalökonomie* (Leipzig, 1902), part I, which covers only the period to Adam Smith, is of primary importance, as is W. Roscher, *Geschichte der Nationalökonomik in Deutschland* (Munich, 1874), 8, 1085 pp. Of the many other books of a similar nature, attention should be called to the short but brilliant work of A. Espinas, *Histoire des doctrines économiques* (Paris: Colin, 1891), 359 pp.; Luigi Cossa, *Introduzione allo studio dell' economia politica* (3rd edition; Milan: Hoepli, 1892), which is highly stimulating and refreshing, and has excellent bibliographies; and Paul Mombert, *Geschichte der Nationalökonomie* (Jena: Fischer, 1927), ix, 557 pp., which, although uneven in its treatment of mercantilism, has a good account of Netherlandish and German mercantilists. There are a few monographs on mercantilist theory in general. H. I. Bidermann, *Über den Merkantilismus* (Innsbruck: Wagner, 1870), 58 pp., of which 26 pp. are devoted to notes, is largely an attempt to show that mer-

cantilist writers were concerned mostly, not with discovering ways by which the national store of precious metals might be increased, but with regulations by which the circulation of money, and hence industrial production and commerce, might be stimulated. A discussion of the same idea consumes a large part of the highly suggestive book by Emilio Cossa, *L'interpretazione scientifico del mercantilismo* (Messina: Nicastro, 1907), 65 pp. Attention should also be called to the very brief article by C. Supino, "La giustificazione storica del mercantilismo," *Festgaben für Ad. Wagner* (Leipzig, 1905), pp. 99-102. Concerning the balance-of-trade question, it might be well to mention Edmund von Heyking, *Zur Geschichte der Handelsbilanztheorie* (Berlin: Puttkammer und Mühlbrecht, 1880), v, 90 pp., which endeavors to unite the development of theories of commercial balances with the growth of national states; and T. H. Boggs, *The International Trade Balance in Theory and Practice* (New York: Macmillan Co., 1922), viii, 221 pp.

There are almost innumerable books on special phases of national economic theory and practice. The outstanding ones which have come to the author's attention will be mentioned in the footnotes.

(2) See especially the works of Carlton J. H. Hayes, *Essays on Nationalism* (New York: Macmillan Co., 1926), 279 pp.; *The Historical Evolution of Modern Nationalism* (New York: R. R. Smith, 1931), viii, 327 pp.; and *France, a Nation of Patriots* (New York: Columbia University Press, 1930), x, 487 pp.; and Bernard Joseph, *Nationality: Its Nature and Problems* (New Haven: Yale University Press, 1929), 380 pp. See also the series in civic training published under the editorship of Charles E. Merriam by the University of Chicago Press, especially Samuel N. Harper, *Soviet Russia* (1929), xvii, 401 pp.; H. W. Schneider and Shepard B. Clough, *Making Fascists* (1929), xv, 211 pp.; and Charles E. Merriam, *The Making of Citizens. A Comparative Study of Methods of Civic Training* (1931), xv, 371 pp. One should also consult Waldemar Mitscherlich, *Nationalismus, Die Geschichte einer Idee* (Leipzig: Hirschfeld, 1929), and his other works on nationalism; Hans Kohn, *A History of Nationalism in the East* (New York: Harcourt, Brace & Co., 1929), xi, 476 pp.; Frederick L. Schuman, *War and Diplomacy in the French Republic* (New York: Whittlesey House, 1931), xvii, 452 pp.; G. M. Stratton, *Social Psychology of International Conduct* (New York: Appleton and Co., 1929); Koppel S. Pinson, *A Bibliographical Introduction to Nationalism* (New York: Columbia University Press, 1935).

(3) *Labor Charter of April 21, 1927, Article II.*

(4) Arnaldo Mussolini, brother of Benito Mussolini, in his article *Ordinamento corporativo e iniziativa privato*, quoted in Fantini, *La politica economica del Fascismo* (Rome: Tiber, 1929), pp. 21-22. See also my article,

"The Evolution of Fascist Economic Practice and Theory, 1926-30," *Harvard Business Review*, April, 1932.

(5) For a further study of modern national economics one would do well to inspect M. B. Amzalak, *O néo-mercantilismo* (Lisbon, 1929), 30 pp.; Charles A. Beard, *The Idea of National Interest* (New York: Macmillan Co., 1934); N. Boukharine, *L'économie mondiale et l'impérialisme* (Paris: Editions Sociales Internationales, 1928); Lucien Brocard, *Principes d'économie nationale et internationale* (Paris: Recueil Sirey, 1929-31), 3 vols.; W. S. Culbertson, *International Economic Policies—A Survey of the Economics of Diplomacy* (New York: Appleton and Co., 1925); Laurent Dechesne, *Économie mondiale et protectionnisme* (Paris: Recueil Sirey, 1927); L. Denny, *America Conquers Britain* (New York: Knopf, 1930); John Donaldson, *International Economic Relations* (New York: Longmans, Green & Co., 1928); Edward Mead Earle, "The New Mercantilism," *Political Science Quarterly*, vol. XL, No. 4, December, 1925; O. Fantini, *La politica economica del Fascismo* (cited above); Conrad Gill, *National Power and Prosperity: A Study of the Economic Causes of Modern Warfare* (London: T. F. Unwin, 1916); Joseph Grunzel, *Economic Protectionism* (Oxford: Carnegie Foundation, 1916), and *Handbuch der Internationalen Handelspolitik* (Vienna: Universitätsbuchhandlung, 1898); Henri Hauser, *La nouvelle orientation économique* (Paris: Alcan, 1924), and *Les origines historiques des problèmes économiques actuels* (Paris: Vuibert, 1930); W. A. S. Hewins, *The Apologia of an Imperialist. Forty Years of Empire Policy* (London: Constable, 1929); Martin Sogemeier, *Die öffentliche Hand in der privaten Wirtschaft* (Berlin: Hobbing, 1926); Mihaïl Manoïlesco, *Théorie du protectionnisme et de l'échange international* (Paris: Giard, 1929); Parker Thomas Moon, *Imperialism and World Politics* (New York: Macmillan Co., 1928); J. Morini-Comby, *Mercantilisme et protectionnisme* (cited above); Leo Pasvolksy, *Economic Nationalism of the Danubian States* (New York: Macmillan Co., 1928); Theodor Plaut, *Deutsche Handelspolitik* (Leipzig: Teubner, 1929); N. S. Smith, *Economic Control. Australian Experiments in Rationalisation and Safeguarding* (London: P. S. King & Co., 1929); and the reports and proceedings of the International Economic Conference (Geneva: League of Nations, 1927). One will find considerable discussion of the theory of recent economic nationalism in several of the general histories of economic theory mentioned in the first bibliographical note to this chapter. One should add to this list Charles Gide and Charles Rist, *Histoire des doctrines économiques depuis les physiocrates jusqu'à nos jours* (5th edition; Paris: Recueil Sirey, 1926).

(6) For definitions of nation, nationality, national, state, nationalism, *et cetera*, consult C. J. H. Hayes, *Essays on Nationalism*.

(7) Victor Brants, *L'économie politique au moyen âge. Esquisse des théories économiques professées par les écrivains des XIII^e et XIV^e siècles* (Louvain: C. Peeters, 1895), and George O'Brien, *An Essay on Mediæval Economic Teaching* (London: Longmans, Green & Co., 1920).

(8) On the attitude of Protestants toward capitalism, consult: Richard H. Tawney, *Religion and the Rise of Capitalism* (London, 1926); Ernest Troeltsch, *Die sozialen Lehren der Christlichen Kirchen und Gruppen* (Tübingen, 1912); Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (London: Allen, 1930); H. M. Robertson, *Aspects of the Rise of Economic Individualism* (Cambridge: University Press, 1933); and L. Brentano, *Die Anfaenge des moderne Kapitalismus* (Munich, 1916).

(9) Henri Sée, *Modern Capitalism* (New York: Adelphi Co., 1928), p. 38; Henri Hauser, *Les débuts du capitalisme* (Paris: Alcan, 1927); and Werner Sombart, *Der moderne Kapitalismus* (Munich: Duncker, 1921-27), 3 vols.

(10) See the excellent book by David G. Loth, *Lorenzo the Magnificent* (New York: Brentano's, 1929). Lorenzo believed that a large export trade was a sign of prosperity, and he encouraged commercial expansion. He took shares in several companies and made Pisa a free port. G. R. B. Richards, *Florentine Merchants in the Age of the Medici* (Cambridge: Harvard University Press, 1932), p. 47. See also Richard Ehrenberg, *Capital and Finance in the Age of the Renaissance* (London: J. Cape, 1928), pp. 233-238; and Henri Pirenne, *Histoire de Belgique* (Brussels: Lamertin, 1900-26, 6 vols.), vol. II, pp. 432-438.

(11) A French decree of 1305 during the reign of Philip the Fair forbade the exportation of grain and wool. See R. Vivier, "La première grande intervention de la royauté dans le domaine économique," *Revue d'histoire économique*, No. 2, 1920. See also N. S. B. Gras, *The Early English Customs System* (Cambridge: Harvard University Press, 1918). James Westfall Thompson, *An Economic and Social History of Europe in the Later Middle Ages* (New York: The Century Co., 1931), pp. 74, 85. A. E. Bland, P. A. Brown, R. H. Tawney, *English Economic History. Select Documents* (New York: Macmillan Co., 1919), p. 186. *Calendar of Letter-Books*, ed. by R. R. Sharpe (London, 1899-1912); *Letter-Books A to L; Letter-Book E*, fol. CLXVII (1326). 11 Edward III c. i: and c. 5 1336-37. See also H. S. Lucas, *The Low Countries and the Hundred Years' War, 1326-1347* (Ann Arbor: University of Michigan Press, 1929).

(12) See the account of the theories of Buridan in Dubois, *Précis de l'histoire des doctrines économiques*, p. 92.

(13) *Opere inedite* (Florence: Barbera, Bianchi e Comp., 1857), vol. I, pp. 61-62.

(14) Machiavelli, *Ritratti delle cose dell'Alamagna*. Also see Karl Knies, "Machiavelli als volkswirtschaftlicher Schriftsteller," *Zeitschrift für Staatswissenschaft*, vol. VIII (1852), pp. 251-256; and Jean Thévenet, *Les idées économiques d'un homme d'état dans la Florence des Médicis* (Villefranche: Réveil du Beaujolais, 1922), p. 23.

(15) Dubois, *op. cit.*, p. 193. E. R. A. Seligman, "Bullionists," *Encyclopedia of the Social Sciences* (New York: Macmillan Co., 1930), vol. III, pp. 60-64.

(16) F. Isambert, A. Jourdan, Decrusy, Armet, and Taillandier, *Recueil général des anciennes lois françaises* (Paris: Belin-Le-Prieur, 1821-33), vol. IX, p. 118.

(17) Bland, Brown, and Tawney, *English Economic History. Select Documents*, p. 222.

(18) It is still called in French *économie politique*, and in German *Nationalökonomie*.

(19) Gustav Schmoller, *The Mercantile System* (edition of 1896), p. 50.

(20) W. A. S. Hewins in his extremely interesting book, *The Apologia of an Imperialist*, pp. 35-36, shares this opinion about national economics:

"I have defined its object as the creation of an industrial and commercial state in which by encouragement or restraint imposed by the sovereign authority, private and sectional interests should be made to promote national strength and efficiency. We can contrast this system of policy with that of the free trade or *laissez-faire régime* by substituting in this definition for 'encouragement or restraint imposed by the sovereign authority,' the operation of free competition, and for 'national strength and efficiency,' the pursuit of wealth.

"The mercantilist statesmen held that private interests did not necessarily, or even usually, coincide with the interests of the community. The Mercantilist or National System was not theoretical, it was political economy, a branch of the science of statecraft, and that statecraft was not inspired by abstract aims. The end in view was clear, but the means of arriving at that end were questions of expediency. Our forefathers believed in what they called 'regulation,' but not in any doctrinaire system. There was no belief in what in our time we call protection, for its own sake. Theoretically, at any rate, if we may use such expressions of those times, protective duties were not necessarily involved—the end might be attained by regulation and control by the central authority, and many of the mercantilist writers admit numerous cases for free importation and exportation, and write with admiration of the lightness of customs imposed by the Dutch Republic. In fact the tariff

schedules invariably appeared, but not as a tariff worked out in conformity with some abstract principle. They were devised, according to the circumstances of the times, to meet a definite and actual situation. Freedom of trade in the modern English sense of the term was not known or desired. That is a phrase, used in at least a dozen different senses, but not in the modern English sense of a general policy of free importation."

Gustav Schmoller, *op. cit.*, pp. 50-51, maintains:

"The whole internal history of the 17th and 18th centuries, not only in Germany but everywhere else, is summed up in the opposition of the economic policy of the state to that of the town, the district, and the several Estates; the whole foreign history is summed up in the opposition to one another of the separate interests of the newly rising states, each of which sought to obtain and retain its place in the circle of European nations, and in that foreign trade which now included America and India. Questions of political power were at issue, which were, at the same time, questions of economic organization. What was at stake was the creation of real *political economies* as unified organisms the centre of which should be, not merely a state policy reaching out in all directions, but rather the living heartbeat of a united sentiment.

"Only he who thus conceives of mercantilism will understand it; in its innermost kernel it is nothing but state making—not state making in a narrow sense, but state making and national economy making at the same time; state making in the modern sense, which creates out of the political community an economic community, and so gives it a heightened meaning. The essence of the system lies not in some doctrine of money, or of the balance of trade; not in tariff barriers, protective duties, or navigation laws; but in something far greater:—namely, in the total transformation of society and its organization, as well as of the state and its institutions, in the replacing of a local and territorial economic policy by that of the national state."

Wilhelm Roscher in his *Zur Geschichte der englischen Volkswirtschaftslehre* (Leipzig, 1851), p. 122, holds that:

"Unsere weitverbreitete Gewohnheit, die ganze Entwicklungs-Periode der Volkswirtschaftslehre, welche den Physiokraten voraufgeht, mit dem Namen des Merkantilsystems zu bezeichnen, ist allerwenigstens eine sehr ungenügende. Das Bekannte Bild, welches die Lehrbüchertradition von einem Merkantilisten zu entwerfen pflegt, passt immerhin auf manche unbedeutendsten Schriftsteller des 17 und 18 Jahrhunderts; aber die bedeutendsten werden keineswegs dadurch getroffen. . . ."

J. W. Horrocks in *A Short History of Mercantilism*, p. 1, states that:

"The term 'Mercantile System' is not a satisfactory one. It does not accurately describe or even aptly suggest the essential nature of the complex of theory and practice which it is used to designate . . ."

Yet he does not throw over the use of the expression.

"In the absence of a satisfactory, recognized substitute, therefore, the familiar name is retained as a convenient term for the matter in hand." Pp. 3-4.

E. Lipson, *The Economic History of England* (5th edition; London: Black, 1929-31), 3 vols., also maintains that "the use of this term [mercantilism] is apt to be misleading: it suggests the systematic working out of a national policy based on precise and definite principles . . ." Vol. III, p. 1.

(21) Consult especially K. G. Jayne, *Vasco da Gama and his Successors, 1460-1580* (London: Methuen and Co., 1910). This work has a good critical bibliography. See also R. S. Whiteway, *The Rise of the Portuguese Power in India, 1497-1550* (London, 1899); E. Prestage, *The Portuguese Pioneers* (New York: Macmillan Co., 1933); and M. B. Amzalak, *Do Estudo et do evolução das doutrinas em Portugal* (1928).

(22) For a further discussion of Spanish national economic policies of the sixteenth century, see José de Veitia Linaje, *Norte de la contratación de las Indias Occidentales* (1672), the only treatise on the organization of Spanish colonial commerce prior to the eighteenth century; C. H. Haring, *Trade and Navigation between Spain and the Indies in the Time of the Habsburgs* (Cambridge: Harvard University Press, 1918); E. G. Bourne, *Spain in America, 1450-1580* (New York: Harper Brothers, 1904); R. B. Merriman, *The Rise of the Spanish Empire in the Old World and the New* (New York: Macmillan Co., 1918-1925), 4 vols.; Henri Bérindoague, *Le mercantilisme en Espagne* (Paris: Imprimerie Union, 1929); E. J. Hamilton "Spanish Mercantilism before 1700," *Facts and Factors in Economic History* (Cambridge: Harvard University Press, 1933); W. Roscher, *The Spanish Colonial System* (New York: Henry Holt & Co., 1904); and M. Colmeiro, *Historia de la economía política en España* (Madrid: Lopes, 1863), 2 vols.

(23) Gonnard, *op. cit.*, vol. I, pp. 118-119; and Bérindoague, *op. cit.*, p. 122.

(24) On the amounts, consult C. H. Haring, "American Gold and Silver Production in the First Half of the Sixteenth Century," *The Quarterly Journal of Economics*, May, 1915, pp. 433-479, and *Trade and Navigation between Spain and the Indies in the Time of the Habsburgs*. He reduces considerably the earlier estimates of the precious metals taken from America. See more especially E. J. Hamilton, *American Treasure and the Price Revolution in Spain, 1501-1650* (Cambridge: Harvard U. Press, 1934) and "Imports of Gold and Silver into Spain, 1503-1660," *The Quarterly Journal of Economics*, May, 1929, pp. 436-473. For an idea of earlier beliefs of the amounts imported, see M. M. Knight, H. E. Barnes, F. Flügel, *Economic History of Europe*, pp. 308-311. The figures in this book are based largely on the work of Soetbeer.

(25) C. E. Chapman, *A History of Spain* (New York: Macmillan Co., 1918), p. 330; Damian de Olivares, *Memorial para prohibir la entrada de los generos extranjeros* (1621).

(26) Andres V. Castillo, *Spanish Mercantilism. Gerónimo de Uztáriz-Economist* (New York: Columbia University Studies, 1930).

(27) Concerning the national economic policies and practices of the Dutch, consult: P. J. Blok, *History of the People of the Netherlands* (New York: Putnam, 1898-1912), 5 vols.; Ernest Baasch, *Holländische Wirtschaftsgeschichte* (Jena: Fischer, 1927); H. T. Colenbrander, *Koloniale geschiedenis* (The Hague: Nijhoff, 1925-26), 3 vols.; E. Laspeyres, *Geschichte der volkswirtschaftlichen Anschauungen der Niederländer . . .* (Leipzig: Hirzel, 1863; and J. G. van Dillen, *Bronnen tot de geschiedenis der wisselbanken* (The Hague: Nijhoff, 1925), and *Geschichte der wirtschaftlichen Entwicklung der Niederlande und die Amsterdamer Wechselbank, 1609-1820*, ed. by Brodnitz (Amsterdam, 1929); T. P. van der Kooy, *Hollands stapelmarkt en haar verval* (Amsterdam: H. J. Paris, 1931).

(28) Baasch, *op. cit.*, pp. 353-356 and Mombert, *Geschichte der Nationalökonomie*, pp. 130-133.

(29) Carl Ballhausen, *Der erste Englisch-Holländische Seekrieg (1652-1654) sowie der Schwedisch-Holländische Seekrieg (1658-1659)* (The Hague: Nijhoff, 1923).

(30) M. A. S. Hume, *The Great Lord Burghley; A Study in Elizabethan Statecraft* (London: Nisbet and Co., 1898), xv, 511 pp.

(31) The Dutch economic position was glamorously presented to the English, notably by R. Coke, *Discourse on Trade* (1670), and by Sir William Temple (1628-1699).

(32) James A. Williamson, *A Short History of British Expansion* (second edition; New York: Macmillan Co., 1931) vol. 1, *passim*. Williamson, vol. 1, p. 258, states:

"The Commonwealth, by the ordinances of 1650 and 1651, had sketched out a maritime policy which, as we have seen, was in itself a recapitulation of ideas previously existing in a vague and uncorrelated condition. The foreign wars of 1652-9 have obscured the evidence bearing upon the actual utility of the Puritan legislation. All that we can say with certainty is that contemporary thought was unanimously in favour of its continuance. . . ."

See also Br. Suviranta, *The Theory of the Balance of Trade in England; A Study in Mercantilism* (Helsingfors, 1923), iv, 171 pp.; and Hjalmar Schacht,

Der Theoretische Gehalt des Englischen Merkantilismus (Berlin: Mann, 1900), 106 pp.

(33) Consult G. Cawston and A. H. Keane, *The Early Chartered Companies* (London: E. Arnold, 1896); and W. R. Scott, *The Constitution and Finance of English, Scottish, and Irish Joint Stock Companies* (Cambridge: University Press, 1910-12).

(34) William Cunningham, *The Growth of English Industry and Commerce in Modern Times*, part 1, *The Mercantile System*, pp. 176-7 (Cambridge: University Press, 1921). See also E. Lipson, *The Economic History of England*.

(35) There had been insistence upon a profit for the nation in every single transaction. This was the "balance of bargains," a term used by Richard Jones in his "Primitive Political Economy of England," *Edinburgh Review*, April, 1847, and by Luigi Cossa, *Histoire des doctrines économiques* (Paris: Giard & Brière, 1899), pp. 213-217.

(36) This difference of opinion between the two groups of economists is exemplified with great clarity by the somewhat acrimonious debates concerning the practices of the East India Company. Gerard Malynes protested against the Company's export of bullion for the purchase of oriental luxuries in his pamphlet *The Canker of England's Commonwealth* (1601) and in his other writings: *St. George for England Allegorically Described* (1601); *England's Views on the Unmasking of Two Paradoxes* (1603); *The Maintenance of Free Trade* (1622); *The Centre of the Circle of Commerce* (1623); *Lex Mercatoria* (1622).

George Weymouth suggested the forcing of a northwest passage in the hope that in a colder clime would be found people who would take English products instead of bullion in exchange for oriental goods. To the supporters of the Company, however, the export of bullion to the East presented no difficulty at all. Thomas Mun, the hero of Adam Smith's treatment of the mercantile system, pointed out in his *Discourse of Trade from England into the East Indies* (1621) and *England's Treasure by Forraign Trade* (1664) that, although a certain amount of bullion was exported by the Company to the East, a still greater quantity was imported by the sale of Oriental products to Continental powers. Nor was this the only advantage of the Eastern Trade to England. The carrying trade and maritime insurance netted Englishmen neat profits every year, and England's commerce, in its demand for goods that might be offered in exchange for overseas luxuries, stimulated national production.

Mun's theories, however, did not hold for long the front stage in English economic thought. So far as commercial doctrines went, supporters of trading

interests had to take a new stand, for by no stretch of the facts could they prove that the Eastern trade resulted in an eventually favorable balance of trade. Josiah Child (1630-99), a director of the East India Company, contended that the best test of a nation's wealth is low interest rates and that the best criterion of a favorable balance of trade is the condition of the merchant marine. To increase the wealth of England based on these standards, Child advocated, perhaps not without selfish motives, the establishment of an English colonial empire, increased commercial capital, the reduction of the legal rate of interest to four per cent, the protection of national commerce, and the opening up of trade with other nations. Another supporter of the Company, Charles Davenant, criticized sharply the bullionist theory, holding that "money is the servant of trade—at bottom no more than the counters [with] which men in their dealings have been accustomed to reckon—" and that "he who would compute with any good effect in matters relating to trade must contemplate the wealth, stock, product, consumption, and shipping, as well as the exportations and importations of the country." And an unknown writer with remarkably prophetic acumen contended that the overseas commerce would lead to an industrial renaissance and the application of machines to the art of manufacture.

"The East India trade is no unlikely way to introduce more articles, more order and regularity into our English manufactures. . . . [It] procures things with less and cheaper labour than would be necessary to make the like in England; it is therefore very likely to be the cause of the invention of arts, and mills, and engines, to save the labour of hands in other manufactures. . . ."

See the excellent work by P. J. Thomas, *Mercantilism and the East India Trade; An Early Phase of the Protection v. Free Trade Controversy* (London: P. S. King & Son, 1926), p. 10. Thomas Milles in *Customers' Apologie* (1601), and *Customers' Replie* (1604) took the same stand as Malynes. Lewes Roberts (1596-1640), a member of the East India Company, championed foreign trade. In his *Treasure of Traffike, or A Discourse of Forraigne Trade* (1641), he concluded that there were three ways by which a kingdom was enriched; (1) by arms and conquest, which he condemned as "bloody and hazardable," (2) by planting colonies, building well-situated cities, etc., and (3) by foreign trade. And the greatest of these was foreign trade:

"These two points thus considered and granted, and that neither the naturall commodities of a countrey, be they ner'e so rich or precious, nor yet the artificiall commodities of a Kingdome, be they never so many or excellent, can of themselves, without the assistance of Traffike, benefit a common-weale, or bring plenty or abundance thereto; and consequently inrich the same. Come we in the next place to the third point, which is this trade it selfe, which of it selfe and by it selfe, can supply all defects, either of naturall or artificiall commodities, and that without the assistance and helpe of

either, can yet produce both, and is alone effectual to accomplish and perfect the same, though in a barren place, affording nether in the prosecution, preservation, and augmentation thereof."

A Select Collection of Early English Tracts on Commerce (London: Political Economy Club, 1856), p. 65.

(37) There were in England many advocates of less government control prior to Adam Smith. David Hume and Josiah Tucker are worthy of note in this connection. Concerning the latter, see R. Schuyler, *Josiah Tucker—A Selection of His Economic and Political Writings* (New York: Columbia University Press, 1931). Concerning Hume, see James Bonar, *Philosophy and Political Economy* (London: Allen and Unwin, 1922), pp. 116 ff.; Max Klemme, *Die volkswirtschaftlichen Anschauungen David Hume's* (Jena: Gustav Fischer, 1900), pp. 7 ff.; and Hermann Thies, *David Hume als wirtschaftlicher und politischer Schriftsteller* (Cologne: H. Kuhn, 1929), pp. 19 ff.

(38) *Wealth of Nations*, Book IV, chap. II, entitled, "Of Restraints upon the Importation from Foreign Countries of such Goods as can be produced at Home." See also Joseph Shield Nicholson, *A Project of Empire: a critical study of the Economics of Imperialism with special reference to the ideas of Adam Smith* (London: Macmillan Co., 1909).

(39) L. H. Jenks, *The Migration of British Capital* (New York: Knopf, 1927).

(40) There are several interesting books on the decline of *laissez-faire* in Britain. See especially C. R. Fay, *Great Britain from Adam Smith to the Present Day* (New York: Longmans, Green and Co., 1928), particularly the first hundred pages; William Cunningham, *The Rise and Decline of the Free Trade Movement* (Cambridge: University Press, 1905); J. M. Keynes, *The End of Laissez-Faire* (London: Woolf, 1926), 53 pp.; Charlotte Leubuscher, *Liberalismus und Protectionismus in der Englischen Wirtschaftspolitik seit dem Krieg* (Jena: Fischer, 1927), vi, 224 pp.; and Herman Levy, *Der Liberalismus in England* (Jena: Fischer, 1928).

(41) French trade with the Levant was considerable, but it was hardly to be compared to the Portuguese commerce with the East.

(42) Isambert, *Recueil général des anciennes lois françaises*, vol. XII, pp. 695-6.

(43) Isambert, vol. XII, p. 834. Similar regulations, called sumptuary laws, were made in 1547, 1549, 1563, 1565, 1573, 1576, 1577, 1583, 1594, 1600, 1601, 1606, 1613, 1623, etc. The frequency of these laws indicates not only that they were

not rigorously effective, but also that the principle behind them continued to be held by the government.

(44) Isambert, vol. XIV, pp. 241-244. Similar decrees were made in 1627, 1629, etc.

(45) E. Levasseur, *Histoire des classes ouvrières et de l'industrie en France avant 1789* (Paris: Rousseau, 1901), tome II, p. 239, explains that royal manufactures comprised three categories of establishments: (1) manufactures of the state which belonged to the king; (2) factories which belonged to companies and had received royal privileges; and (3) private undertakings which had received patent letters of royal manufacture.

(46) See, for a complete and scholarly treatment of this economic activity of the state, P. Boissonnade, *Le socialisme d'état, l'industrie et les classes industrielles en France pendant les deux premiers siècles de l'ère moderne (1453-1661)* (Paris: Champion, 1927). A good example of state encouragement of industry was the granting of letters patent in 1531 to an Italian who wished to make Venetian lace in France. Isambert, vol. XIII, pp. 184-5.

(47) A. Dubois, *Précis de l'histoire des doctrines économiques dans leurs rapports avec les faits et avec les institutions*, pp. 226-7.

(48) The Compagnie de la Nouvelle France (1627) was the only successful one.

(49) F. C. Palm, *The Economic Policies of Richelieu* (University of Illinois, Studies in the Social Sciences, 1920). This work should be used with the greatest care, as its author seems to have used his sources in an uncritical manner.

(50) Perhaps the best work on Bodin is H. Baudrillart, *J. Bodin et son temps* (Paris, 1853).

(51) For a treatment of the economic thinking of this man, see Charles W. Cole, *French Mercantilist Doctrines before Colbert* (New York: R. R. Smith, 1931); H. Hauser, *Les débuts du capitalisme*; "Le Colbertisme avant Colbert et la liberté de travail sous Henri IV, Lyon et Tours, 1596-1601," *Revue Bourguignonne de l'ens. sup.*, vol. XIII, pp. 3-69; and "Le système social de Barthélemy de Laffemas," *Revue Bourguignonne de l'ens. sup.*, vol. XII, pp. 113-131.

(52) C. W. Cole, *op. cit.*; André Vène, *Montchrétien et le nationalisme économique* (Paris, 1923); and Paul Dessaix, *Montchrétien et l'économie politique nationale* (Paris, 1901).

(53) For further information concerning Colbert, see *Lettres, instructions*,

mémoires de Colbert, ed. by Pierre Clément (Paris, 1861-70); Pierre Clément, *Vie de Colbert* (Paris, 1846), 2 vols.; Ernest Lavisse (ed.), *Histoire de France* (Paris: Hachette, 1900-11), 9 vols., the section on Colbert by Lavisse himself, vol. VII, part I; A. J. Sargent, *The Economic Policy of Colbert* (London: Longmans, Green and Co., 1899); S. L. Mims, *Colbert's West Indian Policy* (New Haven: Yale University Press, 1912); P. Boissonnade, *Colbert; le triomphe de l'étatisme, la fondation de la suprématie industrielle de la France, la dictature du travail (1661-1683)* (Paris: Rivière, 1932); and Charles W. Cole, *Colbert and a Century of French Mercantilism* (New York: Columbia University Press, 1939), 2 vols.

(54) François Simiand, *Recherches anciennes et nouvelles sur le mouvement général des prix du XVI^e au XIX^e siècle* (Paris: Domat Montchretien, 1931), p. 194, and Henri Hauser, *Histoire des prix en France* (Paris: Presses Modernes, 1936).

(55) Gonnard, *Histoire des doctrines économiques*, vol. I, p. 190.

(56) On Colbert's attitude toward idleness, see *Lettres, instructions, mémoires*, vol. II, pp. cclxx, 515, 584.

(57) Punishment for the infraction of the rules for manufacturing was severe. On the first offense, the defective goods were exposed in a public place with an explanatory note and the name of the manufacturer. On the second offense, the manufacturer was blamed publicly. On the third offense, he was exposed with the defective goods in a public place.

Concerning internal customs, see S. Elzinga, "Le tarif de Colbert de 1664 et celui de 1667," *Economisch-historisch Jaarboek* (1929).

(58) *Lettres, instructions, mémoires*, vol. VI, p. 269. See also vol. IV, p. 264.

(59) *Ibid.*, vol. VII, p. 230. See also vol. II, pp. 677 and 739.

(60) Paul Harsin, *Les doctrines monétaires et financières en France du XVI^e au XVIII^e siècles* (Paris: Alcan, 1928), and Georges Dionnet, *Le néomercantilisme au XVIII^e siècle et au début de XIX^e* (Paris: Giard et Brière, 1901). Dubois, *Précis de l'histoire des doctrines économiques*, p. 27, maintains that these inflationists were anti-mercantilists. See also Paul Harsin, *Dutot, Réflexions politiques sur les finances et le commerce* (Paris: Droz, 1935), 2 vols.

(61) His most important work was *Money and Trade Considered: with a Proposal for Supplying the Nation with Money* (1705).

(62) See *Essai politique sur le commerce* (1731).

(63) In order to secure an idea of the extent of these regulations, see the

lettres patentes of May 5, 1779; those of June 4, 1780; and the decree of August 28, 1783, in Isambert, vol. XXVI, pp. 77, 340; and vol. XXVII, p. 324. Heckscher maintains in his *Mercantilism*, vol. I, p. 173 that some 16,000 persons were put to death as a result of enforcing laws against cotton prints between the years 1686 and 1759.

(64) Charles Ballot, *L'introduction du machinisme dans l'industrie française* (Paris: Rieder & Cie., 1923), p. 3, and Henri Sée, *L'évolution commerciale et industrielle de la France sous l'ancien régime* (Paris: Alcan, 1925) and *Esquisse d'une histoire économique et sociale de la France depuis les origines jusqu'à la guerre mondiale* (Paris: Alcan, 1929), p. 338.

(65) Ballot, *op. cit.*, pp. 43-5.

(66) Ballot, pp. 247-248.

(67) Ballot, p. 398.

(68) Ballot, pp. 436 ff. The memoirs of Jars were published in the *Journal d'Agriculture* (October, 1770), and in the *Mémoires de l'Académie des Sciences* for 1769 (published in 1773). They are entitled *Manière de préparer le charbon minéral, outrément appelé houille, pour le substituer au charbon de bois dans les travaux métallurgiques, mise en usage dans les mines de Saint-Bel . . .*

(69) Ballot, p. 69.

(70) Ballot, pp. 117-118, 27-28.

(71) Hazel Roberts, *Boisguilbert, Economist of the Reign of Louis XIV* (New York: Columbia University Press, 1935).

(72) This essay, written originally in English and translated into French for the use of a friend, was completed about 1730, but was not published until 1755.

(73) George Weulersse, *Le mouvement physiocratique en France de 1756 à 1770* (Paris: Alcan, 1910), vol. I, pp. 78-9. See also the works of G. Schelle: *Du Pont de Nemours & l'école physiocratique* (Paris, 1888); *Le Docteur Quesnay, chirurgien, médecin de Madame de Pompadour et de Louis XV, physiocrate* (Paris, 1907); *Turgot* (Paris, 1909); *Vincent de Gournay* (Paris, 1897).

(74) Weulersse, *op. cit.*, vol. II, pp. 683 ff.

(75) G. Martin, *La grande industrie sous Louis XV* (Paris, 1899), p. 57.

(76) Circular letter sent to the inspectors of manufactures April 26, 1775.

- (77) *Lettres patentes* of May 5, 1779, and of June 4, 1780.
- (78) E. Levasseur, *Histoire du commerce de la France* (Paris: Rousseau, 1911), vol. I, pp. 449-450.
- (79) J. Necker, *De l'administration des finances de la France* (1784), vol. II, p. 170.
- (80) Roger Picard, *Les cahiers de 1789 au point de vue industriel et commercial* (Paris: Rivière et Cie., 1910), p. 115.
- (81) Henri Sée, *Esquisse d'une histoire économique et sociale de la France*, pp. 322-3.
- (82) E. Levasseur, "Les traités de commerce entre la France et l'Angleterre," *Revue d'économie politique*, vol. XV, 1901, pp. 970-971; and Charles Gouraud, *Politique commerciale de la France et de son influence sur le progrès de la richesse publique depuis le moyen âge jusqu'à nos jours* (Paris: Albert Durand, 1854), vol. I, p. 305.
- (83) F. Dumas, *Étude sur le traité de commerce de 1786 entre la France et l'Angleterre* (Toulouse: Privat, 1904), pp. 3-5.
- (84) Article XVIII of the Treaty of 1783. See also the annex to the treaty, in which the French specified that the negotiations should endeavor to rectify those portions of the trade agreement of the Treaty of Utrecht which seemed unacceptable.
- (85) See also P. de Ségur-Dupeyron, *Histoire des négociations commerciales et maritimes de la France aux XVII^e et XVIII^e siècles* (Paris: Ernest Thorin, 1872-73), 3 vols.
- On the French side, the negotiations were carried on by Vergennes, Controller General of Foreign Affairs, who believed that France should make some concessions to the English to keep them from retaliating for their recent defeat and who was sympathetic to the *laissez-faire* idea of the Physiocrat Dupont de Nemours, and by Gérard de Rayneval, an honest servant, who was not well-versed in commercial questions, but who followed the orders of his superior. On the English side the chief negotiator was William Eden, an able statesman with a brilliant record, who made his preparations for the conferences with the French with meticulous care. He sent out questionnaires to English manufacturers in an effort to learn their desires concerning a trade agreement with France, and he dispatched investigators across the Channel to study the state of French industry. Thus he was able to present specific demands based not, as has often been thought, on the theories of Adam Smith or of any other economist, but on the practical needs of English manufacturers. He went to seek concessions for the import of English goods

into France, and to offer advantages for the import of French goods into England on only those products which England did not produce. The French preparations for the negotiations were, on the other hand, very meager, for Vergennes, in view of his Physiocratic tendencies and his desire to please the English, was ready to grant such large favors that he even feared to consult French industrialists.

So certain was Eden of what he wanted that he was able, a few days after his arrival in Paris, to present a tentative treaty to Rayneval. Dumas, *op. cit.*, 40-43; Levasseur, *Histoire du commerce*, vol. I, p. 537; see also, G. F. von Martens, *Recueil des traités . . .* (2nd edition, prepared by Charles de Martens; Göttingen: Dietrich, 1826-35), vol. IV, p. 155.

(86) Dumas, *op. cit.*, p. 160.

(87) Camille Bloch, *Études sur l'histoire économique de la France (1760-1789)* (Paris: Picard et Fils, 1900), pp. 268-9, held that the treaty was not well received in England. This point of view has been adequately refuted by Dumas, *op. cit.*, chap. VI.

(88) A. M. Arnould, *De la balance du commerce et des relations commerciales extérieures de la France dans toutes les parties du globe, particulièrement à la fin du règne de Louis XIV et au moment de la Révolution* (2nd edition; Paris: An III), vol. I, pp. 172-180. Compare these figures with those found in *Statistique de la France publiée par le ministre des travaux publics, de l'agriculture, et du commerce* (Paris: Imprimerie Royale, 1838). Arnould's figures are in proportionate agreement, although they do not correspond exactly, with English figures. See Auguste Arnauné, *Le commerce extérieur et les tarifs de douane* (Paris: Alcan, 1911), p. 108.

(89) F. Dumas at the end of his *Étude sur le traité de commerce de 1786* concludes that the treaty had a salutary effect on French industry; that, although it caused an industrial crisis, the crisis was necessary and beneficial; and that, because of the industrial changes which it effected, competition with England became easy.

Auguste Arnauné in his *Le commerce extérieur et les tarifs de douane* states that the treaty caused great progress to be realized by French industry. This is also the opinion of P. Clément, *Histoire du système protecteur en France* (Paris: Gillaumin, 1854), p. 90.

On the other hand, see the judgment of Charles His de Butenval in his *Précis historique et économique du traité de commerce entre la France et la Grande Bretagne, signé à Versailles le 26 septembre, 1786* (Paris: Dentu, 1869), and of Charles Gouraud, *Politique commerciale de la France et de son influence sur le progrès de la richesse publique depuis le moyen âge jusqu'à nos jours*, vol. I, pp. 43-4.

(90) Henri Sée in his *Évolution commerciale et industrielle de la France sous l'ancien régime* (Paris, 1925), pp. 299 ff., and his *Esquisse d'une histoire économique et sociale de la France*, pp. 323-4, and Charles Schmidt, "La crise industrielle de 1788 en France," *Revue historique*, vol. XCVII (1908), pp. 78-94, maintain that the treaty had much to do with bringing on the crisis of 1788, and do not cite any particular industrial progress that resulted from it. Charles Ballot, *L'introduction du machinisme dans l'industrie française*, p. 12, agrees that the treaty contributed to the crisis, but cites one contemporary witness to the effect that English competition drove French manufacturers to greater efforts.

(91) They are based on Arnould, *De la balance du commerce* and, for the India trade, on L'Abbé Raynal, *Histoire philosophique et politique des établissements et du commerce des Européens dans les deux Indes* (Geneva, 1780-81). Arnould's figures are expressed in *livres tournois* which were established by the financial reform of 1785. At the Archives Nationales there are series of trade statistics. Those prepared by Bruyard are given in *livres tournois* at their mean value during each period for which the statistics are quoted. The statistics of Bruyard do not agree with those of Arnould. At the Archives there is also another series that does not correspond with the figures of Arnould or those of Bruyard. Necker in the *Administration des finances* gives still another set of figures. See E. Levasseur, *Histoire du commerce*, vol. I, pp. 510-11.

(92) See the remarkable work of C. Labrousse, *Esquisse du mouvement des prix et des revenus en France au XVIII^e siècle* (Paris: Dalloz, 1932), pp. 361-2. In this same connection one would do well to consult, but to use with great caution, G. d'Avenel, *Histoire économique de la propriété, des salaires, des denrées, et de tous les prix en général depuis l'an 1200 jusqu'en l'an 1800* (Paris, 1894-1926), 7 vols.

(93) Labrousse, *Esquisse du mouvement des prix et des revenus en France au XVIII^e siècle*, pp. 640-642; Georges Lefebvre, Raymond Guyot, Philippe Sagnac, *La Révolution française* (Paris: Alcan, 1930), pp. 9-10; and Philippe Sagnac, *La Révolution (1789-1792)*, in E. Lavisse (ed.), *Histoire de France contemporaine* (Paris: Hachette, 1920), vol. I, p. 68.

(94) Roger Picard, *Les cahiers de 1789 au point de vue industriel et commercial*, pp. 149-173.

(95) Condillac, *Le commerce et le gouvernement considérés relativement l'un à l'autre* (1776), part I, chap. XXIX; part II, chap. XVII. See Auguste Lebeau, *Condillac, économiste* (Paris: Guillaumin & Cie, 1903).

(96) Author of *De la balance du commerce*.

(97) F. L. Nussbaum, *Commercial Policy in the French Revolution: A Study of the Career of G. T. A. Ducher* (Washington: American Historical Association, 1917), pp. 38-39:

"If a state is the most populous of Europe; if the soil is fertile and the manufactures numerous; if it has rich possessions all over the globe—that state ought to cut itself off and ought to open its markets to foreign goods only on great inducements. No power can give it the equivalent of its own internal market for its own manufactures. The outlets which will be opened to it among foreign powers cannot be useful except when it receives only specie or raw materials, and not manufactured goods, in return.

". . . The interest of commerce demands that a patriotic barrier should be raised at the frontiers to assure to French industry the greatest possible share of the products of its own activity. . . .

". . . the new tariff ought not to leave any imposts in any of the ports of France, except on the vessels and goods of foreigners. . . .

"An industry that deserves particular encouragement is the construction and navigation of ships. Navigation is another manufacture . . . to buy vessels of foreign construction and not to limit the participation of foreigners in the carrying trade is to renounce two very important industries. The commerce of France demands that it should be ordained that no vessel will be reputed French or be entitled to the privileges of French vessels if it has not been built in France . . . and is entirely manned by Frenchmen. Our interest requires us to ordain that no foreign commodities, productions, or goods can be imported except directly by French vessels or vessels belonging to subjects of the sovereign of the country of growth, production, or manufacture, or of the ordinary ports of sale and first exportation."

(98) *Dialogues sur le commerce des blés* (1768-69).

(99) Gonnard, *Histoire des doctrines économiques*, vol. II, p. 146. See also Gignoux, "L'Abbé Galiani et la querelle des grains au XVIII^e siècle," *Revue d'histoire économique et sociale*, vol. X, 1922, pp. 17-37.

(100) No attention has been given to German economic theory and practice in this brief sketch. This was done because the Germanies were not united into a nation, and because the German states did not contribute anything to national economic theory and practice different from that of other states. It should be noted that the economic policies of Colbert received wide publicity in Europe in the seventeenth century. In the Germanies the theories of the Kameralists, so-called because they concocted economic procedure for the "chancelleries" to follow, are analogous in many respects to those of France, but are perhaps more political than the French, if that is possible. J. J. Becher (1625-82) preached the necessity of a large population, the importation of raw materials and the exportation of manufactured products, an active commerce, a German *Zollverein*, and a great national industry.

Wilhelm von Horningk (1638-1712) in his *Oesterreich über alles, wann es nur will* argued for Austrian economic self-sufficiency. And Wilhelm von Schröder (1640-89) maintained that gold and silver should be obtained in order to speed up production. In Prussia the Great Elector pursued policies not unlike those followed by France, and Frederick the Great was a thoroughgoing productionist. In Russia Peter the Great's economic program was definitely national. As time went on, German economists refined their views of Kammer economics. J. H. G. von Justi (1741-91) argued that states must control private economics for the welfare of the collectivity, and Josef von Sonnenfels (1732-1817) supported the theory of national production and the doctrine that the favorableness of trade balances should be judged in productionist terms. There were many other Kameralists, but those mentioned are typical. See the treatment in Mombert, *Geschichte der Nationalökonomie*, pp. 157-192, and bibliography, p. 192.

CHAPTER II

(1) Carlton J. H. Hayes, *The Historical Evolution of Modern Nationalism*.

(2) See, for instance, Shepard B. Clough, *A History of the Flemish Movement in Belgium* (New York: R. Smith, 1930).

(3) For a comprehension of the *ancien régime* the following books will be found to be of especial service: A. de Tocqueville, *L'ancien régime et la Révolution* (Paris, 1956); A. Chérest, *La chute de l'ancien régime* (Paris, 1884); H. Taine, *L'ancien régime* (Paris, 1876); E. Lavisse (ed.), *Histoire de France*, vol. IX; H. Sée: *Economic and Social Conditions in France during the Eighteenth Century* (New York: Knopf, 1927), a poor translation of *La vie économique et les classes sociales en France au XVIII^e siècle* (Paris, 1924); *L'évolution commerciale et industrielle de la France sous l'ancien régime* (Paris, 1925); *Les idées politiques en France au XVIII^e siècle* (Paris, 1920); and *L'évolution de la pensée politique en France au XVIII^e siècle* (Paris, 1925).

(4) They numbered 131,000 and 400,000, respectively, out of a total population of between 23,000,000 and 24,000,000. Abbé Coyer, *Noblesse commerçante* (1756).

Henri Sée, *Economic and Social Conditions in France during the Eighteenth Century*, p. 60; Necker, *De l'administration des finances*; Calonne, *L'état de la population du royaume* (1787); Henri Sée, "Les essais de statistiques démographiques en Bretagne à la fin de l'ancien régime," *Études sur*

la vie économique en Bretagne (Paris: Imprimerie Nationale, 1930); and E. Levasseur, *La population française* (Paris: Rousseau, 1889-92), 3 vols.

(5) This class was growing rapidly with the concentration of industry and the extension of commerce. One coal mining company employed 4000 laborers, 600 horses, and 12 steam engines before 1789. See the foreign trade statistics cited in chapter I. See also Knight, Barnes, and Flügel, *Economic History of Europe*, p. 328.

The bourgeoisie was not very large numerically. The entire urban population of France was but 2,000,000, and, in the provinces, only one city, Lyons, had more than 100,000 inhabitants.

(6) Sée, *Economic and Social Conditions in France during the Eighteenth Century*, p. 28.

(7) C. Labrousse, *Esquisse du mouvement des prix et des revenus en France au XVIII^e siècle*, p. 608; concerning his method, the author states:

"Le mouvement général des prix, tel qu'il ressort de nos 24 séries d'indices partiels—représentatives de la production nationale, constituées dans leur masse d'après une documentation administrative sérieuse que ne paraît affecter aucun vice systématique: mercuriales, extraits de mercuriales, taxes municipales, états de l'inspection des manufactures; exprimant des amplitudes auxquelles on peut attacher, en droit, pour les articles les plus importants, la signification d'un ordre de grandeur certain ou simple, en fait, pour la plupart, une valeur fonctionnelle apparemment sérieuse, et dont les erreurs, indépendantes et peut-être assez faibles, comme permet de le supposer la concordance des mouvements comparables, doivent se compenser en partie; reproduisant au reste remarquablement des caractères généraux des variations des prix—peut donc être tenu, dans l'ordre qualitatif et quantitatif, pour l'esquisse, d'intention plus proprement budgétaire et sociale que monétaire et économique, annoncée au début de ce travail." Pp. 360-361.

(8) There were crises in 1725, 1740, 1759, 1766-68, 1772-76, 1784-85, and 1789.

(9) Albert Mathiez, *La vie chère et le mouvement social sous la terreur* (Paris: Payot, 1927), p. 16. Georges Lefebvre in *Documents relatifs à l'histoire des subsistances dans le district de Bergues pendant la Révolution* (Lille: Robbe, 1914), vol. I, p. xxxviii, states:

"If bread had been cheap, the forceful intervention of the lower classes, which was indispensable for the overthrow of the *ancien régime*, would perhaps not have taken place and the bourgeoisie would have triumphed less easily."

(10) Labrousse, *op. cit.*, pp. 539-541:

"La grande crise industrielle de 1788-1789, qui présente le même caractère

de généralité que celle de 1770, est antérieure au maximum cyclique des prix des céréales enregistré en 1789. Il faut en chercher l'origine dans le traité de commerce franco-anglais: la chute de la production se manifeste presque aussitôt, dès 1787. Mais c'est surtout au cours du second semestre de l'année suivante qu'elle s'accélère, avec la rapide montée des prix agricoles. Le maximum cyclique, frappe la France entière, apparaît simultanément dans presque toutes les régions. La crise est nationale. L'effondrement industriel, national aussi.

"On paraît retrouver au cours du XIX^e siècle, et notamment jusqu'à la crise de 1847, une corrélation cyclique du même ordre entre le prix des céréales et le mouvement de la production textile. Valable par delà le XVIII^e siècle, la corrélation l'est également au delà des frontières françaises et présente un caractère international. On a déjà signalé l'influence des variations des prix des céréales hindoues sur l'activité industrielle anglaise. De même l'exportation des toiles créées de Bretagne dans la péninsule ibérique dépend des fluctuations de la récolte espagnole ou portugaise et de leur action sur le marché. L'année 1768, par exemple, a été, en France comme en Espagne, une année de faible productivité: 'Les récoltes ont été mauvaises l'année dernière en Espagne; le peuple espagnol qui seul consomme de ces toiles [créées], n'a pu en acheter, ce qui a fait tomber les prix dans la fabrique . . .' écrit en 1769 l'inspection des manufactures de Bretagne. Si, en France, comme on l'a vu, 'le prix du pain est la boussole des fabriques,' 'le thermomètre du commerce des toiles créées est la récolte des grains et des fruits en Espagne . . .' La chute de la productivité cyclique et la hausse des prix agricoles qui en est la conséquence provoquent une crise de sous-consommation génératrice de chômage dans le pays exportateur."

Labrousse, *op. cit.*, pp. 640-1:

"Nous l'avons déjà noté à plusieurs reprises: l'explosion révolutionnaire qui survient en juillet 1789 dans les villes et les campagnes coïncide non seulement avec l'année, mais, approximativement, avec la période de l'année où le prix du blé atteint son maximum depuis le début du mouvement de longue durée, et même depuis la seconde décennie du siècle. La hausse cyclique a été d'une soudaineté exceptionnelle. L'amplitude du mouvement, exceptionnelle aussi. Le maximum cyclique est atteint à la fois dans la presque totalité du Royaume, dans 27 généralités sur 32. Soudaine, virulente, générale, la crise agricole de sous-production éclate dans un pays frappé déjà par une grave crise industrielle. . . . Mais la crise agricole va réagir, comme c'est la règle, sur l'activité industrielle, et notamment sur l'activité textile, la grande industrie de l'ancien régime économique. . . ."

(11) Justin Godart, *L'ouvrier en soie de Lyon* (Lyons, 1901).

(12) In spite of the Family Pact that united France with Spain, and as part of a campaign to resurrect Spanish industry and to increase Spanish national production, the King of Spain issued (1778) a decree which increased import duties and virtually closed the Spanish market to certain

French goods—especially to textiles that came in large part from Brittany. Henri Séc, *Esquisse d'une histoire économique et sociale de la France*, p. 326. A. Girard, "Une négociation commerciale entre l'Espagne et la France en 1782," *Revue historique*, vol. CXI, 1912, pp. 292 ff.

(13) For most of what follows on the industrial crisis, see Charles Schmidt, "La crise industrielle de 1788 en France," *Revue historique*, vol. XCVII, 1908, pp. 78-94.

(14) Séc, *Economic and Social Conditions in France*, pp. 208-9.

(15) A. Mathiez, *La Révolution française* (4th edition; Paris: Colin, 1930), vol. I, p. 22.

(16) About 2,000,000,000 *livres* were expended by the French during this struggle.

(17) Marcel Marion, *Histoire financière de la France depuis 1715* (Paris: Rousseau, 1914-1928), vol. I, *loc. cit.*

(18) The fact that not one of these men was a financier, with the possible exception of Necker, who was more of an accountant than a statesman, did not matter.

(19) The meeting of the Estates General was called for May, 1789. It was the first meeting of this body that had been held since 1614.

(20) Roger Picard, *Les cahiers de 1789 au point de vue industriel et commercial*, pp. 132-134. See also Beatrice Hyslop, *French Nationalism in 1789 according to the General Cahiers* (New York: Columbia University Press, 1934).

(21) J. Letaconnoux, "La question des subsistances et du commerce des grains . . . au XVIII^e siècle," *Revue d'histoire moderne et contemporaine*, vol. VIII, pp. 409-445; and *Les subsistances et le commerce des grains en Bretagne au XVIII^e siècle* (Rennes: Oberthür, 1909).

(22) Picard, *op. cit.*, pp. 128-9.

(23) Picard, pp. 131-2.

(24) Picard, p. 142.

(25) Picard, p. 125.

(26) *Archives parlementaires-Besançon*, vol. II, p. 343.

(27) Nobility of Béziers, *Archives parlementaires*, vol. III, p. 348.

(28) Picard, p. 142.

(29) The Chambers of Commerce in France were founded at the beginning of the eighteenth century and by the end of the century had become important institutions. See Fournier, *La chambre de commerce de Marseille d'après ses archives historiques* (Marseilles, 1910); G. Pariset, *La chambre de commerce de Lyon* (Lyons, 1887); and H. Wallon, *La chambre de commerce de la province de Normandie (1703-1791)* (Rouen, 1903).

(30) Dumas, *Traité de commerce de 1786*, pp. 152-157. Also see Arthur Young, *Voyages en France en 1787, 1788, et 1789*, translated by Henri Sée (Paris: Colin, 1931), vol. II, pp. 928-950.

(31) See above, p. 34.

The Intendant of Maritime Commerce, in a probably greatly exaggerated report on trade with England during the first eight months following the application of the treaty, maintained that the increase of English manufactured imports into France was tremendous, and that France only sold to England raw materials that were bought back as finished products. The Chamber of Commerce of Amiens pointed out that competition with English textiles was impossible in the *Provinces Réputées Étrangères* because, while English goods paid a tax of 12 per cent, French goods from the *Cinq Grosses Fermes* paid 7½ per cent, which resulted in a net protection of only 4½ per cent. This, it was held, was absolutely insufficient. See Dumas, *op. cit.*, pp. 157-158.

(32) Dumas, *op. cit.*, pp. 160-162.

(33) Cited in Picard, p. 159.

(34) Cited in Picard, p. 161.

(35) Cited in Picard, p. 160.

(36) "Que l'on représente au souverain le tort, peut-être irréparable, que le traité de commerce fait avec l'Angleterre, a occasionné aux manufactures françaises: traité funeste, où 24 millions de consommateurs traitent avec 8 millions, et qui, dans une supposition égale d'importation et d'exportation, fait sortir de la France 24 millions contre 8, ce qui fait les deux tiers de perte réelle, lesquelles pertes augmentent encore bien d'avantage par l'anglomanie qui perd les Français, et leur fait honteusement tirer de nos voisins toutes sortes de marchandises indistinctement, sans aucun égard pour les ouvriers français abandonnés à la détresse, sans égard pour ces belles manufactures qui assuraient à la France la supériorité dans l'Europe; tandis que ces mêmes Anglais, par un amour patriotique qui devrait nous enflammer comme eux, ne tirent rien de la France que nos vins, dont les riches Anglais ne peuvent se priver et qu'ils consommeraient même sans ce fatal traité." Ch. L. Chassin, *Les élections et les cahiers de Paris en 1789* (Paris, 1888), vol. II, p. 64.

- (37) Picard, pp. 153-154.
 (38) Picard, p. 156.
 (39) Picard, pp. 252-254.
 (40) Picard, p. 101.
 (41) Picard, p. 260.
 (42) Picard, pp. 169-170.
 (43) Isambert, vol. XXVII, p. 459. Arnauné, *Le commerce extérieur et les tarifs de douane*, pp. 216-47.

(44) Picard, p. 166.

(45) As it was, such measures availed but little, for the Revolutionary and Napoleonic Wars injured French foreign commerce so badly that the level of 1788 was not attained again until 1825. Sée, *Economic and Social Conditions in France in the Eighteenth Century*, p. 154.

(46) The following books will be found particularly useful for a general study of the Revolution: L. R. Gottschalk, *Era of the French Revolution* (New York: Houghton, Mifflin & Co., 1929); C. D. Hazen, *French Revolution* (New York: Holt & Co., 1932), 2 vols.; F. V. A. Aulard, *French Revolution, a Political History*; translated from the French of the 3d edition (1910), 4 vols.; A. Mathiez, *La Révolution française* (Paris: Armand Colin, 4th edition, 1930), 3 vols.; Georges Lefebvre, Raymond Guyot, Philippe Sagnac, *La Révolution française*; P. Sagnac, "La Révolution (1789-1792)" and G. Pariset, "La Révolution (1792-1799)," in E. Lavisse (ed.), *Histoire de France contemporaine* (Paris: Hachette, 1920); J. Jaurès, *Histoire socialiste* (Paris, 1901-1905), 5 vols.; A. Mathiez, *La réaction thermidorienne* (Paris, 1929); Henri Sée, *Évolution et révolutions* (Paris: Flammarion, 1929); Crane Brinton, *A Decade of Revolution, 1789-1799* (New York: Harper & Brothers, 1934); and Henri Sée, "L'influence de la Révolution sur l'évolution industrielle de la France," in *In Onore e ricordi di Giuseppe Prato* (Turin, 1931), pp. 103-110.

(47) Mathiez, *La Révolution française*, vol. I, pp. 44-46.

(48) The constitution provided that Louis XVI, who had been "Louis by the grace of God, King of France and Navarre," should be in the future, "Louis by the grace of God and the Constitution of the State, King of the French." Montesquieu's principle of the separation of powers was applied. The king was allowed administrative power, but his legislative power was reduced to a suspensive veto. There was only one house, because, if an

upper house had been created on English lines, it would have placed the noble class in a favored position, which was just what the Revolution was trying to avoid. The franchise was based on a property qualification; elections were indirect and so arranged that poorer citizens would be eliminated; and public office was limited to those who fulfilled comparatively high property qualifications.

(49) For what follows on the peasant question and the abolition of feudal dues, consult: Henri Sée, *Französische Wirtschaftsgeschichte*, ed. by G. Brodnitz (Jena, 1932), vol. II, pp. 20 ff.; P. Sagnac, *La législation civile de la Révolution française* (Paris, 1898); A. Aulard, *La Révolution française et le régime féodal* (Paris, 1919); and P. Sagnac and P. Caron, *Les comités des droits féodaux et de législation et l'abolition du régime seigneurial* (Paris, 1906).

(50) Georges Lefebvre, *La grande peur de 1789* (Paris: Colin, 1932).

(51) Decree of August 5 and 11, 1789. There was further trouble in the winter of 1789-90, and the decrees of March 15, 1790, and of May, 1790, abolished certain feudal rights without indemnity, but others only on payment of twenty or twenty-five times their annual value.

(52) Decree of July 17, 1793. This decree stated that commons belonged to the inhabitants of the town in which they were located. Most of them were not divided. See Georges Bourgin, *Le partage des communaux* (Paris, 1910). Commons and *vaine pâture* (the right to pasture one's flocks in any fields after harvest-time) were not abolished until about 1840.

(53) February 9, 1792. The land was put up for sale and sold by preference in exchange for *assignats*. Although the peasants as a class bought from one-half to two-thirds of the land thus disposed of, except in districts near cities, which went mostly to the bourgeoisie, the majority of them secured no land at all. This fact proved to be the hardest blow of the Constituent Assembly to revolutionary enthusiasm. J. Loutchisky, *Quelques remarques sur la vente des biens nationaux* (Paris, 1913); M. Marion, *La vente des biens nationaux* (Paris, 1908); and P. Sagnac, "La division du sol pendant la Révolution et ses conséquences," *Revue d'histoire moderne et contemporaine*, vol. V, 1903-04, pp. 457-470.

(54) Marion, *Histoire financière de la France*, vols. II and III; S. E. Harris, *The Assignats* (Cambridge: Harvard University Press, 1930); J. Morini-Comby, *Les assignats, Révolution et inflation* (Paris, 1925); R. Stourm, *Les finances de l'ancien régime et de la Révolution* (Paris, 1885), 2 vols.

(55) Decree of September 27–October 16, 1791.

(56) March 17, 1791. An indemnity was given to the masters, for they had paid dearly for their rights. The amounts finally paid them were often derisory on account of the fall in the value of the *assignats*.

(57) The Le Chapelier law, June 14, 1791. Passed following labor troubles—and demanded by manufacturers. E. Levasseur, *Histoire des classes ouvrières et de l'industrie en France de 1789 à 1870* (2d edition; Paris: Rousseau, 1903–04), vol. I, pp. 49–56. See also Grace M. Jaffé, *Le mouvement ouvrier à Paris pendant la Révolution française, 1789–1791* (Paris, 1924); a work in Russian by E. Tarlé on the working class in France during the Revolution but given in a résumé by Karéiev in *Révolution française*, vol. LXII, 1912, pp. 333 ff.; and E. Tarlé, *Studien zur Geschichte der Arbeiterklasse in Frankreich während der Revolution* (Leipzig, 1910).

(58) October 30–31–November 5, 1790. Provinces were abolished December 1, 1790. The *octrois* were also suppressed, May 1, 1791, but were resurrected later.

(59) With the abolition of feudalism.

(60) Commission established May 10, 1790. The metric system was adopted in 1793, but it was slow in being taken up by the people and was not generally employed until 1800. Lefebvre, Guyot, Sagnac, *La Révolution française*, pp. 478–480.

(61) August 29, 1789.

(62) Levasseur, *Histoire du commerce de la France*, vol. II, pp. 37–38. Pierre Caron, "L'enquête sur l'état des routes, rivières, et canaux au début de l'an II," *Bulletin d'histoire économique de la Révolution* (1917–1919).

(63) Law of March 18, 1791.

(64) Law of June 22, 1791.

(65) September 11, 1793. J. Saintoyant, *La colonisation française pendant la Révolution (1789–1799)* (Paris: La Renaissance du Livre, 1930), 2 vols. The Constituent appointed a committee to study trade between France and French colonies. The committee reported too late for discussion by the Constituent, but the report indicates the temper of the body:

"We ought to have a monopoly of the commerce with the colonies; foreigners ought not to be admitted; we can furnish all their [the colonies'] requirements. . . . The absolute exclusion of foreigners—that is the most infallible means to make our commerce with America prosper."

(66) A commission had been appointed in 1767 to study the question.

(67) Levasseur, *Histoire du commerce*, vol. II, p. 11; Sée, *Französische Wirtschaftsgeschichte*, vol. II, pp. 65-6.

(68) March 2-15, 1791.

(69) See the discussion of Jacobin nationalism in Carlton J. H. Hayes, *The Historical Evolution of Modern Nationalism*, chap. III.

(70) March 1, 1793.

(71) Levasseur, *Histoire du commerce*, vol. II, p. 16; Eli F. Heckscher, *The Continental System: an Economic Interpretation* (Oxford: Clarendon Press, 1922), pp. 25-26. Some exemptions had to be made on account of France's dire needs for certain goods. Decree of May 19, 1793.

(72) F. L. Nussbaum, *Commercial Policy in the French Revolution*, p. 109.

(73) Saintoyant, *La colonisation française pendant la Révolution*, p. 356.

(74) October 18, 1793, a supplementary decree was issued.

(75) A French ship was defined, after January 1, 1794, as being one that had been built either in France or the colonies, or taken from the enemy and manned by a crew of which the officers and three-fourths of the men were French. Because of France's great needs for certain goods, breaches had to be made in the Navigation Act. See Nussbaum, *op. cit.*, pp. 287-9.

(76) This is the first time in history that the entire civil population of a nation was treated as besieged. Lefebvre, Guyot, Sagnac, *La Révolution française*, p. 181.

(77) November 6, 1793, to January 8, 1794. On this latter date, instructions required the neutralization of French colonial goods by passing through a neutral port. In January, 1798, a new order required that a ship from French colonies had either to pass via a port of its homeland before sailing for France, or to pass via a British port. This regulation remained in force until the peace in 1802.

(78) Heckscher, *op. cit.*, p. 44.

(79) Heckscher, *op. cit.*, p. 32.

(80) Heckscher, *op. cit.*, p. 42.

(81) As our study progresses, it will become more and more evident that in times of peace men are, for the most part, economic individualists, and that, in times of national danger, they display the greatest willingness to cooperate. In this respect they are like monkeys. Mr. S. Zukerman in his very

remarkable *The Social Life of Monkeys and Apes* (New York: Harcourt, Brace and Co., 1932) states that in the primate world "mutually coöperative behavior occurs only when a group is attacked or threatened. . . . Every animal obtains such social and material advantages as he can in a predominantly hostile environment. Except in some situations of attack it is usually every monkey for himself."

(82) Quoted in Hayes, *The Historical Evolution of Modern Nationalism*, pp. 53-54. *Moniteur*, April 4, 1793, p. 420.

(83) This work in time became so enormous that the Committee was incapable of attending to it all. To supervise much of the work, it set up a Commission des Armes et Poudres de la République, whose name was later changed to the Commission des Armes, Poudres, et Exploitation des Mines. The Commission was divided into several "Agencies" for various branches of economic activity.

(84) Barère's enthusiasm pictured the future activity:

"Paris va voir dans peu de jours une manufacture immense de tout genre s'élever dans son sein. Dépositaire de tous les arts, cette cité a des ressources immenses que le Comité . . . a déjà mises en activité, en se concertant avec des patriotes très habiles . . . Le Paris de l'ancien régime vendait des modes ridicules, des hachets nombreux, des chiffons brillants et des meubles commodes à la France entière et à une partie de l'Europe; le Paris de la République, sans cesser d'être le théâtre du goût et le dépôt des inventions agréables et des productions des arts . . . , va devenir l'arsenal de la France . . . Les plans s'exécutent dans ce moment par des articles renommés et des administrateurs d'un patriotisme prononcé. . . ."

(85) C. Richard, *Le Comité de Salut Public et les fabrications de guerre sous la terreur* (Paris: Rieder, 1921), p. 99.

(86) *Ibid.*, p. 343.

(87) *Ibid.*, pp. 362 ff.

(88) *Ibid.*, p. 447.

(89) *Ibid.*, p. 459.

(90) Quoted in Richard in full, p. 460.

(91) G. Lefebvre, "Le commerce extérieur en l'an II," *La Révolution française*, vol. LXXVIII, 1925, pp. 132-155; 214-243.

(92) Archives Nationales, A. F., II, 218, d. 1882.

(93) It is interesting to note that private banks contributed to the inflation

by issuing *medailles de confiance*, which could be exchanged for *assignats* when they were issued. A. Mathiez, *La vie chère et le mouvement social sous la terreur*, p. 52.

(94) A. Mathiez, *La Révolution française*, vol. III, p. 222. André Lichtenberger, *Le socialisme et la Révolution française* (Paris, 1899).

(95) To meet current expenses it had to issue paper money, *mandats territoriaux*, similar to the *assignats*.

(96) Mathiez's judgment of the inflation in his *La vie chère sous la terreur*, p. 613, seems too severe.

"By means of inflation [the bourgeoisie] conquered its enemies at home and abroad. By means of the inflation this class equipped at cheap cost its war factories. By means of the inflation it domesticated the lower classes for a century."

(97) Law of Nivôse (December 24, 1794).

(98) Particularly those made at Lille.

(99) C. L. Lokke, *France and the Colonial Question* (New York: Columbia University Press, 1932), pp. 182 ff.

(100) A Girondist naval officer, Kersaint, had declared in 1793 that:

"The credit of England rests on fictitious riches. The real riches of that people are scattered everywhere and are essentially mobile. On her own soil the national wealth of England is to be found almost exclusively in her Bank, and the whole of that structure is supported by the prodigious activity of her maritime commerce."

(101) July 2, 1796 [14 Messidor, Year IV]; January 18, 1798 [29 Nivôse, Year V].

(102) 10 Brumaire, Year V.

(103) Bonaparte, shortly after his coming to power, put a stop to the war on neutral trade.

(104) This was a really gigantic sum for the period. At the outbreak of the World War in 1914, Britain's debt was only £587,000,000.

(105) They were not resumed until after the Napoleonic wars.

(106) As early as 1795 there had been talk of extending the blockade.

"The alliance with Holland offers the most important result of all, namely, to exclude the British from the Continent, to shut them out in war time from Bayonne to north of Friesland and from access to the Baltic and North Seas. The trade with the interior of Germany will then return to its

natural channels. . . . Deprived of these immense markets, harassed by revolts and internal disturbances which will be the consequences, England will be greatly embarrassed by her colonial and Asiatic goods. These goods, being unsaleable, will fall to low prices, and the English will find themselves vanquished by excess [vaincus par l'abondance], just as they had wished to vanquish the French by shortage."

Cited in Heckscher, *op. cit.*, p. 57.

(107) Sée, *Esquisse*, p. 395. R. Schnerb, "La dépression économique sous le Directoire," *Annales historiques de la Révolution française*, 1934, pp. 27-49.

(108) Lefebvre, *Histoire du commerce*, vol. IX, p. 42.

(109) *Statistique de la France, commerce extérieur* (1838).

(110) Silk manufacturers at Lyons profited most, perhaps, from these benefactions, although a large grant was given to a certain Barneville, who had founded a muslin factory at Versailles, and a substantial sum was placed at the disposition of Leblanc, the inventor of artificial soda, for the exploitation of his invention.

(111) Lefebvre, Guyot, Sagnac, *La Révolution française*, p. 444. See circular of October 15, 1795.

(112) December 16, 1797.

(113) The action was also called a *coup d'état*. It was the third one under the Directory. See Albert Meynier, *Les coups d'état du Directoire* (Paris: Presses Universitaires, 1927-28), 3 vols.; and Albert Mathiez, *Le Directoire du 11 brumaire an IV au 18 fructidor an V* (Paris: Colin, 1934).

(114) Lefebvre, Guyot, Sagnac, *op. cit.*, p. 441.

CHAPTER III

(1) On Napoleon and the Napoleonic era, consult, for general works: F. M. Kircheisen, *Napoleon* (New York: Harcourt, Brace and Co., 1932); Ed. Driault, *La vraie figure de Napoléon* (Paris: A. Morance, 1928); J. H. Rose, *Life of Napoleon I* (New York: Harcourt, Brace and Co., 1924); Albert Sorel, *L'Europe et la Révolution française* (Paris: Plon, 1887-1911), 9 vols.; A. Thiers, *History of the Consulate and the Empire of France under Napoleon* (1893-4), 12 vols.; Georges Lefebvre, *Napoléon*, in the collection *Histoire des peuples et des civilisations* (Paris: Alcan, 1935); A. Fournier, *Napoleon I* (New York: Longmans, Green, 2nd edition, 1912); G. Pariset, *Le Consulate et l'empire*, in Lavis (ed.), *Histoire de France contemporaine*,

vol. III; E. Tarlé, *Bonaparte* (New York: Knight, 1937); and G. Bruun, *Europe and the French Imperium* (New York: Harper & Bros., 1938).

(2) Turkey and the Two Sicilies were also joined to the Second Coalition against France. Spain was engaged in making war on Portugal in France's behalf.

(3) Treaty of Lunéville, 1801.

(4) The Armed Neutrality of the North, composed of Sweden, Denmark, Russia, and Prussia, was aimed largely at the British. It was broken up by Nelson. Denmark was thrown definitely into the arms of the French by Lord Nelson's bombardment of Copenhagen (April 2, 1801).

(5) Pitt fell, in part, because he was intransigent for war and had failed, when the occasion had presented itself, to make a victorious peace. The Addington-Hawkesbury Ministry, which took office in March, 1801, favored peace, but on condition that Malta would not be surrendered, which meant also the subsequent loss of Egypt to the French. Napoleon also wanted peace, but at what terms! He frequently issued pacific pleas, but their transparency is so obvious that it is strange that they have been taken seriously. He wanted a peace based on England's complete submission. One of his familiar statements is his proclamation of March 8, 1800:

"Français, vous désirez la paix, votre gouvernement la désire avec plus d'ardeur encore. Ses premiers vœux, ses démarches constantes ont été pour elle. Le ministère anglais a trahi le secret de son horrible politique. Déchirer la France, détruire sa marine et ses ports, l'effacer du tableau de l'Europe ou l'abaisser au rang des puissances secondaires, tenir toutes les nations divisées pour s'emparer du commerce de toutes et s'enrichir de leurs dépouilles, c'est pour obtenir cet affreux succès que l'Angleterre répand l'or, prodigue les promesses, et multiplie des intrigues."

(6) This plan to attack England should not be confused with the "Boulogne Campaign."

(7) The Commercial Code was published in complete form March 21, 1804, and put in force January 1, 1808. The Civil Code confirmed the abolition of feudalism and of *ancien-régime* privilege, forbade workers' or employers' associations, ordered, in cases concerning labor contracts, that the master's word be taken as final (Article 1781), and provided that, on the Councils of Prud'hommes, which were established to arbitrate labor disputes, labor be not given representation equal to that of capital.

(8) September, 1806.

(9) The greatest of Napoleon's roads were Mont Cenis, Simplon, Cor-

niche (along the French Riviera), Paris-Hamburg, Paris-Amsterdam, and Paris-Madrid. See Blanchard, *Les routes des Alpes occidentales à l'époque napoléonienne* (1796-1815). (Grenoble: Allier, 1920.)

(10) The bankers saluted Bonaparte with bourgeois felicitations on this occasion. "He belongs [to the Government] which has contributed so powerfully to giving us great success as a warrior nation and to making known that this nation is also to be admired and respected by the results of a good economic policy and a sane administration." Cited in Levasseur, *Histoire du Commerce de la France*, vol. II, p. 60.

(11) Bonaparte gave the Bank the state's current account. By a law of April 14, 1803, the Bank was given exclusive right to issue money. In 1806, Napoleon took unto himself the right to appoint the Bank's powerful Governor and two Vice-Governors, and to fix the discount rate. He encouraged the founding of the Bank of France, which, as its act of association testifies, was looked upon from the first as a nationalist economic institution.

"The undersigned, considering that, as the inevitable result of the French Revolution and of a long and costly war, the nation has experienced the displacement and dispersion of the capital which served her commerce, the changing of public credit, and the slowing up of the circulation of wealth;

"That, in similar circumstances, many nations have experienced the same difficulties and have found great resources in banking establishments;

"That the French nation, accustomed to exert the greatest efforts in the conquest of freedom, ought not to let herself be held down by forces that she can overcome;

"That, finally, one ought to expect that public and private interests converge in a real and powerful manner for the success of the proposed establishment;

"Have resolved and decreed the following articles, as fundamental statutes of a bank."

See Gabriel Ramon, *Histoire de la Banque de France* (Paris: Grasset, 1929).

(12) Concerning French colonies during the Napoleonic period, see: J. Saintoyant, *La colonisation française pendant la période napoléonienne* (1799-1815) (Paris: Renaissance du Livre, 1931); Gustav Roloff, *Die Kolonialpolitik Napoleons I* (Munich: R. Oldenbourg, 1899); Carl Ludwig Lokke, *France and the Colonial Question* (New York: Columbia University Press, 1932); Lothrop Stoddard, *The French Revolution in San Domingo* (Boston, 1914); François Charles-Roux, *France et l'Afrique du nord* (Paris: Alcan, 1932); M. Dubois et A. Terrier, *Un siècle d'expansion coloniale* (1800-1900) (Paris, 1901); and Georges Hardy, *Histoire de la colonisation française* (Paris, 1926).

(13) Saintoyant, *La colonisation française pendant la période napoléonienne*, p. 239.

(14) Saintoyant, p. 68.

(15) Treaty of Saint-Iledefonso, October 1, 1800.

(16) Quoted in Saintoyant, p. 282. See also E. W. Lyon, *Louisiana in French Diplomacy, 1759-1804* (Norman, Oklahoma: University of Oklahoma Press, 1934).

(17) This is the judgment of Saintoyant. See his *La colonisation française pendant la période napoléonienne*, p. 461.

(18) March 18, 1800.

(19) March 21, 1801.

(20) September 29, 1801.

(21) October 8, 1801.

(22) On June 25, 1802, the capitulations were renewed and navigation in the Black Sea was made free to French ships.

(23) J. H. Rose, "Napoleon and English Commerce," *English Historical Review*, vol. VIII, 1893, p. 712.

(24) This is the opinion of Émile Levasseur, *Histoire du commerce de la France*, vol. II, pp. 74, 84.

(25) Saintoyant, *op. cit.*, p. 19.

(26) December 2, 1804.

(27) Discounts at the Bank fell from 630 millions in 1804 to 255 millions in 1805. See M. Marion, "La Fondation de la Banque de France et ses premières années (1800-1814)," in J. G. Van Dillen (editor), *History of the Principal Public Banks* (The Hague: Nijhoff, 1934).

(28) Jean G. M. Montgaillard, *Mémoires diplomatiques (1805-1819)*, ed. by Clément de Lacroix (Paris: Ollendorff, 1896), p. 81. See also F. L. A. Ferrier, *Du gouvernement considéré dans ses rapports avec le commerce* (1804). Also J. Henri Lassalle, *Des Finances de l'Angleterre* (1803), and Comte d'Hauterive, *Le l'Etat de la France à la fin de l'An VIII*.

(29) Audrey Cunningham, *British Credit in the Last Napoleonic War* (Cambridge, 1910).

(30) A statement of August 24, 1807, taken from his survey of the position of the Empire, *Correspondance*, No. 12,187.

(31) He stated, to justify his belief that England was vulnerable through her credit system, "History of all time confirms that fatal experiences [of inflation] occur only under emasculated governments." *Correspondance*, No. 9,929.

(32) *Archives Nationales*, A. F. IV, 1241, No. 342. Cited by E. Tarlé, "Napoléon et les intérêts économiques de la France," *Napoléon*, March-April, 1926, p. 119.

(33) July, 1803.

(34) August 9, 1804.

(35) Concessions were made to ship captains who "through forgetfulness of forms or in consequence of change of destination" failed to provide themselves with such certificates. They were allowed to land their cargoes, if they would take in return an equal value of French goods. June 20, 1803.

(36) Decrees of February 6, 1805; February 22 and March 4, 1806; and the codification of these decrees, April 30, 1806.

(37) Charles Schmidt, *Le Grand Duché de Berg (1806-1813), étude sur la domination française en Allemagne sous Napoléon I^{er}* (Paris: F. Alcan, 1905); Robert Hoeniger, *Die Kontinentalsperre und ihre Einwirkungen auf Deutschland* (Berlin, 1905).

(38) J. Pelet de la Lozère (compiler), *Opinions et discours de Napoléon au conseil d'état* (Paris, 1833), p. 238.

(39) This Berlin Decree was presumably an answer to the British Orders in Council of May 16, 1806.

(40) Eli F. Heckscher, *The Continental System, An Economic Interpretation* (Oxford: Clarendon Press, 1922), p. 22. See also: Wilhelm Kiesselbach, *Die Kontinentalsperre in ihrer oekonomisch-politischen Bedeutung: ein Beitrag zur Handelsgeschichte* (Stuttgart, 1850); W. E. Lingelbach, "Historical Investigation and the Commercial History of the Napoleonic Era," *American Historical Review*, vol. XIX, 1914, pp. 257-281; J. H. Rose, "The Continental System," *Cambridge Modern History*, vol. IX, pp. 361-389; and W. A. Philips and A. H. Reede, *Neutrality. The Napoleonic Period* (ed. P. Jessup) (New York: Columbia University Press, 1936).

(41) Contrary to the belief of some historians, Napoleon knew at least the approximate contents of the Order in Council of November 17, 1807. There had come to his attention well-established rumors of the measures to be taken; these reports had been circulating in London before the Order was issued.

(42) F. E. Melvin, *Napoleon's Navigation System* (New York: Appleton and Co., 1919), p. 17.

(43) *Correspondance de Napoléon I*, 12,899.

(44) And also lost Finland.

(45) *Correspondance des Napoléon I*, 16,824.

(46) È. Tarlé, "L'union économique du continent européen sous Napoléon," *Revue historique*, vol. CLXVI (1931), gives the impression that the Continental System did work toward a continental economic union. This is true only in the sense that different parts of the Continent were more economically independent and, despite the title of Professor Tarlé's article, it is this view that the author upholds.

(47) E. Tarlé, "Napoléon et les intérêts économiques de la France," *Napoléon*, March-April, 1926, p. 124.

(48) E. Tarlé, *Le blocus continental et le royaume d'Italie* (Paris: Alcan, 1928), pp. 366-368; Heckscher, *op. cit.*, p. 298.

(49) Tarlé, *Le blocus continental et le royaume d'Italie*, p. 86.

(50) Heckscher, *op. cit.*, p. 297.

(51) Heckscher, *op. cit.*, p. 299.

(52) Heckscher, *op. cit.*, p. 311; Charles Schmidt, *Le Grand Duché de Berg, passim*.

(53) Heckscher, *op. cit.*, *passim*; Melvin, *op. cit.*, *passim*.

(54) Darmstädter, "Studien zur napoleonischen Wirtschaftsgeschichte," *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte*, 1905, pp. 116-117.

(55) *Ibid.*, p. 121.

(56) *Ibid.*, p. 135-136. This is also the judgment of other writers on the Continental System. See, for instance: Heckscher, *op. cit.*, *passim*, and E. Tarlé, "Napoléon et les intérêts économiques de la France," p. 124, and *Le blocus continental et le royaume d'Italie*, p. 20.

(57) Max Schäfer, "Bremen und die Kontinentalsperre," *Hansische Geschichtsblätter*, vol. XX, 1914.

(58) Napoleon charged Bernadotte with corruption.

(59) Louis A. F. de Bourrienne, *Mémoires sur Napoléon* (Paris, 1829), vol. VII, pp. 291 ff.

(60) Axel Pontus von Rosen, Governor of Gothenburg, informed the Swedish minister of state that he had confiscated ten oxen destined for the English fleet, and added: "I entreat that this be put in the papers, so that I, wretched that I am, may for once wear the nimbus of continental zeal in the annals of Europe. Saumarez (British fleet commander) was informed beforehand so that he will not be annoyed." Heckscher, *op. cit.*, p. 160.

(61) Duboscq, *Louis Bonaparte en Hollande d'après ses lettres* (Paris, 1911), No. 182. Dated October 1, 1808.

(62) Duboscq, *op. cit.*, p. 48.

(63) Melvin, *Napoleon's Navigation System*, p. 146.

(64) After the defeat of Austria, Napoleon wrote to Fouché the following letter:

"If the [commercial] department had done its duty, it would have taken advantage of my march into Vienna to encourage merchants and manufacturers to export cloth, pottery, and other goods which pay considerable duties in Austria, cloth alone paying sixty per cent. I should, as a matter of course, have released them from these dues and filled the warehouses of Vienna chock-full of French goods. But that department thinks of nothing and does nothing."

This indicates Napoleon's interest in having his military victories followed up by economic victories. A week after his letter reached Paris, French manufacturers dispatched goods to Vienna.

(65) See note 95.

(66) Allowance was not made in these figures for smuggling. The figures are not infallible, but probably represent a decline that was real.

(67) Quoted in Melvin, *op. cit.*, p. 48. See also Henri Sée, *Le commerce de Bordeaux à l'époque napoléonienne d'après la correspondance d'Honorat Lainé* (Paris: Librairie des Sciences Économiques et Sociales, 1933).

(68) Darmstädter, "Studien zur napoleonischen Wirtschaftsgeschichte," *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte*, 1904, p. 585.

(69) See the prices of raw cotton given in Heckscher, *The Continental System*, p. 274.

(70) Liévin Bauwens, a cotton manufacturer of Ghent, employed 1269 workmen on May 1, 1808, and only 230 on November 1. Prices of cotton rose during the same period from 5.25 francs to 11 or 12 francs a pound, and then fell to 6 or 7 francs.

(71) Decree of Alexander I, December 31, 1810.

(72) Levasseur, *Histoire du commerce*, vol. II, p. 99.

(73) Darmstädter, *op. cit.*, p. 585.

(74) *Ibid.*

(75) E. Levasseur, *Histoire des classes ouvrières et de l'industrie en France de 1789 à 1870*, vol. I, p. 727.

(76) Melvin, *op. cit.*, pp. 57 ff. This plan dates from 1808.

(77) *Ibid.*, p. 16. In characteristic fashion, Napoleon thought that if one frigate were sent out, it could carry 3000 tons of flour and bring back sugar worth 1,200,000 francs. "Judge what an immense sum." Unfortunately, Napoleon did not give enough consideration to the possibility of realizing his dream.

(78) Darmstädter, *op. cit.*, p. 593. Decree of January 8, 1811.

(79) J. A. C. Chaptal, Count de Chanteloup, *Mes souvenirs sur Napoléon* (Paris, 1893), p. 280. Tarlé, "Napoléon et les intérêts économiques de la France," *Napoléon*, 1926, p. 131, says that he was unable to find figures that confirmed Chaptal's statement in the Archives. That large sums were expended in this way, however, is a well-established fact.

These subsidies were given, in part at least, to provide work for the unemployed whom Napoleon feared. Chaptal relates that Napoleon said to him, "I fear these disturbances based on lack of bread; I should have less fear of a battle against 200,000 men."

(80) An earlier imperial decree of July 15, 1806, aimed to relieve Breton farmers. It permitted the export of grain from Nantes. Exports ceased after the Milan Decree.

(81) Melvin, *op. cit.*, p. 87. His judgments are based on material in the Archives Nationales, F¹² 2051. The plans for licenses were perfected in March, 1809. A new form of license was adopted December 4, 1809.

(82) The list was extended by the decree of December 4, 1809. Under the liberal license decree of February 14, 1810, no licenses were granted, according to Melvin, p. 126.

(83) Prize decree of January 12, 1810. Certain British manufactured goods, such as cotton textiles, were exempt from the provisions of the decree.

(84) Archives Nationales, A F^{IV} 1243, pièce 209. Napoleon wrote to his brother Louis, April 3, 1808:

"If you need to sell your gin, the English need to buy it. Settle the points

where the English smugglers are to come and get it, and make them pay in money, but never in commodities."

Quoted in Heckscher, p. 192. This indicates Napoleon's adherence to the bullionist doctrine.

(85) Napoleon I, *Lettres inédites de Napoléon I*, ed. by Léon Lecestre (Paris, 1897), vol. II, pp. 52-54, No. 652.

(86) The so-called License Decree of St. Cloud, July 3, 1810, and its amendment, the decree of July 25, 1810. Provision was made for the neutralization of French vessels. Coastwise trade was opened to foreign bottoms, but they had to be bonded on leaving port. Ships could not leave France without a license, and high prices were charged for the papers. Licenses would be granted for trade only in specified goods.

(87) A letter reproduced by Lanzac de Laborie, *Paris sous Napoléon* (Paris, 1905-1913), vol. VI, which is alleged to have been written by Napoleon, is more specific in the reasoning against colonial products. It was addressed to Junot, who was governor of Paris.

"Your women must drink Swiss tea, which is as good as the tea of the East, and chickory, which is as healthy as the coffee of Arabia. They must set the style for these things in their *salons* instead of bothering about politics like Madame De Staël. They must also take care that I do not notice that they wear gowns made from English stuffs." This letter is dated November 23, 1806.

(88) This information is taken from the report by Montalivet on the license system. Of the 1153 licenses signed, 494 were delivered, 466 expired unused, and 193 remained to be delivered.

(89) Ninety thousand, five hundred twenty francs still remained to be paid by license holders of the state.

(90) The last figure is based on an estimate by Thiers.

(91) Heckscher, p. 204.

(92) Las Cases, *Journal de la vie privée et des conversations de l'empereur Napoléon à Sainte Héleine* (Stockholm, 1823-4), vol. IV, p. 200.

(93) See the deliberations of the Council of Commerce and Manufactures for January 13, 1812; Napoleon's *Correspondance*, 18,431; and the document cited below.

(94) Ministerial report of March 10, 1812.

(95) Napoleon was undoubtedly urged on by other motives than the desire to enforce the continental blockade in Russia. He also wanted to keep Russia

in his political orbit and perhaps even dreamed of the grandeur of oriental conquests. Fouché has written, "The Russian war was not, as the common people at first believed, a war of sugar and coffee." *Mémoires de Joseph Fouché*, vol. II, p. 90. For what pertains to Russia and the Continental System, see E. Tarlé, "Russland und die Kontinental Sperre," *Zeitschrift für die gesamte Staatswissenschaft*, vol. XCIV, February, 1933.

(96) *Correspondance*, No. 19,391.

(97) Heckscher, *op. cit.*, p. 154. In the moment of crisis, Napoleon did not relax his attitude toward his vassals. Chaptal advised him to try to win them by establishing ordinary economic relations with them. Napoleon refused to take Chaptal's advice. Chaptal, *Mes souvenirs sur Napoléon*, p. 278.

(98) Pierre Paul Viard, "Les conséquences économiques du blocus continental en Ille-et-Vilaine," *Napoléon*, January-February, March-April, 1926. In 1807 the Conseillers d'Arrondissement de Fougères, in comparing the economic situation in France and Great Britain, concluded that both countries were suffering from an abundance of goods—France with agricultural goods, and England with manufactured products, p. 57.

(99) Russia prohibited French silks in 1810.

(100) Charles Schmidt, "Les débuts de l'industrie cotonnière en France, 1760-1806," *Revue d'histoire des doctrines économiques et sociales*, 1914-19, vol. VII, pp. 26 ff.

(101) A. N. Rambaud, *Naples sous Joseph Bonaparte, 1806-1808* (Paris, 1911), p. 437.

(102) Chaptal, *De l'industrie française* (Paris, 1819), vol. II, pp. 7, 15.

(103) Quoted by Tarlé, *Kontinental naja Blokada* (Moscow, 1913), vol. I, p. 513.

(104) Chaptal was a staunch protectionist. A letter by Brentano, the German economist, to Charles Gide, which is reproduced in Chaptal's *Mes souvenirs de Napoléon*, p. 51, footnote, is interesting in this respect.

"J'ai l'impression que Chaptal était un réorganisateur, un Colbert du 19^e siècle, avec beaucoup de traits semblables à ceux de son grand prédécesseur, mais plus moderne en technique, comme en philosophie. Enfin, Chaptal me semble être l'homme qui, le premier, a donné aux peuples continentaux du 19^e siècle l'exemple d'une organisation économique sur une base nationale, qui a inspiré List et tous les continentaux qui, plus tard, ont prêché l'organisation nationale de la vie économique.

"Il me semble que l'orthodoxie économique qui a régné jusqu'ici en France est la cause que l'on ne sait rien, ni des mesures pour réorganiser l'économie

politique de la France sous le Consulat, le Directoire, et le premier Empire, ni de l'homme réorganisateur."

(105) Chaptal, *Mes souvenirs sur Napoléon*, p. 279.

(106) C. K. Webster, *The Foreign Policy of Castlereagh* (London, 1925), p. 74.

(107) S. Charléty, *La Restauration (1815-1830)* in Lavissee (editor), *Histoire de la France contemporaine*, vol. IV, p. 74.

(108) France recognized the independence of Haiti, her former Santo Domingo, in 1825.

(109) Webster, *op. cit.*, pp. 82 ff., and Charléty, *op. cit.*, p. 74 and A. Nicolle, *Comment la France a payé après Waterloo* (Paris, 1929).

CHAPTER IV

(1) The Restoration was part of *La Monarchie Censitaire*. This is a term frequently applied to the Restoration and the July Monarchy because suffrage was granted only to those who paid a direct tax (cens) of a certain sum. It connotes rule by the wealthy.

General Works:

Frederick B. Artz, *France under the Bourbon Restoration, 1814-1830* (Cambridge: Harvard University Press, 1931).

Frederick B. Artz, *Reaction and Revolution: 1814-1832*. (New York: Harper and Brothers, 1934.)

S. Charléty, *La Restauration (1815-1830)* in *Histoire de la France contemporaine* edited by E. Lavissee (Paris: Hachette, 1921).

G. L. Dickinson, *Reaction and Revolution in Modern France* (London: G. Allen, 1892, second edition, 1927).

Pierre de la Gorce, *La Restauration* (Paris: Plan, 1926-28), 2 vols.

J. R. Hall, *The Bourbon Restoration* (London: A. Rivers, 1909).

Henri Sée, *La vie économique de la France sous la monarchie censitaire (1815-1848)* (Paris: Alcan, 1927).

Alfred Stern, *Geschichte Europas seit den Verträgen von 1815* (Stuttgart: J. Cotta, Second edition, 1905-1929).

Alfred Stern and others, *Die französische Revolution, Napoleon, und die Restauration, 1789-1848* (Berlin: Propyläen-Verlag, 1929).

René Viviani, *La Restauration (1814-1830)* in *Histoire socialiste* edited by Jean Jaurès (Paris: Jules Rouff et Cie, 1900).

Georges Weill, *L'Éveil des nationalités et le mouvement libéral (1815-1848)*

in *Peuples et Civilisations* edited by L. Halphen et P. Sagnac (Paris: Alcan, 1930).

Georges Weill, *La France sous la monarchie constitutionnelle (1814-1848)* (Paris: Société Française d'édition d'Art, Second edition 1912).

(2) S. Charléty, *La Restauration (1815-1830)* in Lavissee (editor), *Histoire de France contemporaine*, vol. IV, p. 74, and E. Levasseur, *La Population française* (Paris: Rousseau, 1889-1892), vol. I, pp. 326 ff.

(3) H. Sée, *La vie économique de la France sous la Monarchie censitaire* (Paris: Alcan, 1927), pp. 11 and 12, states this fact. The *annuités successorales*, an inheritance tax, seem to prove it. "Ainsi, en 1826, les immeubles représentent 880 millions de francs, contre 457 aux biens mobiliers soit 66 per cent de l'ensemble." In 1848 the percentage was 61 per cent and in 1869 55 per cent. It was not until 1896 that there was a balance between the annuities on *immeubles* and on *biens mobiliers*. Consult also E. Besson, "La progression des valeurs successorales et le développement de la fortune mobilière de la France," *Journal de la Statistique*, May, 1899.

(4) M. Marion, *La vente des biens nationaux* (Paris, 1908).

(5) J. Loutchisky, *Quelques remarques sur la vente des biens nationaux* (Paris, 1913); R. Laurent, *L'agriculture en Côte-d'Or pendant la première moitié du XIX^e siècle* (Dijon, 1931); and *Les Bouches du Rhône, Encyclopédie départementale*, vol. VII. *Le mouvement économique* by Paul Masson and E. Estrangin (Paris, 1928).

(6) J. H. Clapham, *The Economic Development of France and Germany* (Cambridge: University Press, 1928), Chapter III, *passim*.

(7) *Statistique de la France—Commerce extérieur* (Paris: Imprimerie Nationale, 1838). Retrospective, pp. 6-7. These figures are not identical with those in more contemporary statistical reports, but as all of the data available are open to criticism these sums may be taken as giving an approximate idea of the change.

(8) L. C. A. Knowles, *The Industrial and Commercial Revolutions in Great Britain during the Nineteenth Century* (New York: E. P. Dutton, third edition 1924), p. 26, footnote, and p. 136. The figure for 1788 should be taken as approximate; that for 1815 is the declared value of goods. Some modification of the latter figures should be made because of a rise in prices.

(9) Emile Levasseur, *Histoire du commerce de la France de 1789 à nos jours*, p. 107.

(10) J. H. Clapham, *The Economic Development of France and Germany, 1815-1914* (Cambridge: University Press, 1928), p. 71.

- (11) Ordinances of April 23 and 26, 1814.
- (12) This indemnity was never granted.
- (13) Quoted in S. Charléty, *La restauration (1815-1830)* in Lavissee, *Histoire de France contemporaine*, vol. IV, p. 273.
- (14) The replies are to be found in the Archives Nationales under the series F¹² 633-637 and F¹² 638, *Enquête sur le régime commercial de la France 1814*.
- (15) The General Council of Manufactures was created by Napoleon June 26, 1810. It was composed of sixty members. Similar bodies assisted in the *ancien régime* and have continued to the present day.
- (16) The General Council of Commerce dated back to the *ancien régime* in form and name. It had twenty members who were named by the Minister of the Interior on recommendation of the Chambers of commerce.
- (17) *Archives Nationales*, versement du ministère du commerce pour 1809, No. 10.
- (18) Deputies had to be at least forty years of age. They were chosen through an indirect election system of two stages. Voters had to be at least thirty years of age.
- See Maurice Deslandres, *Histoire constitutionnelle de la France de 1789 à 1870* (Paris: Colin, 1932), 2 vols.
- (19) Charléty, *op. cit.*, p. 272.
- (20) This body had been forced into servility by the Emperor, yet had won the esteem of the bourgeoisie and a reputation for some independence by voting almost unanimously in 1813 a report that condemned Napoleon's bellicose policies and that demanded a strict observance of laws. It had approved by formal vote the overthrow of the Emperor and the restoration of the Bourbons. It had usually been servile to the new régime, but on November 15, 1814, had voted a law favoring sheep growers, granting the right to export French wool. This was a privilege contrary to the Colbertian policy of retaining national raw products for manufacture at home and one that had been strictly abrogated by Napoleon's blockade tariff of 1806.
- (21) The chairman of the tariff commission reported, "It is a principle of political economy that customs are established to guarantee the prosperity of manufacturers and to enhance national industry. . . . The institution [of protection and prohibition] will become really national when a million workers produce what they need and when production keeps out foreign

goods that would otherwise enter the home market." Quoted in E. Levasseur, *Histoire du commerce de la France*. Second part, *de 1789 à nos jours*, p. 114.

(22) The free transit of goods had been prevented by the Revolutionaries. Transit was allowed for goods going from Holland through Alsace and Switzerland in 1793 and other exceptions were made as France's frontiers were extended. The law of December 17, 1814, established the modern idea of transit in France. It was extended by the laws of March 27, 1817, etc., and especially the law of February 9, 1832, that allowed the transit of prohibited articles. See Georges Pallain, *Les douanes françaises* (Paris: Paul Dupont, 1913), vol. I, pp. 478-483.

(23) 10 Brumaire, year V. See above p. 56.

(24) Law of April 30, 1806.

(25) Thus nicknamed by Louis XVIII in the first flush of his pleasure at seeing such a royalist body elected. He was soon to change his attitude toward this Chamber; it became so violently anti-Revolutionary that he dismissed it on September 5, 1816.

(26) By the law of March 27, 1817, a few new restrictions were placed on foreign commerce. In the debate preceding the passage of the bill, agriculturalists expressed their belief in high industrial protection, because such a system brought industrial prosperity and increased the purchasing power of those who bought agricultural products.

The main feature of the law of April 21, 1818, was the establishment of free transit through Alsace in order to regain for that province the carrying trade between the Rhine and Switzerland that it had enjoyed before the Revolution. It had then been a *province d'étranger effectif* and as such was able to trade freely with foreign states. With the Revolution it was incorporated in the French customs union and this fact forced the above mentioned traffic to the right bank of the Rhine.

(27) The Chamber numbered about two hundred and seventy seats at this time. In the election of 1819 when one-fifth of the Chamber was up for election, the Liberals won thirty-five of the fifty-four seats.

(28) Ordinance of July 26, 1814, and law of December 2, 1814.

(29) Robert Marjolin, "Troubles provoqués en France par la disette de 1816-1817," *Revue d'histoire moderne*, November-December, 1933.

(30) Subsidies were given from November 22, 1816, to September 1, 1817.

(31) Thus testified Comte Decazes, the head of the cabinet.

(32) The mean price for wheat from 1800 to 1814 was 21 francs 36.

(33) See above, p. 90. Her most notable loss was Santo Domingo, which had revolted.

(34) The Duc de Richelieu, Louis XVIII's first premier, wrote to the French ambassador at London:

"You understand perfectly that it would be impossible to yield to the demands of Portugal [concerning Guiana] not so much because of the real interest there is for us to keep a territory which offers very few advantages except in the distant future, but because the dignity of the king and of the state would be wounded by a concession which cannot be justified on the part of Portugal."

Quoted in Georges Hardy, *Histoire de la colonisation française*, p. 146.

(35) Ministerial instructions in 1816 stated:

"The purpose for establishing colonies being essentially to favor and develop the commerce of the Metropolis, it would be a ruinous prudence to tolerate anything which would break down the régime of the *exclusif*. . . ."

(36) Professor Christian Schéfer has referred to part of French colonial history as the "policy of merchants" or "the reign of Bordelais."

(37) Count Thierry de Hogendorp, a former officer in the Dutch East India Company and a French general under Napoleon, carried on enthusiastic propaganda for the Dutch system of colonial *mise en valeur*. His ideas were put down in *Le système colonial de la France*.

(38) Johannès Tramond and André Reussner, *Eléments d'histoire maritime et coloniale contemporaine (1815-1914)* (Paris, 1924), p. 14.

(39) René Viviani, *La Restauration (1814-1830)* in *Histoire socialiste*, edited by Jean Jaurès (Paris: Jules Rouff et Cie, 1909), p. 250.

(40) In 1826, because of a shortage of certain goods, small quantities of American products were sold in the French West Indies.

(41) Agriculturalists and industrialists stated frequently in their pleas for protection that high customs rates were a boon to the working classes. Expressions of opinion on the part of labor in this connection are scarcely to be found.

(42) See above, p. 46.

(43) Pallain, *Les douanes françaises*, vol. II, pp. 65 ff. and René Verneauux, *L'Industrie des transports maritimes au XIX^e siècle et au commencement du XX^e siècle* (Paris: Pedone, 1903), vol. I, pp. 41 ff.

(44) That is, in the fishing of certain districts and certain fish well removed from French coasts. Pallain, *op. cit.*, vol. II, pp. 276 ff.

(45) Laws of July 5, 1836, and May 6, 1841, Pallain, *op. cit.*, vol. II, p. 74, and F. Guérin, *Précis de législation maritime*, II partie (Paris: Gauthiers-Villars et Cie., 1928), *passim*.

(46) W. Roscher, *System der Volkswirtschaft*, vol. III, sixth edition, p. 646.

(47) *Essai politique sur la revenue des peuples de l'antiquité, du moyen âge, des siècles modernes et spécialement de la France et de l'Angleterre depuis le milieu du XV^e siècle jusqu'au XIX^e siècle*, 3 vols. (1804). *Des systèmes d'économie politique* (1809); *Théorie d'économie politique* (1815); and *Dictionnaire analytique de l'économie politique* (1826).

(48) *Du gouvernement considéré dans ses rapports avec le commerce*, first edition 1804; third edition 1822; *De l'enquête commerciale* (1829).

(49) Louis Say (1774-1840). Works:

Principales causes de la richesse ou de la misère des peuples et des particuliers (1818);

Considérations sur l'industrie et la législation sous le rapport de leur influence sur la richesse des États et examen critique des principaux ouvrages qui ont paru sur l'économie politique (1822);

Traité élémentaire de la richesse individuelle et la richesse publique et éclaircissements sur les principales questions de l'économie politique (1827);

Études sur la richesse des nations et réfutations des principales erreurs en économie politique (1836). See André Desmazières, *Louis Say* (Lille: Robbe, 1911).

(50) Published in 1819.

(51) Published in 1823.

(52) *Le commerce au 19^e siècle*, 2 vols. (1825).

(53) *Du commerce de la France en 1820 et 1821* (1822).

(54) *Forces productives et commerciale de la France*, 2 vols. (1827); *Progrès de l'industrie française depuis le commencement du XIX^e siècle* (1824). See Léon Duvoir, *Recherche des tendances interventionnistes chez quelques économistes libéraux français de 1830 à 1850* (Paris: Rousseau, 1901), chap. VII.

(55) Speech: the Chamber of Deputies, February 14, 1817.

(56) A report presented in conjunction with the bill which became the tariff of 1822.

(57) 1822.

(58) Charléty, *op. cit.*, pp. 286-288.

(59) Taken from *Documents statistiques sur la France publiés par le Ministre du Commerce* (Paris: Imprimerie Royale, 1835), pp. 45-49.

(60) The price of goods on which English customs were figured was established in 1696. These prices were far from the actual value during the early part of the nineteenth century. In addition to the "official evaluation," English customs show a real or declared value of exports.

(61) Comte de Vaublanc, *Du commerce de la France en 1820 et 1821* (Paris, 1822), *passim*.

(62) S. Charléty, *La Restauration* in *Histoire de la France contemporaine*, edited by E. Lavisse, p. 289.

(63) *Ibid.*, p. 290.

(64) *Ibid.*, p. 312.

(65) *Ibid.*

(66) Such is the work of Charles Dupin, *Forces productives et commerciales de la France*, 2 vols. (1827).

(67) According to a statement made by the General Director of Customs, Baron St. Cricq.

(68) Clapham, *Economic Development of France and Germany*, p. 61.

(69) Mining statistics were prepared periodically by the Services des Mines and are relatively trustworthy.

(70) Nevertheless, in 1820 sixty-five industrial establishments employed steam engines; in 1830 this number had increased to six hundred and twenty.

(71) The population of Roubaix was 5000 in 1789, 15,000 in 1830, and 34,000 in 1850.

(72) Clapham, *op. cit.*, p. 65.

(73) Levasseur, *Histoire du commerce en France*, Second Part, *De 1789 à nos jours*, p. 217.

(74) Power was not applied to looms manufacturing plain silk until 1843-44.

- (75) See above, p. 93.
- (76) It has been estimated that the sugar imported from French colonies cost 33 per cent more than it would have if it had been purchased from foreign sources. The consumption of sugar in France was four pounds per person; in England fourteen; and in the Netherlands twenty-two.
- (77) Sée, *Esquisse d'une histoire économique et sociale de la France*, p. 423. Charléty, *op. cit.*, p. 293, gives the number of beet-sugar factories in 1827 as one hundred and one with a production of 5 million kilograms.
- (78) Levasseur, *Histoire du commerce*, Second Part, *De 1789 à nos jours*, pp. 154, 242.
- (79) Levasseur, *op. cit.*, p. 154. G. R. Porter, *The Progress of the Nation* (1851), p. 403.
- (80) *Ministère du Commerce et des Manufactures. Commission formée pour l'examen de certaines questions de législation commerciale*, 2 vols. (Paris, 1828). *Rapport de la commission libre nommée par les manufacturiers et négociants de Paris sur l'enquête relative à l'état actuel de l'industrie du coton en France* (Paris, 1829).
- (81) The suggestion of the investigating commission was for a gradual reduction of the iron duties. L. Amé, *Études sur les tarifs de douane et sur les traités de commerce*. (Paris: 1878), vol. I, p. 175. The bill was presented to the Chamber May 21, 1829. See the *Moniteur*. A celebrated statement in this connection was that made by Siryeis de Mayrinbac, General Director of Customs, in the Chamber, 1830; "La France produit trop." France produced so much that he felt high protection was unnecessary.
- (82) Georges Weill, *L'Éveil des nationalités*, vol. XV in *Peuples et Civilisations*, edited by L. Halphen and P. Sagnac (Paris: Alcan, 1930), p. 79; Marcel Marion, *Histoire financière de la France depuis 1715* (Paris: Rousseau et Cie., 1928), vol. V, p. 86; Léon Dubreuil, *La vente des biens nationaux dans le département des Côtes-du-Nord (1790-1830)* (Paris: Champion, 1912); and especially André Gain, *La Restauration et les biens des émigrés* (Nancy: Société d'Impressions Typographiques, 1928), 2 vols.
- (83) Antoine A. Cournot, *Souvenirs* (Paris: Hachette, 1913), p. 129. Marcel Marion, *Histoire financière de la France depuis 1715* (Paris: Rousseau et Cie., 1928), vol. 5, p. 86.

CHAPTER V

(1) General Works: In addition to the books cited at the beginning of Chapter IV, one may consult with profit the following volumes:

S. Charléty, *La Monarchie de Juillet* in *Histoire de France contemporaine*, edited by E. Lavissee (Paris. Hachette, 1921).

E. Fournière, *Le Règne de Louis-Philippe* in *Histoire socialiste*, edited by J. Jaurès (Paris: J. Rouff et Cie, 1906).

Ernest Hamel, *Histoire du règne de Louis-Philippe (juillet 1830-février 1848)* (Paris: 1889-1890), 2 vols.

G. Hanotaux, *Histoire politique de la nation française de 1804 à 1929* in *Histoire de la nation française*, edited by G. Hanotaux (Paris: Société de l'histoire nationale, 1929), vol. V.

Karl Hillebrand, *Geschichte Frankreichs von der Thronbesteigung Louis-Philipp's zum Fall Napoleon's III* (Gotha: Perthes, 1877-1879), 2 vols.

Alexandre Pilenco, *Les mœurs électorales en France. Régime censitaire* (Paris: Imprimerie Graphique, 1928).

Paul Thureau-Dangin, *Histoire de la monarchie de Juillet* (Paris: Second edition, 1888-1892), 7 vols.

(2) Georges Weill, *L'Eveil des nationalités et le mouvement libéral (1815-1848)*, p. 103.

(3) In the first years of the July Monarchy, two thousand members of the national guard were killed in action. The national guard was the main support of Louis-Philippe. Once it deserted him, he fell from power.

(4) The expression is Armand Carrel's.

(5) Alexis De Tocqueville, *De la classe moyenne et du peuple*, a pamphlet published in October, 1847.

(6) F. P. Guizot, *Mémoires pour servir à l'histoire de mon temps* (vol. V, chap. XVIII, p. 31).

(7) S. Charléty, *La monarchie de Juillet* in *Histoire de France contemporaine*, edited by E. Lavissee, vol. V, p. 347.

Inasmuch as the franchise was based on direct taxes and most of such taxes were collected on land, there was a tendency for professional men, especially lawyers, to buy land in order to play a political rôle. In the above analysis, such persons were not classed as proprietors and justly so, because their main interest was not the same as that of owners of large estates.

Marx analyzed the situation later on as follows:

"Not the French Bourgeoisie ruled under Louis Philippe but only a faction

of the same, bankers, kings of the stock exchange, railroad kings, owners of coal and iron mines, of forests, a part of the land-owning element allied with them—the so-called aristocracy of Finance. . . .

"The July monarchy was nothing but a stock company for the exploitation of the French National wealth, the dividends of which were divided among ministries, chambers and the 240,000 voters . . . Louis Philippe was the director of the Company, Robert Macaire on the throne. . . . Commerce, industry, agriculture, shipping—the interests of the industrial bourgeoisie—all these were constantly menaced and injured under this system. . . ."

From Karl Marx, *Class Struggle in France, 1848-1850* (New York, 1924), pp. 34, 37, 38. (Translated from the German by Henry Kuhn.)

(8) J. P. Proudhon, "*La Justice dans la Révolution et l'Eglise,*" *Œuvres complètes de Proudhon*, new edition under the direction of G. Bouglé and H. Moysset (Paris, 1932), vol. III, p. 139.

(9) This body was composed of the presidents of the three general councils, eleven members appointed by the King, and one appointed by the Minister of Finance.

(10) Law of February 9, 1832. By the law of June 5, 1845, transit duties were abolished.

(11) Laws of February 9 and 27, 1832.

(12) Comte d'Argout endeavored to reassure protectionists by a statement he made in presenting his bill.

"The present tariff protects numerous interests. Some of these interests are easily alarmed. . . . When we presented the bills concerning transit and bonded warehouses, these interests expressed their fear. They attributed to the Government the intention to destroy, or at least to weaken severely the protective system under which our industry has made such singular progress. . . . It is the duty of the Government to declare most solemnly that it wishes sincerely, strongly, and with perseverance, the maintenance of this system. . . . But it wishes at the same time to free this system of all that is useless, annoying, and exorbitant. . . ." *Moniteur*, 1832, p. 2075.

(13) Thiers approved of national economics but wanted a prudent and gradual downward revision of the tariff. *Moniteur*, 1833, p. 1186.

(14) This right was granted by the tariff law of 1814 and by a law voted May 24, 1834. The ordinance had to be issued between sessions of the Chamber and to be ratified at the next session.

(15) Ordinance of June 2, 1834.

(16) The results of the investigation are to be found in *Enquête relative à diverses prohibitions établies à l'entrée des produits étrangers, commencée le 8*

octobre, 1834, sous la présidence de M. T. Duchâtel, ministre du Commerce (1835), 3 vols.

(17) *Enquête*, vol. I, pp. 87 ff.

(18) *Enquête*, vol. II, p. 213.

(19) Treaty of July 25, 1840.

(20) Law of June 9, 1845.

(21) Law of April 26, 1833.

According to an article in a newspaper of the period, *Tribune*, benefits of the bounty accrued to six large refineries. The paper was fined 10,000 francs for the article, the responsible editor was thrown into prison for three years, and the paper had to close its doors. See E. Fournière, *Le règne de Louis-Philippe in Histoire Socialiste*, edited by J. Jaurès, p. 240.

See also W. Lexis, *Die französischen Ausfuhrprämien in Zusammenhange mit der Tarifgeschichte und Handelsentwicklung Frankreichs* (Bonn, 1870).

(22) Law of July 18, 1837.

(23) Ordinance of August 21, 1839.

(24) Law of July 3, 1840.

(25) By the law of July 2, 1843.

(26) For what follows see Charles Schmidt, "Un projet d'union économique de la France et de l'Allemagne du Sud," *Revue Rhénane*, 1923-1924.

(27) See Léon Faucher, *L'Union du midi, association de douanes entre la France, la Belgique, la Suisse, et l'Espagne* (Paris: Paulin, 1842), p. X. His opinion was that:

"It is high time for France to build a dike against this invasion. In the interest of Europe as well as in our own, the German association ought not to be left without a counter-weight. It is necessary to constitute French unity; and this cannot be done without associating more closely for the commercial struggle all the peoples that Napoleon led with us to war."

(28) Issue of March 1, 1837.

(29) A parliamentary investigation was conducted by the Belgian Government in 1840 to determine the attitude of the country toward protection.

(30) Charléty, *La monarchie de juillet in Histoire de France contemporaine*, vol. V, pp. 183-184.

(31) Speech by a manufacturer of Rheims. Quoted in Amé, *Étude économique sur les tarifs de douanes et sur les traités de commerce*, vol. I, p. 221.

(32) Faucher, *L'Union du midi*, p. cxxxviii.

(33) The preface to the Germain Garnier translation includes an interesting guide to the *Wealth of Nations*.

(34) Say was the author of *Traité d'économie politique* (1803); *Catéchisme d'économie politique* (1817); and *Cours d'économie politique* (1828-1829), 6 vols.

(35) Author of *Cours d'économie politique* (1840), which is an exposition of the theories of Malthus, Ricardo, and Say.

(36) Author of *De la liberté du travail* (1825); this was his principal work.

(37) Other names that might be mentioned are Charles Comte, Wolowski, and Hippolyte Passy. Bastiat's works included *Les sophismes économiques*; *Cobden et la Ligue*; *Les harmonies économiques*; and *Les petits pamphlets*, all published between 1844 and 1850.

(38) The preamble to its statutes read:

"The object of the Association is to propagatè the principle of free-trade; to enlighten public opinion on the damage to the interests of the country of the protectionist system which can give special advantages to certain branches of industry only at the expense of all others and of all the consumers of protected goods; finally to demonstrate that the interest of the government and of the country is that of consumers, moderate duties being the only ones which, ceasing to be prohibitive, become a source of wealth for public finances."

(39) The Association endeavored to establish connections with free-trade organizations in other countries. In 1847 an international congress of economists was held at Brussels for this purpose, but it led to no substantial results.

(40) This letter was reproduced in the *Libre Échange*, December 6, 1846, p. 10.

(41) See M. A. Calmon, *Discours parlementaires de M. Thiers* (Paris: C. Lévy, 1878-89).

(42) Adolf Wurst, *Thiers volkswirtschaftliche Anschauungen* (Sammlung nationalökonomischer Abhandlungen der staatswissenschaftlichen Seminars zu Halle, 1893), pp. 10-18.

(43) Thiers expressed most of his national economic theories in the tariff debate of 1836.

Calmon, *op. cit.*, vol. III, pp. 269 ff.

(44) C. J. H. Hayes, *Essays on Nationalism and the Historical Development of Modern Nationalism*, *passim*.

(45) Thém. Lestiboudois, *Économie pratique des nations* (1847).

(46) *Ibid.*, pp. 43-44.

(47) *Ibid.*, p. 512.

(48) Mathieu de Dombasle, *Économie politique* (Paris, 1843) and *Avenir industriel de la France* (1834). See G. Schelle, "Un adversaire de la théorie des débouchés," *Revue d'Histoire Économique et Sociale*, vol. 7, 1914-1919, pp. 87-99. See also Hantute, *Du libre échange et résultats que l'adoption de ce système aurait pour l'agriculture, le commerce, l'industrie, et la marine de la France* (Paris: Joubert, 1847).

This author was strongly opposed to free-trade theories, although he admitted the wisdom of tariff reform. He concluded his argument as follows:

"En résumé, si on admettait ce système, sous le rapport de l'agriculture, la France, en arrière de plusieurs nations, verrait une grande partie de ses terres en friche, car on sait que, par les méthodes de culture en usage dans nos départements, la terre est loin de produire autant que dans quelques pays voisins; ce qui, en définitive, met des frais plus considérables à la charge du cultivateur français; l'introduction du bétail étranger aurait en outre pour résultat de diminuer la quantité de fumier nécessaire à toute bonne culture (ce qui est en grande partie la cause de l'infériorité du rendement de nos terres) et il en résulterait aussi que le progrès de l'éducation de la race chevaline et des troupeaux seraient arrêtés dans leurs développements.

"Sous le rapport du commerce et de l'industrie, trop de causes d'infériorité subsistent, principalement vis-à-vis de l'Angleterre, même de l'aveu des libre-échangistes. Ajoutons, que ce serait nous mettre, en cas de guerre, dans un état d'infériorité qui nous placerait à la merci de l'étranger pour quelques produits essentiels à la défense du pays, comme le fer, le charbon, les chevaux pour notre cavalerie. Ce serait en outre, comme nous l'avons dit, et nous ne saurions trop le répéter, plonger la classe ouvrière dans une affreuse misère, qui amènerait forcément à sa suite cette alarmante criminalité qu'on remarque en Angleterre.

"Sous le rapport de la marine, notre infériorité est aujourd'hui désespérante, le système du libre échange, avec toutes ses conséquences funestes, amènerait assurément l'anéantissement complet de la force navale de la France. Ce système serait plus fatal que les fautes qu'on a reprochées aux ministres de Louis XV avec tant d'amertume, mais non sans raison."

(49) There are a great many works on Frederick List. See of the more recent books H. Dietzel, *List's nationales System und die nationale Wirtschaftspolitik* (1912) and *Die Bedeutung des "Nationalen Systems"* (1925),

A. Sommer, *Fr. Lists System des politischen Oekonomie* (1926) and "A. Muller and F. List," *Weltwirtschaftliches Archiv*, vol. 25, heft 2; the *Mitteilungen der Fr. List Gesellschaft*; and Paul Mombert, *Geschichte der Nationalökonomie*, pp. 453-465.

(50) A second edition of the translation appeared in 1857.

(51) See any history of economic doctrines, for example Gide and Rist, *Histoire des doctrines économiques*, chap. IV.

(52) For March, 1831.

(53) In addition to Thiers, Lestibouois, and List, the July Monarchy produced one other anti-free trader who is worthy of mention—Augustin Cournot, author of *Recherches sur les principes mathématiques de la théorie des richesses* (1838). This work received little attention when it was published, but has since become celebrated. Cournot is better known, however, as a mathematical economist than as a protectionist.

(54) For this discussion of statism or *étatisme*, see the remarkable work by Henri Michel, *L'idée de l'état* (Paris: Hachette et Cie., third edition, 1898).

(55) *Cours de philosophie positive*, published between 1830-1842; *Discours sur l'esprit positif* (1844); and *Discours sur l'ensemble du positivisme* (1848); *Système de politique positive* (1851-54). Comte was a historical economist and the originator of the term sociology.

(56) See G. Weill, *Un précurseur du socialisme, Saint Simon et son œuvre* (Paris, 1894) and *L'école saint-simonienne, son histoire, son influence jusqu'à nos jours* (Paris, 1896); and S. Charléty, *Histoire du Saint-Simonisme* (Paris, 1896).

(57) Blanc's principal book was *Organisation du travail* (1839).

(58) *Des améliorations matérielles dans leurs rapports avec la liberté* (1839) and *Théorie nouvelle d'économie sociale ou politique* (1842).

(59) *De la répartition des richesses ou de la justice distributive en économie politique* (1846) and *Vivre en travaillant* (1848).

(60) See especially *Nouveaux principes* (1819) and *Études sur l'économie politique* (1837-38).

(61) *Essais sur les relations du capital et du travail* (1846); *L'individu et l'état* (1857); and *La centralisation* (1868).

(62) Among the works of Villeneuve-Bargemont see *Histoire de l'économie politique* (1841) and *Le livre des affligés* (1841).

Gonnard, in characterizing French socialism, just prior to 1848, says that: "It remained in general utopian, that is, it placed its confidence in moral forces, love, fraternity, justice; it did not exclude patriotism—it was sometimes even chauvinistic."

Gonnard, *Histoire des doctrines économiques*, vol. III, p. 65, footnote. See also Laskine, *Le socialisme suivant les peuples*, p. 94.

(63) See A. Colin, *La navigation commerciale au XIX^e siècle* (Paris: 1901).

(64) For railways in France consult P. C. Laurent De Villedeuil, *Bibliographie des chemins de fer* (Paris, 1903); L. J. Gras, *Histoire des premiers chemins de fer en France* (St. Etienne, 1924-1929).

Richard von Kaufmann, *La politique française en matière de chemins de fer* (Paris: Béranger, 1901); Alfred Picard, *Les Chemins de fer* (Paris: Dunod et Pinat, 1918); Alfred Picard, *Les Chemins de fer français* (Paris, 1884-1885), 6 vols.; and R. Thévenez, M. Hérerville, and E. Bleys, *Législation des chemins de fer* (Paris: Rousseau et Cie., 1930), 2 vols.

(65) That is, in kilometers of railways per square kilometer. Great Britain was using a total of 2521 kilometers; Germany 627; France 569; and Belgium 378.

See G. Lefranc, "Les chemins de fer devant le parlement français (1835-1842)," *Revue d'histoire moderne*, September-October, 1930, pp. 338-339 and an article by the same author in the *Journal of Economic and Business History*, February, 1930.

(66) Adolphe Blanqui, *Cours d'économie*, p. 431.

(67) This is contrary to the statements found in most treatises on railways. Thiers voted usually, however, for railways. See G. Lefranc, "Les chemins de fer devant le parlement," *Revue d'histoire moderne*, September-October, 1930, p. 348.

(68) Chambre des Députés, speech delivered April 21, 1836.

(69) Arago held also that the cost of railway freight transportation being two-thirds cheaper than horse-drawn rates, foreign goods passing through France would be carried for two-thirds less, thus depriving the country of nearly 2,000,000 francs a year.

(70) See the articles in the *Globe* beginning December 1, 1833.

(71) E. Arago and M. Alboj, *Les Chemins de fer*, a vaudeville revue; presented in 1832. Quoted in G. Lefranc, "La construction des chemins de fer

et l'opinion publique vers 1830," *Revue d'histoire moderne*, July-August, 1930, p. 271.

(72) See Perdonnet, *Notions générales sur les chemins de fer, passim*.

(73) Quoted in Alfred Picard, *Les chemins de fer*, p. 255.

(74) Speech in the Chamber of Deputies, May 10, 1837.

(75) Quoted in E. Levasseur, *Histoire du commerce de la France de 1789 à nos jours*, vol. II, p. 202.

See Louis M. Jouffroy, *Une étape de la construction des grandes lignes de chemins de fer en France. La ligne de Paris à la frontière d'Allemagne (1825-1852)* (Paris: Barreau, 1932), 3 vols.

Also L. M. Jouffroy, *Recherches sur les sources d'une grande ligne de chemin de fer aux XIX^e siècle* (Paris: J. Barreau, 1932).

(76) Michel Chevalier, a leader among the Saint Simonians and a future adviser to Napoleon III, was a member of this group. He published as a result of this trip, *Lettres sur l'Amérique du Nord* (1836), published in the *Journal des Débats*. He was also the author of *Intérêts matériels de la France*, in which the importance of railways was stressed. This book went through four editions in 1838-1839.

(77) Law of July 7, 1833. See Ernest Charles, *Les chemins de fer en France pendant le règne de Louis-Philippe* (Paris: Fontemoing, 1896).

(78) Law of April 21, 1832.

(79) Law of July 9, 1835.

(80) Chamber of Deputies, May 10, 1838.

See G. Schlemmer and H. Bonneau, *Recueil de documents relatifs à l'histoire parlementaire des chemins de fer français* (Paris: Dunod, 1898), p. 53, and G. Guillaumot, *L'organisation des chemins de fer en France* (Paris, 1899).

(81) Law of July 7, 1838.

(82) By Law of July 15, 1840. The interest was to be 3 per cent and 1 per cent for amortization on a capital of 40 million francs. The government guarantee was to last for forty years.

(83) Several other concessions were not acted upon. The state itself undertook the building of a line from Lille to Valenciennes to connect France with Belgium.

(84) According to the original law, towns and departments through which

the lines passed were to reimburse the state two-thirds of the cost. This provision, which aimed to appease those districts that the new lines did not traverse, was dropped in 1845.

(85) Law of June 11, 1842.

(86) Some companies went out of existence during this depression; others secured state aid. To the line Paris-Rennes, the state guaranteed interest on private investments.

(87) The amount of freight carried by railways increased from one million tons in 1841 to 3.6 million tons in 1847 and the number of passengers from 6,300,000 to 12,000,000 over the same period.

(88) See above, Chapter IV, footnotes 78, 79.

(89) Pallain, *Les douanes françaises*, vol. II, p. 130. The ships of those nations that levied a tonnage charge on French bottoms had to pay similar charges when entering a French port.

(90) Law of May 6, 1841.

(91) Twenty-five million francs appeared in the budgets of 1841, 1842, and 1843 for this line.

(92) In 1844 a Frenchman, Dupuy de Lôme, went to England to study iron ship construction. Iron ships were not built in France until after the July Monarchy.

(93) In 1846, foreign ships did nearly twice as much of the carrying to and from France as French ships did. This does not include, however, trade reserved to the French merchant marine.

(94) See above, p. 102.

(95) Speech by Comte de Sade, quoted in Levasseur, *Histoire du commerce de la France de 1789 à nos jours*, p. 225.

(96) November 11, 1835.

(97) For the following discussion of industry and agriculture during the July Monarchy see especially, Henri Sée, *La vie économique de la France sous la monarchie censitaire* (1815-1848), and by the same author, *Esquisse d'une histoire économique et sociale de la France*, part seven.

(98) Levasseur, *op. cit.*, p. 217.

(99) See above, p. 102.

(100) Clément Juglar, *Des crises commerciales et de leur retour péri-*

dique en France, en Angleterre, et aux Etats-Unis (Paris: Guillaumin et Cie., 1889), pp. 415 ff.

(101) Villermé, *Tableau de l'état physique et moral des ouvriers employés dans les manufactures de coton, de laine et de soie* (Paris, 1840).

See also François Simiand, *Le salaire, l'évolution sociale et la monnaie; essai de théorie expérimentale du salaire* (Paris: Alcan, 1932), 3 vols., especially vol. III.

(102) The Chapelier law of 1791 and the law of 1834.

(103) Pierre Quentin-Bauchart, *La crise sociale de 1848. Les origines de la révolution de février* (Paris: Hachette, 1920), p. 132.

S. Charléty, *La Monarchie de Juillet*, in Lavissee (ed.) *Histoire de France contemporaine*, vol. V, p. 246; and Donald C. McKay, *The National Workshops. A Study in the French Revolution of 1848* (Cambridge: Harvard University Press, 1933), p. XI.

CHAPTER VI

(1) Concerning the Second Empire see the standard French histories: Charles Seignobos, *La révolution de 1848—Le Second Empire*, and *Le déclin de l'empire et l'établissement de la 3^e république*, vols. VI and VII of Lavissee (ed.), *Histoire de la France contemporaine* (Paris: Hachette, 1921), and Gabriel Hanotaux, *Histoire de la nation française (Histoire politique de 1804 à 1926)* (Paris: Plon, 1929). See also Pierre de la Gorce, *Histoire du Second Empire* (Paris: Plon, Nourrit, 1905-07), 7 vols., emphasizes political history; Taxile Delord, *Histoire du Second Empire (1848-1869)* (Paris: Beillièrre, 1869-75), 6 vols., from the republican standpoint; Albert Thomas, *Le Second Empire*, vol. X of Jean Jaurès, *Histoire socialiste* (Paris: Rouff, 1907); Philip Guedalla, *The Second Empire* (London: Constable, 1922), having to do largely with the person Napoleon III; Émile Ollivier, *L'Empire libéral* (Paris: Garnier, 1895-1918), 18 vols.; René Arnaud, *The Second Republic and Napoleon III* (London: Heinemann, 1930), popular; F. A. Simpson, *Louis Napoleon and the Recovery of France 1848-1856* (London: Longmans, Green, 1923); and Georges Weill, *Histoire du mouvement social en France* (Paris: Alcan, 1924). Other more specialized books will be found mentioned in the footnotes.

(2) Pierre Quentin-Bauchart, *La crise de 1848. Les origines de la révolution de février* (Paris: Hachette, 1920), p. 143.

(3) Lamartine read off the names on the list at the Chamber and did some censoring on his own part. Pierre Quentin-Bauchart, *Lamartine, homme politique; la politique intérieure* (Paris, 1903).

(4) The mob had not demanded that the names be added to the list of *Le National* either at the Chamber or at the Hôtel de Ville. The four new members were candidates of a Jacobin republican paper, *La Réforme*. *La Réforme* was tardy in getting its list drawn up and was presented by the *fait accompli* of a provisional government. Its candidates were not exclusively radicals but included some of the names proposed by *Le National* and even that of the editor of *Le National*, Marrast.

(5) A million francs were to be devoted to the workshops. This sum was to be obtained by the abolition of the civil list. The declaration drawn up by Louis Blanc was signed only by himself and Garnier-Pagès from among the members of the provisional government. The names of the others were placed on the document but were not individual signatures.

(6) The demand for the red flag, which had appeared in the barricades during the revolution of 1848, was repelled by Lamartine's brilliant appeal. "Je repousserai jusqu'à la mort ce drapeau de sang, et vous devriez le répudier plus que moi. Car le drapeau rouge que vous nous apportez n'a jamais fait que le tour du Champ de Mars traîné dans le sang du peuple en '91 et '93, et le drapeau tricolore a fait le tour du monde avec le nom, la gloire et la liberté de la patrie."

(7) Louis Blanc, *Histoire de la révolution de 1848* (ed. 5, Paris, 1880), I, 133.

(8) *Marchandage* was of various kinds. The *marchandeur* was an intermediary between workers and employers. In the case most in view in 1848, he operated in the building trades. He would contract to do part of a job and hire labor at the cheapest possible wage. Another practice was making loans to workers. These loans were marked on the workers' *livrets* and workers had to pay these loans before they could secure new employment or else have it taken out of their wages by their new master. This gave the *marchandeur* a hold over labor which he frequently sold to employers.

(9) The commission's official title was "*Commission du Gouvernement pour les Travailleurs*." See especially G. Cahen, "Louis Blanc et la Commission du Luxembourg," *Annales de l'école libre des sciences politiques*, XII (1897).

(10) The 5 per cent state bonds fell from 116 on February 23, 1848, to 75 on March 8; the 3 per cent state bonds from 73 to 47 in the same period.

For further details see Clément Juglar, *Des crises commerciales et de leur retour périodique en France, en Angleterre, et aux États-Unis* (ed. 5, Paris: Guillaumin, 1889), pp. 415 ff.

(11) The luxury industries were also injured by the departure of many of the wealthy from Paris who feared a socialist revolution. See also G. Renard, *La République de 1848 (1848-1851)*, vol. ix of Jean Jaurès (ed.), *Histoire socialiste* (Paris: Rouff, 1906), p. 329, and Quentin-Bauchart, *La crise sociale de 1848*, p. 241, note 1.

(12) At the first meeting, the organization of the commission was loose. About two hundred workers, representing the various trades of Paris, were present. Their elections of the delegates were irregular and in some instances no elections were held.

(13) Charles Seignobos, *La révolution de 1848—Le Second Empire*, in Lavissee (ed.), *Histoire de la France contemporaine* (Paris: Hachette, 1921), VI, 47. During the reaction following the "June days" the maximum working day was increased to twelve hours.

(14) The reorganization of the commission was effected for the session held on March 10. Three workers were elected from each trade (*corporation*), making a total of 242. One delegate from each was to attend the daily sessions and the other two, the general assemblies. Employers elected three delegates for each trade, choosing a total of 231. Two permanent commissions, composed of ten delegates each, were established. One represented labor, the other capital. Usually they met separately, but held joint sessions to debate important questions. There was thus set up a corporate commission suggestive of the Italian Fascist corporations.

(15) Cited in Quentin-Bauchart, *La crise sociale de 1848*, p. 281.

(16) Louis Blanc, *Organisation du travail* (Paris, 1839).

(17) Aimé Chérest, *La vie et les œuvres de A. T. Marie, avocat, membre du gouvernement provisoire* (Paris, 1873). Marie himself said, "I was not a socialist. I never believed in the right to work. . . . The decree which proclaimed the right to work could not find in me a devoted and obedient servant. The decree of February 27, the execution of which was placed in my care, could not therefore be understood in that sense."

(18) At first, the men had three days off each week.

(19) Émile Thomas, *Histoire des ateliers nationaux* (Paris, 1848). Thomas had been a student at the *École centrale des arts et manufactures*.

(20) This was more than half the estimated male working population of Paris at the beginning of 1848.

(21) Donald C. McKay, *The National Workshops. A Study in the French Revolution of 1848* (Cambridge: Harvard University Press, 1933), p. 130, and Appendix I.

(22) A. Antony, *La politique financière du gouvernement provisoire* (Paris, 1910). The new paper money fell below par almost at once, but it soon rose to its nominal value. The increased taxes were increases in direct taxes which were unpopular in the rural districts. The public debt of France was increased by 48,670,376 francs in 1848, which was a greater increase than had been effected during the entire reign of Louis Philippe. See Marcel Marion, *Histoire financière de la France depuis 1715*, V, 279.

(23) The capital for these institutions was furnished in the following proportions: one-third by the state, one-third by the city in which the bank was located, and one-third by stockholders. Inasmuch as the state's contribution was in the form of government bonds and the city's in the form of notes, the working capital came mostly from private individuals. In three years, sixty-two *comptoirs d'escompte* were established throughout France. A bank of this nature had been set up in 1830, but it lasted only two years.

(24) Decree of March 21, 1848.

(25) By decree of April 27, 1848, the banks of Lyons, Rouen, Le Havre, Toulouse, Orléans, and Marseille were united to the Bank of France, and by decree of May 2, 1848, the banks of Nantes and Bordeaux were also joined to it.

(26) The franchise was granted to all males, twenty-one years of age or more, who had been residents of one locality for six months. Decree of March 2, 1848. Voting was to take place in the chief town of the canton instead of in the chief place of the arrondissement. Thus the obstacle of distant travel was removed.

(27) During the *monarchie censitaire*, that is from 1814 to 1848, members of parliament were not paid. Now the remuneration was fixed at 25 francs a day, a sum supposedly sufficient to maintain a bourgeois standard of living. The amount of the stipend was not increased until 1906.

(28) The reasons for Louis Blanc's attitude are well summed up in McKay, *op. cit.*, p. 39, note 20.

(29) McKay, *op. cit.*, pp. 38-40.

(30) The National Guard of Paris was increased from 56,751 members to

190,299 by March 18 and similar increases took place in other cities. By May it was estimated that three-fourths of the men in the National workshops were enrolled in the National Guard. The National Guard was also allowed to elect its own officers.

(31) By decree of February 25, 1848. The suggestion for organizing this force came from Lamartine, who argued that it was better to have the emotional youth fight for the provisional government than against it.

(32) Enlistments in the regular army were made more popular by reducing the term of service to two years and by promising that promotion would be only on the basis of merit. Troops were brought into Paris under the guise of the *Fête de la Fraternité* (April 20). Pierre de la Gorce, *Histoire de la seconde république française* (Paris, 1887), I, 201.

(33) Louis Blanc, *Histoire de la révolution de 1848* (Paris, 1870), II, 12.

(34) Not a single member of the workingmen's Luxembourg list was elected. Louis Blanc and Albert, the two most radical members of the provisional government, were elected simply because they were included among the candidates of other parties. Of the 880 representatives chosen, 500 were Moderate Republicans, less than 200 were *Orléanistes ralliés*, that is, supporters of Louis Philippe who were willing to accept the republic, 100 were Legitimists, and 100 were Democratic and Social Republicans. These figures are merely approximations. See Seignobos, *La Révolution de 1848—Le Second Empire*, in Lavissee (ed.), *Histoire de la France contemporaine*, VI, 83. The election was conducted on the principle of the *scrutin de liste* by department as opposed to the *scrutin d'arrondissement*.

(35) According to A. Chaboseau, "Les constituants de 1848," *La Révolution de 1848*, VII-VIII (1910-12), 779 of the representatives could be classified as follows:

over 325 lawyers
 99 officers or former officers
 53 physicians
 160 landed proprietors
 53 men in commerce
 65 industrialists
 6 foremen
 18 workers

There were a few ministers, priests, and teachers in the assembly. The bourgeois character of the body is evident from the foregoing analysis. It was obvious that the lower classes had not used the ballot for class interests and also that the provinces were cool toward the social struggle that was going on in Paris.

(36) The condemnation took place in 1849.

(37) P. Loustau, *Louis Blanc à la Commission du Luxembourg* (Paris, 1908), p. 30.

(38) Quentin-Bauchart, *La crise sociale de 1848*, p. 272.

(39) This was the work of Vidal and Pecqueur. In addition to proposing the establishment of producers' coöperatives, it was suggested that the state buy up the railways, establish a monopoly of insurance, set up a state bank and state stores, fix prices, and improve housing.

(40) Only a central committee of its delegates remained as evidence of the commission's prior existence. This committee centered its attention on political action. It should be noted that some other cities besides Paris had their "Luxembourg Commissions"—Lyons, Lille, Marseilles, Anzin, Creusot, etc. Their main task seems to have been the settlement of labor disputes. Georges Renard, *La république de 1848 (1848-1852)*, p. 274. One measure taken at this time supposedly in favor of workers was the reorganization of the *Conseils de prud'hommes*. These councils, which had existed previously, were arbitration commissions or courts to settle labor disputes. The reform made concerned the election of *prud'hommes*. Workers were to elect a panel of labor members; entrepreneurs a panel of employers. Then the workers would elect the employer members from the panel of entrepreneurs; the employers the workers' members from the panel of laborers. This system, created by the decree of May 27, 1848, did not function smoothly, and was changed by Napoleon III, decree of March 2, 1852, and law of June 1, 1853, so that employers would elect employers and workers would elect workers.

(41) McKay, *op. cit.*, pp. 38 ff. Émile Thomas, director of the workshops, had kept his men out of the demonstration of March 17. The workshops appeared thus as a safety valve. On March 23, Thomas was encouraged to enlist all the workers he could control. As regards finances, he was told, "Spare no money; if necessary, it will be provided to you from secret funds." As part of the scheme to influence the workshop members, a "company union," *Réunion Centrale des Ateliers Nationaux*, was set up March 25. Its members were chosen from the brigades of workers and students of the École Centrale des Arts et Manufactures. See McKay, *op. cit.*, pp. 41-43, and Émile Thomas, *Histoire des ateliers nationaux*, which is vol. II of J. A. R. Marriott, *The French Revolution of 1848 in its Economic Aspects* (Oxford: University Press, 1913), pp. 174-79.

(42) McKay, *op. cit.*, pp. 52-53, and Seignobos, *La Révolution de 1848—Le Second Empire*, p. 70.

(43) Upon his refusal to obey, Thomas was taken prisoner and hurried off to Bordeaux. The orders comprised: (1) the dismissal of all workshop members who were not residents of Paris prior to May 24; (2) dismissal of workers refusing positions in private enterprises; (3) the organization of workers into units and their dispatch to the provinces for public work; (4) substitution of piece work for day work; (5) the taking of a census.

Already on May 13 it had been decided to allow unmarried men from eighteen to twenty-five years of age in the workshops to enlist in the army. Those who refused were to be dismissed. An order to this effect was made public during the demonstration of May 15.

(44) Among those elected were Cabet, chief of the *Icariens*, Proudhon, the anarchist, and Leroux, an associationist and probable inventor of the word "socialism." Gide and Rist, *Histoire des doctrines économiques*, ed. 5, 1926, p. 276, footnote.

(45) See Octave Festy, *Les associations ouvrières encouragées par la Deuxième République* (Comité des travaux historiques, section d'histoire moderne et contemporaine), vol. IV, 1915. Among the notable successes were jewellers, chair makers, and type-setters. The tailors of Clichy had to close their shops, but some of them opened again and carried on. See also Jean Gaumont, *Histoire générale de la coopération en France* (Paris: Fédération nationale des coopératives de consommation, 1923-24), II, 242-46. The main reason for the collapse of so many coopératives seems to have been mismanagement.

(46) Those courageous souls who endeavored to present socialist schemes for the consideration of the constituent assembly were either ignored or laughed off the floor. Socialist leaders had been banished from the assembly after the June days; only the theorists remained. Considérant presented the philosophy of Fourier; Leroux, that of Louis Blanc; Proudhon, his own.

A handy manual of French constitutions is L. Duguit and H. Monnier, *Les constitutions . . . de la France depuis 1789* (Paris: Librairie de droit, 1915).

(47) Cavaignac, candidate of the *Réunion du Palais National*, composed of moderate republicans, got 23 per cent of the vote; Raspail, candidate of the socialists, and Ledru-Rollin, candidate of the Solidarité républicaine, received only a handful of votes.

(48) For the background of Louis Napoleon see especially F. A. Simpson, *The Rise of Louis-Napoleon* (London: Murray, 1909); B. Jerrold, *Life of Napoleon III* (London, 1879-82), 4 vols.; H. Thirria, *Napoléon III avant*

l'empire (Paris, 1895-96); H. N. Boon, *Rêve et réalité dans l'œuvre économique et sociale de Napoléon III* (Paris, 1936).

(49) *Réveries politiques* and an appended *Projet d'une constitution* (1832); and *Les idées napoléoniennes* (1839).

(50) *Extinction du pauperisme* (1844) and *Analyse de la question des sucres* (1842). The works of Louis Napoleon in this early period have been collected and published: *Œuvres de Napoléon III* (Paris, 1856).

(51) Seignobos, *La révolution de 1848—Le Second Empire*, p. 126.

(52) M. Chevalier, *Cours d'économie politique* (ed. 1, 1842; ed. 2, 1858). See also Pierre Labracherie, *Michel Chevalier et ses idées économiques* (Paris: Picart, 1929), and Louis Reybaud, *Économistes modernes* (Paris, 1862). Chevalier was considerably influenced by a visit to the United States (1833-35). His American letters, published in the *Journal des débats*, show his admiration for the economic activity in the New World. They offer an interesting source for students of American history of that epoch.

(53) Labracherie, *op. cit.*, pp. 103 ff. France should not endeavor to attain complete freedom of trade at once. England took twenty-two years to accomplish it; France might require a similarly long period. Chevalier, *Examen du système commercial connu sous le nom de système protecteur* (Paris: Guillaumin, 1852).

(54) The appointment to this body required Chevalier's resignation of his post at the Collège de France, because a member of the council could not hold another salaried state position. The *Conseil d'État* had as its duty the drafting of all bills and was, therefore, a very important body.

(55) The relationship between banking and national economic development has been treated briefly for France and Germany in Walter Huth, *Die Entwicklung der deutschen und französischen Grossbanken im Zusammenhange mit der Entwicklung der Nationalwirtschaft* (Berlin: Siemenroth, 1918). See also C. K. Hobson, *The Export of Capital* (London, 1914), and A. Sartorius von Waltershausen, *Das volkswirtschaftliche System der Kapitalanlage im Auslande* (Berlin, 1907).

(56) André Liesse, *Evolution of Credit and Banks in France from the Founding of the Bank of France to the Present Time* (Washington: Government Printing Office, 1909), pp. 110 ff.

(57) By decrees of December 3, 1852, it became the *Crédit foncier de France*. It took over other smaller institutions of its kind and extended its business to the entire nation.

(58) At first the state did not have the right to appoint its highest officials. It took that power July 5, 1854. The original name of the institution was *Banque foncière de Paris*.

(59) Haussmann was prefect of the Seine from 1853 to 1869.

(60) It extended its business to Algeria in 1860. After July 6, 1860, it was authorized to lend money to departments, towns, and land owners' associations without mortgages.

(61) Chartered by decree of February 16, 1861.

(62) Founded in 1852. Its firm name was *Société générale du crédit mobilier français*. The Pereire brothers were natives of Bordeaux. J. Plenge, *Gründung und Geschichte des crédit mobiliers* (Tübingen, 1903).

(63) These included the *Caisse des actions réunies*, *Caisse et journal des chemins de fer*, and *Caisse générale des chemins de fer*.

(64) Its firm name was *Société générale pour favoriser le commerce et l'industrie en France*.

(65) For histories of French banking see Alphonse Courtois, *Histoire de la Banque de France et des principales institutions françaises de crédit depuis 1716* (Paris: Guillaumin, 1875); F. François-Marsal, *Encyclopédie de Banque et de Bourse* (Paris: Crété, 1929), 5 vols.; André Liesse, *op. cit.*; Eugen Kaufmann, *Das französische Bankwesen* (Tübingen: Mohr, 1923).

(66) The law of May 23, 1863, recognized the usefulness of limited liability companies; the law of July 24, 1867, removed capitalization limits from the companies, abolished requirements for governmental authorization, and provided for stockholders supervision of them.

(67) See P. Dupont-Ferrier, *Le marché financier de Paris sous le Second Empire* (Paris, 1926). One hundred and forty-eight were founded from 1852 to 1859. Some of them were naturally not very sound investments.

(68) See a contemporary book by Oscar de Vallée, *Manieurs d'argent*, and Ponsard's *La Bourse*, which were hostile to speculation and which were approved by the Emperor. See also *Ten Years of Imperialism in France. Impressions of a "Flaneur"* [pseudonym of C. B. Derosne] (London, 1862), chap. vii.

(69) Greece joined in 1866. See H. P. Willis, *History of the Latin Monetary Union* (Chicago, 1901). There had been a considerable influx of gold to Europe following the discovery of that metal in California (1848) and Australia (1851). According to an estimate of Émile Levasseur, *La question*

d'or, prices in France increased about 20 per cent. Gold became cheaper and silver relatively dearer, which required changing the silver and gold content of coins. The Latin nations vied with each other in this process until the formation of the union.

(70) Decree of November 18.

(71) It is said that one-half of private capital in French railways prior to 1847 was British. See L. H. Jenks, *The Migration of British Capital to 1875* (New York: Columbia University Press, 1927), p. 148. French foreign investments amounted to about 2,500,000,000 francs in 1850. Dupont-Ferrier, *op. cit.*, p. 7.

(72) Dupont-Ferrier, *op. cit.*, p. 163, and Herbert Feis, *Europe, the World's Banker 1870-1914* (New Haven: Yale University Press, 1930), p. 47.

(73) The reason for small investments in England was not political but economic—the English market was well taken care of by English financiers.

(74) The financial side of the Mexican incident is a most romantic affair. A Swiss banker, Jecker, became seriously involved by financing erstwhile Mexican presidents. His bank failed and he appealed for aid to his friend, the Duc de Morny, half-brother to Napoleon III and one of the Emperor's most influential advisers. The Duc was offered a handsome profit for Jecker's salvation. Jecker became a French citizen and the French Government pressed Jecker's claim. As a matter of fact, it provided an excuse, if not the reason, for the French expedition to Mexico. Two Mexican Empire loans were floated with the encouragement of the French Government in Paris and London. The first amounted to 272,000,000 francs, which was more than enough to satisfy Jecker and other Mexican creditors—more than enough by only 34,000,000 francs! The second loan for 250,000,000 francs was subscribed for only 170,000,000 francs, and but 70,000,000 francs of it ever reached Maximilian. In addition to service on these loans, the Mexican Government had to pay the French Government high prices for the military assistance that was sent out. When the bubble of the enterprise burst and the French holders of Mexican bonds found out what rich royalties the bankers had been paid and what advantage the Mexican loans had been to men in high office, they stirred up so much trouble that Napoleon III's government thought it wise to pacify them with a gratuity for their losses. See Egon Caesar, Count Corti, *Maximilian and Charlotte of Mexico* (New York: Knopf, 1929), 2 vols.; Percy F. Martin, *Maximilian in Mexico* (London, 1914); W. H. Chynoweth, *Fall of Maximilian* (London, 1872).

(75) Navigation on the Seine was given particular attention. Sunken chain

towing was introduced in places where the current was swift. Dams, locks, and port facilities were constructed.

(76) The organic law for telegraphs was dated September 21, 1851. In the 1860's cables were laid.

(77) See above, pp. 147-148.

(78) The concessions ran from twelve to ninety-nine years. The average was about forty years.

(79) "Exposé des motifs du projet de loi du 17 Mai 1848," printed in the *Moniteur universel*, May 19. The executive commission of the constituent assembly felt that concessions had been granted by Louis Philippe to personal friends.

(80) See *Moniteur universel*, June 23, 1848; G. Schlemmer and H. Bonneau, *Recueil de documents relatifs à l'histoire parlementaire des chemins de fer français* (Paris: Dunod, 1898), p. 131.

(81) Upon the refusal of the Government to buy up the railways, the credit of the lines suffered. Some of them were aided by larger concessions and by reducing their obligations to the state. The Paris-Lyons road was taken over by the Government (August 17, 1848), but was conceded again to a private company, January 5, 1852. Only one new concession was granted in the period 1848-1851. It was for the Paris-Rennes line.

(82) René Thévenez, Maurice d'Hérouville, and Étienne Bleys, *Législation des chemins de fer* (Paris: Rousseau, 1930), p. 10.

(83) See the report on railway concentration by the Duc de Morny, *Moniteur universel*, June 27, 1852.

(84) These companies existed until 1937. The *Ouest* was, however, bought by the state in 1908 and there was a partial merger of the *Orléans* and *Midi* lines.

(85) The Government promised that it would do what was necessary for the economic health of the nation. *Moniteur universel*, April 13, 1858. Railway companies found themselves pinched in this period. See the *Journal des chemins de fer*, December 11-25, 1858, and the *Semaine financière*, September 25, 1858. See Marcel Blanchard, "La politique ferroviaire du Second Empire," *Annales d'histoire économique et sociale*, 1934, pp. 529-549.

(86) Only to the *Midi* was granted a guarantee of earnings of 4 per cent on the old lines. In practice, the 4 per cent guarantee on the new networks

amounted to 5.75 per cent, because of other charges. See Thévenez, d'Hérouville, and Bleys, *op. cit.*, p. 13.

(87) A. Audiganne, *Les chemins de fer* (Paris, 1862), II, 118.

(88) A. Picard, *Les chemins de fer* (Paris, 1918), p. 175. The average value of exports by land in the period 1827-1836 was 192,400,000 francs; in the period 1867-1876, 1,299,700,000 francs. Tons of freight carried one kilometer by railways in 1854 was 2 billion; in 1863, 4 billion.

The attempt made in 1868-69 to get control of the Luxembourg railways is an example of the imperialist aims of Napoleon by means of rails.

(89) The review of the association, *Le libre échange*, foundered in 1848. The *Journal des économistes* continued to appear and favored free trade.

(90) Quoted in A. L. Dunham, *The Anglo-French Treaty of Commerce of 1860 and the Progress of the Industrial Revolution in France* (Ann Arbor: University of Michigan Press, 1930), p. 19. Refusal to discuss Ste. Beuve's bill was voted by 428 to 199.

(91) Auguste Arnauné, *Le commerce extérieur et les tarifs de douane* (Paris, 1911), p. 245.

(92) Author of "Tendance de l'économie politique en Angleterre et en France," *Revue des deux mondes*, April 15, 1852; *Essai sur la liberté du commerce des nations ou examen de la théorie anglaise du libre échange* (Paris: Durand, 1853); and *Histoire de la politique commerciale de la France et de son influence sur le progrès de la richesse politique depuis le moyen âge jusqu'à nos jours* (Paris: Durand, 1854), 2 vols. The ideas indicated as being those of Gouraud are to be found in the first chapter of vol. I of the last-mentioned book.

(93) "Agriculture, industry, shipping, and consumers are interested in the manufacture [of beet sugar]. Foreign trade alone and the treasury would find an advantage in its suppression. It is a question of knowing what interests have the most importance for the prosperity of France. The Emperor Napoleon made the following classification which shows the bases on which the political economy of France ought to be founded.

"Agriculture is the base and the force of the prosperity of a country.

"Industry is the ease, the happiness of the population.

"Foreign trade, the super-abundance, the good use of the other two.

"This last is made for the other two; the two others are not made for it. The interests of the three essential bases are divergent, often opposed" . . .

"Agriculture and industry are the two causes of vitality, while foreign trade is only the effect. A wise government ought never to sacrifice the major interests of the first for the secondary interests of the last. One is able to

admit, therefore, in principle, that the manufacture of beet sugar, a source of wealth for agriculture and industry, ought not to be sacrificed for a commercial interest. Especially it ought not to be sacrificed for a fiscal interest, for . . . one thinks of the condition of Spain, which fell from being the empire of the world because she abandoned her industry and her agriculture for her commerce."

"Analyse de la question des sucres," *Œuvres de Napoléon III*, III, 235, 237-39.

(94) *Senatus consulte* of December 25, 1852. The laws of 1814, 1818, and 1836 empowered the monarch to reduce rates by decree, but they had to be ratified by the legislative bodies.

(95) Decree of August 18, 1853.

(96) These decrees were issued from 1853 to 1856. The reduction on iron and steel was great enough to permit large quantities of English rails to be imported.

(97) Acts of July 26, 1856, and April 18, 1857. Concerning the improvement of business activity see Marcel Marion, *Histoire financière de la France*, V, 317.

(98) The Government's statement issued October 18, 1856, read as follows: "The progress of French industry had been shown so clearly at the Universal Exposition of 1855 that the moment seemed opportune for replacing the prohibitions in our tariff laws by protective duties. This was a great step toward the goal which should be sought by all peoples. In fact, the development of commercial activity and of international relations paves the way for the progress of civilization. Profoundly convinced of this, the government had introduced in the *Corps Législatif* a bill repealing all the prohibitions. This bill could not be brought to a vote in the last session and the government, desiring adequate advice, decided to begin an official investigation of these questions. Alarmist reports were, however, spread throughout the country and made use of by the interested parties. His Majesty wished to have a very careful study made of the complaints which had reached him and, therefore, directed the minister of commerce to examine them. Having been enlightened by the minister's report on the true position of French industries, the emperor decided to modify the bill introduced in the *Corps Législatif* so as to have the repeal of prohibitions take effect only after July 1, 1861. A bill to this effect has been sent to the council of state. French industries, warned of the firm intentions of the government, will have ample time to prepare themselves for the commercial régime." Quoted in Dunham, *op. cit.*, pp. 24-25.

(99) *Ibid.*, chap. iii.

(100) The interview took place on October 27, 1859. Chevalier saw the

emperor in the morning, and prepared the way for Cobden, whose visit took place in the afternoon. During the audience with Cobden, Napoleon is said to have exclaimed, "Je serais enchanté et flatté de l'idée d'accomplir la même œuvre en France [that Peel accomplished in England]; mais les difficultés sont bien grandes. Nous ne faisons pas de réformes en France; nous ne faisons que des révolutions."

(101) "The Encouragement of trade through the multiplication of the means of exchange will follow as the natural consequence of these measures. The progressive decrease of the tax on foodstuffs of general consumption will, then, be a necessity, as will the substitution of protective duties for the system of prohibitions which restricts our commercial relations. Through these measures agriculture will find a market for its products; industry, freed from obstacles within the country, aided by the government, stimulated by competition, will fight successfully against foreign goods, and our commerce, instead of languishing . . . will have a new and vigorous growth."

Letter of Napoleon III to Fould, Dunham, *op. cit.*, pp. 83-84.

(102) Ernest Feray, *Du traité de commerce de 1860 avec l'Angleterre* (Paris, 1881), pp. 11-12.

(103) Other articles on which there was an excise tax in Great Britain were to be charged a duty equal to that tax and a slight additional surtax to offset the cost of the excise to the British producer.

(104) The full text of the treaty and supplementary conventions may be found in H. Reader Lack, *The French Treaty and the Tariff of 1860* (London, 1861).

(105) John Morley in his *Life of William Ewart Gladstone* (London, 1911), II, 23, cites Gladstone's belief: "It was and it is my opinion that the choice lay between the Cobden Treaty and not the certainty, but the high probability, of a war with France."

(106) April and May, 1860.

(107) *Enquête de 1860 sur l'état de l'industrie en France* (Paris, 1860). The seventh volume is to be found only at the ministry of commerce, Paris. Information concerning the investigation itself and how it was conducted is to be found in *Historique du traité de commerce de 1860 et des conventions complémentaires* (Paris, 1861).

(108) Edgar Allix, *Les droits de douane* (Paris: Rousseau, 1932), 2 vols., I, 40.

(109) May 23, 1860.

(110) The dates of these accords were with Belgium, May 1, 1861, with an additional convention May 12; with the German Zollverein, August 2, 1862; with Italy, January 17, 1863; with Switzerland, June 30, 1864; with Sweden and Norway, February 14, 1865; with the Hanseatic towns, March 4, 1865; with the Netherlands, July 7, 1865; with Spain, June 18, 1865; and with Austria, December 11, 1866. See Léon Amé, *Étude économique sur les tarifs de douanes* (Paris, 1876), II, *passim*.

(111) Clapham, *The Economic Development of France and Germany*, p. 112.

(112) Agreement of February 28, 1851. The subsidy was to be 3,000,000 francs a year for ten years and then to be decreased in the next ten years of the twenty-year contract. As a matter of fact, the subsidy was increased to 4,776,118.40 francs in 1857, during the crisis, and later diminished.

(113) This sum was reduced by about one-half because of the abandonment of one of the services to South America.

(114) Decrees of August 25, 1861, and February 5, 1862, applicable to Canada and the United States. Other nations who made commercial treaties with France on the basis of the most favored nation secured the privilege. See footnote 110.

(115) It was held in 1862. Another was granted in 1866.

(116) Law of July 3, 1861.

(117) Decree of July 9, 1868. Earlier decrees had extended the privilege to certain colonies.

(118) By treaty with Austria, December 11, 1866.

(119) He was governor-general of the colony with one slight interruption from 1854 to 1865. The conquest was not completed until 1880.

(120) On March 4, 1848, about 500,000 slaves were emancipated. Their owners were given an indemnity of 126,000,000 francs for this reform—a sum that did not compensate them completely for their loss. About 120,000,000 francs of the indemnity were paid in state bonds which were low at the time. The freeing of the slaves led to labor turmoil. At first an effort was made to replenish the labor supply by negroes from Africa and Hindu coolies, but gradually the negroes already in the islands were brought under control. Some, detained as vagabonds, were put to work. Others worked as members of "associations," supposedly of the 1848 type, and still others were hired as laborers at very low wages. Sugar production fell to less than one-third normal in 1848, but was back at par in 1853.

(121) Decree of March 27, 1852.

(122) Decree of May 3, 1854.

(123) Arthur Girault, *The Colonial Tariff Policy of France* (Oxford: Clarendon Press, 1916), p. 68.

(124) Law of July 17, 1867. Foreign cotton goods, for example, were especially favored. See Girault, *op. cit.*, pp. 79-80.

(125) These figures are from the *Annuaire statistique* (Paris: Imprimerie nationale, 1931), *Résumé rétrospectif, passim*. A very rosy picture is given in the official *Exposé de la situation de l'empire présenté au sénat et au corps législatif* (Paris: Imprimerie impériale, 1861-69).

(126) United States consular reports.

(127) See footnote 125. The increased value of foreign trade must not be taken at its face value, for there was a considerable augmentation of prices following the discovery of gold in California and Australia. This increase was probably in the neighborhood of 20 per cent from 1847 to 1857. Levasseur, *Histoire de commerce de la France*, II, 265, footnote 2.

(128) These figures are from Marcel Marion, *Histoire financière de la France*, V, 317.

(129) See Dunham, *op. cit.*, chap. ix, and *La sidérurgie française, 1864-1914*, privately printed by the *Comité des forges* in 1920. This little book is exceedingly difficult to find, but is available at the *École normale supérieure* in Paris.

(130) Dunham, *op. cit.*, chap. x, and Alphonse Cordier, *La crise cotonnière dans la Seine Inférieure* (Rouen, 1864).

(131) L. Roux, *Les régimes successifs de la construction navale et de la navigation maritime en France* (Paris: Payot, 1923), p. 97.

(132) These are the figures for special commerce which exclude transit trade.

(133) This does not necessarily mean a reduction in the standard of living because of invisible items in the trade balance.

(134) Dunham, *op. cit.*, chap. xvii.

(135) Du Mesnil-Marigny, *Le rôle de l'industrie française et les interpellations qu'il a provoquées au Corps législatif* (Paris: Lacroix, 1868). This book is largely a compilation of complaints against Napoleon's economic policies by French industrialists.

(136) J. M. S. Allison in his *Monsieur Thiers* (New York: W. W. Norton, 1931), pp. 40 and 89, has quite misunderstood Thiers' interest in and knowledge of economic matters. See Adolf Wurst, *Thiers volkswirtschaftliche Anschauungen* (Halle, 1893) (*Sammlung nationalökonomischer Abhandlungen der staatswissenschaftlichen Seminars zu Halle*).

(137) This is the opinion of Dunham, *op. cit.*, p. 297. *Enquête parlementaire sur le régime économique en France* (Paris, 1872). It covers cotton, wool, linen, and to some degree silk.

(138) Marion, *Histoire financière de la France*, V, 491-92. Among the books criticizing government expenditures see: Horn, *Le bilan de l'empire* (1868), and *Salut au troisième milliard*; Allain Targé, *Déficits* (1868); Boudon, *La vérité au peuple français sur la situation économique et financière de l'empire en 1867*; and Merlin, *L'empire et ses principes financiers* and *Progression comparée des budgets de 1853 à 1866*. In defense of the Emperor's expenditures see Vitu, *Finances et l'empire*, which is a glorification of Napoleon's wars and his policy of national equipment.

(139) This manifesto, issued February 17, 1864, marked an important step in the development of French socialism.

(140) This reform was approved by a plebiscite, 7,350,000 to 1,538,000.

CHAPTER VII

(1) Among the general histories of the Third Republic, the following will be found useful:

J. E. C. Bodley, *France* (London: Macmillan & Co., 1900).

J. C. Bracq, *France under the Republic* (New York: Scribner, 1916).

Gabriel Hanotaux, *Histoire de la France contemporaine*, Vol. I-V (Paris: Combet & Cie., 1904-1908).

J. Labusquière, *La troisième république* (1871-1900) (Paris: Publications Jules Rouff et Cie., 1909) in Jaurès (ed.), *Histoire socialiste*.

Michel Lhéritier, *La France depuis 1870* (Paris: Librairie Félix Alcan, 1922).

Maxime Petit, *Histoire de France contemporaine de 1871 à 1913* (Paris: Librairie Larousse, 1916).

Propylaen-Weltgeschichte, vols. VIII, IX, and X (Berlin: Propylaen Verlag, 1930-1933).

R. Recouly, *The Third Republic* (New York: Putnam, 1928).

Ch. Seignobos, *Le Déclin de l'empire et l'établissement de la 3^e République*

(1859-1875) and *L'Evolution de la 3^e République* (1875-1914) in E. Lavisse (ed.), *Histoire de France contemporaine*, vol. VII and VIII (Paris: Librairie Hachette, 1921).

E. A. Vizetelly, *Republican France 1870-1912* (Boston: Small, Maynard & Co., 1912).

Alexandre Zévaès (pseudonym for Gustave Alexandre Bourson) *Histoire de la Troisième République* (1870-1926) (Paris: Impr. Amiard, 1926).

E. Zévort, *Histoire de la troisième République*, 4 vols. (Paris: Félix Alcan, 1899).

(2) This move was permitted without resistance by the bourgeois National Guard.

(3) January 28, 1871. Prices of food had soared to tremendous heights and supplies had run low. In January, the people of Paris were eating up horses at the rate of seven hundred a day. Dogs, cats, and animals at the Jardin des Plantes had been resorted to as means of sustenance; prime rats had brought three francs a head. Long lines of women had waited hours outside distributing centers for rations of bread and vegetables. Churches had been broken into for firewood. The cry of "Give us bread or give us lead" had been heard repeatedly.

(4) There were about 350 Republicans and 450 Monarchists in the National Assembly.

(5) Two of the leaders in the Commune, Delescluze and Félix Pyat, contributed to two patriotic journals, *Le Réveil* and *Le Combat*, respectively. Blanqui had edited *La Patrie en Danger*, excerpts from which were published in a book by that title (Paris: Chevalier, 1871). He wrote, pages 19-20:

"La gloire de Paris est sa condamnation.

"Sa lumière, ils veulent l'éteindre; ses idées, les refouler dans le néant. Ce sont les hordes du cinquième siècle, débordées une seconde fois sur la Gaule, pour engloutir la civilisation moderne, comme elles ont dévoré la civilisation gréco-romaine, son aïeule.

"N'entendez-vous pas leur hurlement sauvage: 'Périssent la race latine!' Ils entonnent le chant de la tribu zélandaise autour de son festin cannibale: Heureux qui brise de son tomahawk les têtes de la tribu ennemie et qui se repait de sa chair et de son sang.

"C'est Berlin qui doit être la ville sainte de l'avenir, le rayonnement qui éclair le monde. Paris c'est la Babylone usurpatrice et corrompue, la grande prostituée que l'envoyé de Dieu, l'ange exterminateur, la Bible à la main, va balayer de la face de la terre. Ignorez-vous que le Seigneur a marqué la race germanique du sceau de la prédestination? Elle a un mètre de tripes de plus que la nôtre.

"Défendons-nous. C'est la férocité d'Odin doublée de la férocité de moloch, qui marche contre nos cités, la barbarie du Vandale et la barbarie du Sémite. Défendons-nous et ne comptons sur personne."

In socialist clubs, schemes for a *sortie torrentielle*—a mass movement from Paris, for turning the wild animals of the zoo on the Germans, for protecting the virtue of French women by the Prussic finger, and for a last-ditch stand had been concocted. Concerning these clubs, see Molinari, *Les Clubs rouges pendant le siège de Paris* (Paris, 1871) and Henri d'Almeras, *La Vie parisienne pendant le siège et sous la commune* (Paris, 1927).

(6) *Enquête sur l'insurrection du 18 mars*, 3 vols. published by The National Assembly, vol. II, p. 573. Most of the socialists at this time were followers of Proudhon or Blanqui; other theorists had few disciples.

(7) It is estimated that 150,000 Parisians unable to pay their debts were thus made liable to legal action.

(8) This was the plan that Thiers had proposed in 1848.

(9) Marx, Engels, Lenin, Trotsky, and Kautsky have all written about it. Marx's *Civil War in France* was finished two days after the defeat of the Commune. In his work, the Commune appears as an uprising of the proletariat of Paris. In Soviet Russia, the eighteenth of March is a holiday and streets all over the country are named for it. In the French socialist movement, the Commune is also considered as an important historic moment; the Mur des Fédérés in the Cemetery Père Lachaise, where one hundred and fifty of the communards were shot, is still a socialist shrine. See Edward S. Mason, *The Paris Commune; an Episode in the History of the Socialist Movement* (New York; the Macmillan Co., 1930) which minimizes the socialist nature of the Commune. Among other scholarly works may be mentioned G. Bourgin, *Histoire de la commune* (Paris: Cornély & Cie., 1907); L. Fiaux, *Histoire de la guerre civile de 1871* (1879); and Georges Laronze, *Histoire de la commune de 1871 d'après des documents et des souvenirs inédits* (Paris: Payot, 1928). Books that present the case of the *Fédérés* are: P. O. Lissagaray, *History of the Commune of 1871* (Eng. trans. London, 1886); L. Dubreuilh, *La Commune*, vol. XI of the *Histoire socialiste*, edited by Jaurès; and E. Lepelletier, *Histoire de la commune de 1871* (Paris: Mercure de France, 1911-1913), 3 vols. See also the recent work by Frank Jellinek, *The Paris Commune of 1871* (London, 1937).

(10) Mason, *op. cit.*, p. 242 and Lepelletier, *op. cit.*, vol. III, p. 30.

(11) The Communards took hostages, like the Archbishop of Paris who was murdered, and resorted to extensive burning as they retreated before the national forces. It is estimated that 15,000 men were killed in the action

and that 15,000 were taken prisoners, many of whom were killed or imprisoned.

(12) Michel Lhéritier, *La France depuis 1870* (Paris: Alcan, 1922), p. 19. Some of the excess had been raised by an internal loan of 750,000,000 francs, a loan from the house of Morgan in London, of which 202,024,770 francs went to the treasury and 6,875,000 francs to the bankers in commissions and carried interest amounting to 7.42 per cent, and by advances from the Bank of France. For estimates on the cost of the war, see Marcel Marion, *Histoire financière de la France*, vol. V, p. 519. Thiers said that the war had cost between 7,800,000,000 and 8 billion francs, but he was trying to cut the figure in order to make a good impression.

(13) A "rayon" or circle of ten kilometers around Belfort was given to France in exchange for a district next to the Luxemburg frontier that had iron ore. The French attached value to Belfort for patriotic reasons. One of the negotiators, Pouyer-Quertier, succeeded in saving for France a village in which lived some of his relatives!

(14) People in the ceded territory could declare their desire to retain French nationality. About 150,000 in the territories opted for France. An equal number of natives of Alsace-Lorraine who were domiciled in France expressed the same desire. Germany insisted on a real transfer of domicile to France in case a person wanted to retain his French nationality, which ruled out 110,240 of the optants.

(15) Marcel Marion, *op. cit.*, vol. V, p. 516.

(16) Lhéritier, *op. cit.*, p. 19.

(17) Partly because the Saxon textile manufacturers feared the competition of Alsatian textiles and because France could use products from her lost provinces, France agreed to allow goods from these district to enter the country without paying the full duty until the end of 1872.

(18) Therefore an actual interest rate of 6.25 per cent.

(19) France had to reimburse the Compagnie de l'Est for the railways. This was done by paying interest on the investment for the life of the concession.

(20) The *surtaxes de pavillon* were also voted, but were not enforced because they violated a treaty with Austria.

(21) Just how much this sum was, it is difficult to state with accuracy. The export of French goods was over 10 billion francs in the three years 1871-1873; the interest on foreign investments amounted to between 6 and 7

hundred million francs a year; and tourist expenditures between 2 and 3 hundred million francs. As no foreign investments were made in these years, there was only the drain of payments for imports and French tourist expenditures abroad to compete with government needs for foreign currency. See the illuminating treatise by Léon Say, *Rapport sur le paiement de l'indemnité de guerre* in his *Les finances de la France sous la Troisième République* (Paris: Lévy, 1898), vol. I, section IX.

See also Marcel Marion, *Histoire financière de la France*, vol. V, pp. 571-579. According to Say, vol. I, p. 372, France paid her indemnity as follows:

CREDITS TO FRANCE

Chemins de fer de l'Est.....	325,000,000
Moneys owed City of Paris by Germany.....	98,400

PAYMENTS

Billets de la Banque de France.....	125,000,000
Or français.....	273,003,058.10
Argent français.....	239,291,875.75
Numéraire et billet de banque allemands.....	105,039,145.18
Thalers.....	2,485,313,721.04
Florin de Francfort.....	235,128,152.79
Marcus banco.....	265,216,990.40
Reichsmarcus.....	79,072,309.89
Florins de Hollande.....	250,540,821.46
Francs de Belgique.....	295,704,546.40
Livres Sterling.....	637,349,832.28
	<hr/>
	4,990,660,453.29

(22) Thiers added that the Republic would have to be conservative or it could not be.

(23) This was a compromise between the ten-year term demanded by the monarchists and the four-year term proposed by the republicans.

(24) For what follows, see:

H. Leyret, *Le gouvernement et le parlement* (Paris, 1919).

J. Barthélemy, *Le gouvernement de la France* (Paris, 1919).

Lindsay Rogers, *The French Parliamentary System* (New York: Columbia University Press, in preparation).

L. Duguit and H. Monnier, *Les constitutions de la France . . . depuis 1789* (Paris, 1915).

L. Duguit, *Traité de droit constitutionnel* (Paris, 1924), 5 vols.

A. Esmein, *Droit constitutionnel français* (Paris, 1921), 7 vols.

E. M. Sait, *Government and Politics of France* (New York, 1920).

The chief constitutional laws were, in addition to that concerning the

presidency, the Law on the Organization of the Senate, February 24, 1875; Law on the Organization of Public Powers, February 25, 1875; and Law on the Relation of the Public Powers, July 16, 1875.

(25) The electoral law of November 30, 1875, provided for the election of deputies in single-number constituencies (*scrutin d'arrondissement*). By the law of June 16, 1885, this procedure was replaced by *scrutin de liste*—each department being a constituency for the number of representatives allocated to it by population. On February 13, 1889, the *scrutin d'arrondissement* was reintroduced. July 12, 1919, a modified proportional-representation system was inaugurated. This was replaced in turn by single-member districts in July, 1927. The shifts have been the result of attempts of the parties in power to gain more strength by a new system. Deputies are elected for four years. They must be twenty-five years of age. There are over six hundred of them. To be chosen in the first election, a candidate must have a majority, not a plurality, of votes cast. In case this does not occur, another election is held a week later in which a plurality is sufficient. The result is that in the first election the voter expresses his real preference; in the second, he may cast his vote for the candidate who has the best chance of victory among those of the general political nuance with which he sympathizes. There are also frequently coalitions for the second balloting.

(26) To begin with it was provided that 75 of the 300 senators should be appointed by the National Assembly for life. Each vacancy among this number should be filled by the Senate itself. The other 225 were apportioned to the departments on the basis of population. They were to be elected by colleges which were composed of the deputies from the department, the departmental general council, the *arrondissement* councils, and 1 to 24 members of municipal councils, depending on size of the city. Life membership was abolished December 9, 1884. A senator is elected for nine years, one-third of the senate is renewed every three years. To be chosen on the first ballot, a candidate must receive a majority, not a plurality. This results in considerable vote-swapping for successive ballotings.

(27) The Chamber has the right to consider fiscal bills before the Senate; the Senate may sit as a judicial body to try cases of treason or ministers accused by the Chamber.

(28) The Senate stands in fairly high regard in the country, perhaps in higher esteem than the Chamber.

(29) Frequent ministerial changes do not necessarily mean a change in policy. It often happens that the Government is defeated on a single rather unimportant question and is reconstituted without a very great change of personnel.

(30) André Siegfried, *France, a Study in Nationality* (New Haven: Yale University Press, 1930), chap. II makes light of this opinion. Nevertheless, I consider it to be the case.

(31) Besides such an analysis has already been made. See G. Bourgin, J. Carrère, and A. Guérin, *Manuel des parties politiques en France* (Paris: Rieder, 1928).

(32) Seignobos, *Le déclin de l'Empire et l'établissement de la 3^e République (1859-1875)*, p. 322-3.

(33) Seignobos, *Histoire sincère de la nation française*, pp. 479-484.

(34) G. Bourgin, J. Carrère, A. Guérin, *Manuel des partis politiques en France* (Paris: Rieder, 1928), p. 139.

See also Armand Charpentier, *Le parti radical et radical-socialiste à travers ses congrès (1901-1911)* (Paris, 1920).

(35) Schuman, p. 366.

The composition of the French legislative bodies following the election of 1928 and including by-elections to October 20, 1929, was as follows:

<i>Senate</i>		<i>Chamber</i>	
Right	9	Belonging to no group	45
Republican Left	22	Popular Democratic	19
Republican Union	77	Republican-Democratic Union ..	97
Democratic and Radical Union ..	32	Left Republicans	64
Democratic Left	150	Unionist and Social Left	17
Socialist	15	Democratic and Social Action ..	30
Belonging to no group	8	Radical Left	52
	313	Independent Left	15
		Republican Socialist	35
		Radical and Radical Socialist....	118
		Socialist	100
		Communist	10
		Not inscribed	7
			609

Total authorized by law 612

Schuman, *op. cit.*, p. 17.

(36) C. J. H. Hayes, *France—A Nation of Patriots* (New York: Columbia University Press, 1930). See the chapter concerning the press and the appendix.

(37) *Ibid.*

(38) For a discussion of this phenomenon see C. A. Beard, *The Idea of National Interest* (New York: Macmillan Co., 1934), chap. I, and F. Meinecke, *Die Idee der Staatsräson* (Munich: Oldenburg, 3d edition, 1929), see the Einleitung.

(39) See above, pp. 204-205.

(40) Arthur L. Dunham, "The Attempt of President Thiers to Restore High Protection in France (1871-1873)," *The Journal of Economic and Business History*, vol. I, pp. 302-324 (1929).

(41) Figures from the *Annuaire Statistique*. This index was based on prices during the period 1891-1900, which were given the index 100.

(42) W. H. Dawson, *The Evolution of Modern Germany* (London: T. Fisher Unwin, 1919), p. 7; and H. H. O'Farrell, *The Franco-German War Indemnity and its Economic Results* (London: Harrison and Sons, 1913).

(43) *Annuaire statistique* for 1931 (1932). *Résumé rétrospectif*, pp. 60 ff.

(44) *Ibid.*, p. 102. It should be remembered that prices decreased.

(45) In Great Britain this was the beginning of a long depression which was not over until about 1896. See H. L. Beales, "The 'Great Depression' in Industry and Trade," *The Economic History Review*, October, 1934, vol. V, No. 1, pp. 65-76. In France, as we shall see, this same period was not very brilliant, but there were moments of prosperity. During the entire span, statistics indicate economic growth.

(46) L. Amé's *Étude sur les tarifs de douane et sur les traités de commerce*, 2 vols., 1876, was prepared for the Council at this time.

(47) Published, three volumes in four (1879).

(48) *Journal Officiel, Chambre, Débats*. February 3, 1880.

(49) All rates were made specific at this time in place of *ad valorem* which had been subject to abuse.

(50) Efforts to make a treaty with England failed, but nevertheless France granted her most-favored-nation treatment. Germany had this same favor by article 11 of the Treaty of Frankfurt.

(51) As is usual on the eve of crises, discounts increased considerably.

(52) *Annuaire statistique*, vol. 47 for 1931 (1932), p. 102*.

(53) The following table is from A. von Brandt, *Beiträge zur Geschichte der französischen Handelspolitik* (1896), p. 231.

- (54) Decree of February 18, 1881.
- (55) July 19, 1880. This measure was to increase the consumption of sugar in France.
- (56) July 29, 1884. A new system of taxing sugar in France, which granted considerable exemptions, served as a kind of bounty.
- (57) These increases were dated March 28, 1885; March 29, 1887, and January 27, 1894, respectively.
- (58) Percy Ashley, *Modern Tariff History* (London: Murray, 1904), p. 332. Ashley cites B. Franke, *Der Ausbau des Heutigen Schutzzollsystems in Frankreich* (1904), in this connection.
- (59) Tariff increases were registered in Germany in 1879, 1885, and 1887; in Italy from 1877 to 1888; in Austria, 1882 to 1887; in Russia, 1881-82; in Belgium, 1887; and in the United States by the McKinley tariff of 1890.
- (60) *Cours d'économie politique* (Paris: Larose et Forcel, 3d edition, 1893), vol. I, p. 134.
- (61) Quoted *ibid.*, p. 136.
- (62) Other protectionist organs were the *Réforme économique* edited by Doumergue and the *Économiste européen* edited by Edward Théry.
- (63) Molinari (1819-1912). Principal works: *Cours d'économie politique* (1863); *Lois naturelles de l'économie publique* (1887); *Morale économique* (1888); *Viriculture* (1897); *Grandeur et décadence de la guerre* (1898); *Organisation politique et économique de la société future* (1899); *Economie de l'histoire* (1909); etc.
- (64) Principal works: *L'économie de l'effort*; *La morale de la concurrence*; *La tyrannie socialiste*; *La propriété*; *La science économique*; *La gestion par l'état et les municipalités*.
- (65) Levasseur (1828-1911). Principal works: *Le système de Law* (1854); *L'or* (1858); *Histoire des classes ouvrières* (1867); *Précis d'économie politique* (1883); *La population française* (1889-1892); *L'ouvrier américain* (1898); *Questions ouvrières et industrielles sous la troisième République* (1907); *Histoire du commerce de la France* (1911).
- (66) See especially *Cours d'économie politique professé à l'École nationale des ponts et chaussées* (1903).
- (67) *La question ouvrière au XIX^e siècle* (1872); *De la colonisation chez les peuples modernes* (1874); *Science des finances* (1877); *Essai sur la réparti-*

tion des richesses (1881); *L'état moderne et ses fonctions* (1890); *Le travail des femmes au XIX^e siècle* (1873); *Le collectivisme* (1884); *Traité d'économie politique* (1895); etc.

(68) His chief work was *Cours d'économie politique* (1909). See his *Rapport sur l'économie sociale à l'exposition universelle de 1900* and the statement of faith in the first number of the *Revue d'économie politique* (1887).

(69) Quoted in Levasseur, *Histoire du commerce de la France*, vol. II, p. 578.

(70) In a speech before the Chamber February 17, 1894, Jaurès declared: "There is a historical group that is called France, which has been created by centuries of common hopes and fears.

"The slow monarchical formations slowly placed together and soldered the parts and the severe trials of the Revolution fused them into one metal. It is the French nation.

"Yes, the nation exists, independently of the struggles which may be produced in the interior among individuals. Yes, there are struggles, hates among citizens, rivalry between families, passionate party rivalries; there are also, believe me, and we say it because we always declare what we believe to be the reality—professed antagonisms of class. But whatever political struggles, economic diversions, or social antagonisms there may be, they cannot destroy the idea of the nation, the unity of the nation, as it has been constituted." See Jean Jaurès, *Discours parlementaires* (Paris, 1904), p. 557.

"If tomorrow France were invaded, all who, like the socialists, do not like the actual constitution would defend the *patrie* with the thought that afterwards this constitution would be changed. In the same fashion, no matter how unevenly property is divided at the present time, no matter how unreasonably and how unjustly wealth is distributed in our country, it is first necessary to defend French property, national wealth, in a common effort against invasion with the thought of modifying later by profound reforms the partition of property and of wealth."

La Dépêche de Toulouse, July 10, 1890.

(71) Speech in the Chamber, March 8, 1887.

(72) Speech in the Chamber, February 17, 1894.

(73) *La Dépêche*, July 10, 1890, and April 16, 1890. Harold Weinstein, Jean Jaurès. *A Study of Patriotism in the French Socialist Movement* (New York: Columbia University Press, 1936).

(74) October 20.

(75) Presented March 3, 1891.

(76) For a discussion of these problems see Edgard Allix, *Les droits de douane* (Paris, 1932), vol. I, pp. 47 ff.

(77) Cited in Allix, *op. cit.*, vol. I, pp. 56-57. See also A. Sartorius von Walterhausen, *Der Paragraph elf des Frankfurter Friedens* (Jena, 1915).

(78) The minimum and maximum rates were the same on some articles, notably wheat and cattle.

(79) *Foreign Office Report on Tariff Wars* (London, 1904).

(80) *Ibid.*, p. 14.

(81) Grete Eysoldt, *Der Zollkrieg zwischen Frankreich und der Schweiz (1 januar 1893 bis 19 august, 1895)* (Stuttgart: Cotta, 1913).

(82) *Annuaire statistique* (1932), p. 102*.

(83) Decree of July 26, 1896, and law of April 7, 1897.

(84) Convention signed March 5, 1902. Applied by France September 1, 1903. The powers which co-operated in this move were Germany, Austria-Hungary, Belgium, Spain, France, Great Britain, Italy, Netherlands, and Sweden. Some of the nations dropped out, but the majority continued to adhere to it until the World War. The only bounties that were allowed under the convention were distance bounties actually equal to the cost of transportation.

(85) April 9, 1906. See below, p. 242.

(86) April 2, 1898.

(87) March 31, 1894.

(88) April 9, 1898.

(89) See Le Comte de Rocquiny, *Syndicats agricoles et leurs œuvres* (Paris, 1900); and G. Lécalle, *Les Associations agricoles—syndicats, coöperatives, mutualités* (Paris, 1912). See also Etienne Villey, *L'Organisation professionnelle des employeurs dans l'industrie française* (Paris: Alcan, 1923) and the bibliography contained in his book, p. 3. See also G. Giraud, *Le Comité des Forges de France. Étude monographique* (Paris: Sagot, 1922); and Bézard-Falga, *Les syndicats patronaux dans l'industrie métallurgique de France* (Paris, 1922).

(90) Law of March 4, 1898.

(91) Decree of May 21, 1898.

(92) In this period, there were the German tariff of 1902, which was to be

applied in 1906; the Swiss tariff of 1902-1903; the Russian of 1903-1905; the Roumanian, 1904; the Austro-Hungarian, 1906; the Spanish, 1906; the Canadian, 1907; the Danish, 1908; the Australian, 1908; and the American, 1909, to be applied in 1910.

(93) See Levasseur, *Histoire du commerce de la France*, vol. II, chaps. VI and VII.

(94) These figures are from Clapham, *Industrial Development of France and Germany*, chap. X, *passim*.

(95) Vol. II, p. 601.

(96) Paul Cauwès, *Cours d'économie politique*, vol. IV, pp. 65 ff.

(97) The Montgolfier Law of March 23, 1874, did, however, provide for a new condition of purchase of the railways by the state on terms generally favorable to the companies.

(98) Law of May 18, 1878, and decree of May 25, 1878.

(99) With the exception of Midi.

(100) Those sums advanced as guarantees of interest had to be repaid.

(101) For the many other provisions in these conventions, see René Thévenez, M. d'Hérouville, and E. Bleys, *Législation des chemins de fer*, vol. I, pp. 22 ff.

(102) The debt of guarantee in 1908 was 1208 millions; in 1913 it was 652,983,000 francs.

(103) The Canal du Midi was bought from the *Midi* railway company in 1897.

(104) Thévenez, etc., *op. cit.*, vol. I, p. 154.

(105) Clément Colson, *Cours d'économie politique* (Paris, 2nd edition 1910), vol. VI, p. 266. Concerning the French method of controlling railway rates in this period, see W. H. Buckler, "The French Method of Controlling Railway Rates," *The Quarterly Journal of Economics*, vol. XX (1906), pp. 279-286.

(106) Alfred Picard, *Les chemins de fer* (1918), pp. 247 and 252.

(107) *Ibid.*, p. 238.

(108) F. Guérin, *Précis de législation maritime* (Paris: Gauthiers-Villars et Cie., 1928), II partie, p. 244.

(109) See above, pp. 212-213.

(110) Lucien Lefol, *La protection de la construction navale en France et à l'étranger* (Paris: Les Presses Modernes, 1929), p. 37, table.

(111) There had been, to be sure, bounties on fish shipping previously, but they had had little effect upon the merchant marine as a whole. The law of 1881 was dated January 29.

(112) This law could not be applied until 1893 because of treaties with foreign powers.

(113) July 19, 1890.

(114) M. Siegfried, Minister of Marine, in his report of 1893, said:

"So far as French ship-building is concerned, the results of the act of 1881 have not been satisfactory. . . . It is true that we have constructed in France 307,626 tons of iron and steel steamers, but from this should be deducted 124,000 tons for steamships belonging to subsidized government mail lines, the construction of which in France is obligatory. . . . On the average we estimate that an ordinary steamship in England costs 300 fr. (\$57.90) per gross ton, while the same vessels cost 420 fr. (\$81.06) in France. Besides this average, English ship-builders have numerous advantages in the magnitude of their plants, the large number of vessels they build, often from the same model, and the shorter time for construction than is required in France. These reasons show why the act of 1881 has given insufficient results, but I hasten to say that without this act our ship-yards would have completely disappeared. Our average annual expenditure of 2,679,766 francs for the last ten years has not been wasted; it has merely been insufficient. Until French ship-yards shall have grown and secured large and regular contracts, it is impossible for them to build on equal terms with foreign yards. The latter and especially British yards obtain their raw materials on much more advantageous terms; indeed at the moment steel and iron plates cost in England 15 francs per 100 kilograms, against 23 and 25 francs in France, while the price of their coal is much below ours.

"Undoubtedly labor is cheaper in France, where fitters (*ajusteurs*) and riveters (*forgerons*) are paid from 5 to 6 francs (\$0.96½ to \$1.158) a day, while in England they earn an average of 12 to 15 francs (\$2.316 to \$2.895), but the British workman, usually paid by the piece, turns out a large amount of work, and thus by efficiency compensates in great measure for the difference in wages. Finally general expenses, which are an important element in cost of naval construction, are much less in England. . . . We estimated that general expenses are one-half in England what they are in France. Competition on equal terms is thus impossible. Experience shows that the construction bounty of 60 fr. (\$11.58) per ton under the law of 1881, even with the aid of a larger navigation bounty for vessels built in France has been insufficient. . . . So far as navigation is concerned it can be affirmed that the

results of the bounty act of 1881, without being very great, have been satisfactory."

He noted that in 1881, besides mail-contract steamships, France had 47 steamers of 380,433 gross tons. But of this amount 332,627 tons of large iron and steel steamers were purchased. This statement is taken from Meeker, *History of Shipping Subsidies*, p. 46.

(115) Meeker, *op. cit.*, p. 55, and *U. S. Consular Reports*, vol. 18 (1900), p. 36.

(116) Lefol, *La protection de la construction navale*, p. 21.

(117) Bounties on ships for foreign purchase were 70 per cent of those destined to sail under the French flag.

(118) Saugstad, *Shipping and Shipbuilding Subsidies*, p. 150.

(119) Edwin M. Bacon, *Manual of Ship Subsidies* (Chicago: A. C. McClurg & Co., 1911), p. 36.

(120) Lefol, *op. cit.*, p. 27.

(121) The first edition of Paul Leroy-Beaulieu's great work on colonial history, *De la colonisation chez les peuples modernes*, was published in 1874. Later on Charles Gide took a stand for colonization, *A quoi servent les colonies* (1886).

(122) The first edition of Cauwès' *Cours d'économie politique* appeared in 1878. Against colonization see Yves Guyot, *Lettres sur la politique coloniale* (Paris: C. Reinwald, 1885).

(123) The story is told that Ferry said to Déroulède, "You will end by making me think that you prefer Alsace-Lorraine to France. Must we hypnotize ourselves with our lost provinces, and should we not take compensations elsewhere?" Déroulède replied, "That is just the point. I have lost two children, and you offer me twenty servants." Quoted in G. P. Gooch, *Franco-German Relations, 1871-1914* (1923).

(124) See below, pp. 253 ff.

(125) Stephen H. Roberts, *History of French Colonial Policy 1870-1925* (London: King and Son, 1929), vol. II, p. 634:

"The starting-point of any comparative study of French colonization must be to note the peculiar position in which France stood from the commencement. The whole of French colonial organization was coloured by certain influences which did not come in so clearly with any other Power. In the first place, France was not under the same imperious necessity of colonizing as was England. She was not sea-girt and confined to a small area: her popu-

lation was not increasing at a menacing rate: and she did not experience overweening difficulties in feeding her people. . . . Colonization therefore, while a matter of economic life and death to England, was to France only an outlet of her energies. So much was this so that, at first, French theorists agreed with Bismarck that it was a weakening vice of a great nation. . . . In any case it was a venture not directly connected with the problem of national welfare. It was only a hazard—Mexico over again—expressing the pent-up exuberance of the Gallican spirit or a nation chafing under the grind of its conventional life."

(126) C. Seignobos, *L'évolution de la 3^e République (1875-1914)*, Lavisse (ed.), *Histoire de France contemporaine*, vol. VIII, pp. 91-92 and 52-53.

(127) *Ibid.*, p. 57, and George Hardy, *Histoire de la colonisation française* (Paris: Larose, 1931), p. 228.

(128) A. Rambaud, *Jules Ferry (1903)*, and Stephen H. Roberts, *History of French Colonial Policy*, vol. I, pp. 13 ff.

(129) *Journal Officiel*, Senate, December 11, 1884.

(130) See especially F. L. Schuman, *War and Diplomacy in the French Republic*. Concerning Tunis, pp. 57 ff., and his footnote references.

See above, S. Roberts, *op. cit.*; G. Hardy, *op. cit.*; G. Hanotaux and A. Martineau, *Histoire des colonies françaises et de l'expansion de la France dans le monde* (Paris: Plon, 1929-1933), 6 vols.; P. T. Moon, *Imperialism and World Politics* (New York: Macmillan Co., 1928); and numerous monographs suggested in the bibliographies of these works.

(131) See the *Discours et opinions de Jules Ferry* (Paris: A. Colin, 1893-98), 7 vols. For Ferry's views, see his speech of July 28, 1885, and his preface to Léon Sentapéry, *Le Tonkin et la Mère-Patrie* (Paris: Havard, 4th edition, 1890), from which the following is quoted:

"La politique coloniale est fille de la politique industrielle. Pour les Etats riches, où les capitaux abondent et s'accumulent rapidement, où le régime manufacturier est en voie de croissance continue, attirant à lui la partie sinon la plus nombreuse, du moins la plus éveillée et la plus remuante de la population qui vit du travail de ses bras,—où la culture de la terre elle-même est condamnée pour se soutenir à s'industrialiser,—l'exportation est un facteur essentiel de la prospérité publique, et le champ d'emploi des capitaux, comme la demande du travail, se mesure à l'étendue du marché étranger. S'il avait pu s'établir entre les nations manufacturières quelque chose comme une division du travail industriel, une répartition méthodique et rationnelle des industries, selon les aptitudes, les conditions économiques naturelles et sociales des différents pays producteurs, cantonnant ici l'industrie cotonnière et là la métallurgie, réservant à l'un les alcools et les sucres, à l'autre les lainages et les soieries, l'Europe eût pu ne pas chercher en dehors de ses propres limites

les débouchés de sa production. C'est à cet idéal que tendaient les traités de 1860. Mais tout le monde aujourd'hui veut filer et tisser, forger et distiller. Toute l'Europe fabrique le sucre à outrance et prétend l'exporter. L'entrée en scène des derniers venus de la grande industrie: les Etats-Unis, d'une part, l'Allemagne, de l'autre, l'avènement des petits Etats, des peuples endormis ou épuisés, de l'Italie régénérée, de l'Espagne, enrichie par les capitaux français, de la Suisse, si entreprenante et si avisée, à la vie industrielle, sous toutes ses formes, ont engagé l'Occident tout entier; en attendant la Russie, qui s'apprête et qui grandit, sur une pente que l'on ne remontera pas.

"De l'autre côté des Vosges comme au delà de l'Atlantique, le régime protecteur a multiplié les manufactures, supprimé les anciens débouchés, jeté sur le marché de l'Europe de redoutables concurrences. Se défendre à son tour en relevant les barrières, c'est quelque chose, mais ce n'est pas assez. M. Torrens a fort bien démontré, dans son beau livre sur la colonisation de l'Australie, qu'un accroissement du capital manufacturier, s'il n'était pas accompagné d'une extension proportionnelle des débouchés à l'étranger, tendrait à produire, par le seul effet de la concurrence intérieure, une baisse générale des prix, des profits et des salaires. (Torrens, *Colonisation of South Australia*.)

"Le système protecteur est une machine à vapeur sans soupape de sûreté s'il n'y a pas pour correctif et pour auxiliaire une saine et sérieuse politique coloniale. La pléthore des capitaux engagés dans l'industrie ne tend pas seulement à diminuer les profits du capital: elle arrête la hausse des salaires, qui est pourtant la loi naturelle et bienfaisante des sociétés modernes. Et ce n'est pas là une loi abstraite, mais un phénomène fait de chair et d'os, de passion et de volonté, qui se remue, se plaint, se défend. La paix sociale est, dans l'âge industriel de l'humanité, une question de débouchés. La crise économique qui a si lourdement pesé sur l'Europe laborieuse, depuis 1876 ou 1877, le malaise qui s'en est suivi, et dont des grèves fréquentes, longues, malavisées souvent, mais toujours redoutables sont le plus douloureux symptôme, coïncidé, en France, en Allemagne, en Angleterre même, avec une réduction notable et persistante du chiffre des exportations. L'Europe peut être considérée comme une maison de commerce qui voit depuis un certain nombre d'années décroître son chiffre d'affaires. La consommation européenne est saturée: il faut faire surgir des autres parties du globe de nouvelles couches de consommateurs, sous peine de mettre la société moderne en faillite, et de préparer, pour l'aurore du vingtième siècle, une liquidation sociale par voie de cataclysme, dont on ne saurait calculer les conséquences."

France renewed her interest in Somaliland at this time (1883 and 1888).

(132) See the list in Roberts, *op. cit.*, vol. II, appendices. Even Jaurès thought France had a right in Morocco. See his speech in the Chamber of November 20, 1903.

(133) Roberts, *op. cit.*, vol. I, p. 10.

(134) *Ibid.* and Schuman, *op. cit.*, pp. 338-340.

- (135) These figures include all of France's colonies.
- (136) In 1890, France imported from her colonies goods of a value of 101 million francs and sold to them for about 71 million francs; foreign powers imported from them but 87½ millions and sold to them 136½ millions.
- (137) Arthur Girault, *The Colonial Tariff Policy of France* (Oxford: Clarendon Press, 1916), pp. 81 ff. Extra-parliamentary commissions of 1878 and 1882 supported this policy.
- (138) Law of December 29, 1884.
- (139) Law of February 26, 1887, mitigated somewhat by Law of March 30, 1888.
- (140) To this list of assimilated colonies were added the Comores (May 23, 1896) and Madagascar (April 16, 1897). See also *Colonial Tariff Policies*, United States Tariff Commission, 1922.
- (141) Girault, *Colonial Tariff Policy of France*, pp. 132-133.
- (142) Girault, *op. cit.*, p. 285 and *passim*.
- (143) Compare with footnote 136.
- (144) April 13, 1900.
- (145) Paul Restany, *Le problème des capitaux dans les colonies françaises* (Paris, 1924) and Feis, *Europe, the World's Banker* (New Haven: Yale University Press, 1930), p. 56.
- (146) Harry D. White, *The French International Accounts, 1880-1913* (Cambridge: Harvard University Press, 1933), p. 122, and Herbert Feis, *Europe, the World's Banker, 1870-1914*.
- (147) From 1830 to 1891, about 5.3 billion francs were spent on the colonies, of which 1.7 went for public works. L. Vignon, *La France en Algérie* (Paris: Hachette, 1893), p. 286. See also Constant Southworth, *The French Colonial Venture* (London: P. S. King and Son, 1931), pp. 41 ff.; and Levasseur, *Histoire du Commerce de la France*, vol. II, pp. 491-492.
- (148) F. Selnet, *Colonisation officielle et Crédits Agricole en Algérie* (Alger: Minerva, 1930); and Robert Delacourt, *Les relations économiques de La France avec ses colonies au lendemain de la Guerre* (Paris, Thesis of the Faculté du Droit, no date).
- (149) Harry D. White, *The French International Accounts, 1880-1913*, p. 122. The net foreign investments for these years were 9,120,000,000 francs

and 39,345,000,000 francs, figures that are arrived at by subtracting foreign investments in France from the total figures.

- (150) *Annuaire statistique, 1931. Résumé rétrospectif*, p. 102*.
- (151) White, *op. cit.*, p. 42.
- (152) *Ibid.*, p. 301.
- (153) *Ibid.*, p. 269.
- (154) Henri de Peyerimhoff, *Entreprises et capitaux français à l'étranger* (Paris: Société des Sciences Politiques, 1915), p. 111. Recently 75 per cent of the discounts made by the Bank of France were for sums under 1000 francs. The discount rate of the Bank has been kept lower than in most countries. G. Ramon, *Histoire de la Banque de France*, pp. 424-426.
- (155) Jean de Montéty, *Les banques et la politique de placement à l'étranger de l'épargne nationale* (Paris: Editions de la Vie Universitaire, 1923).
- (156) This supervision applied to the Coulisse or curb exchange as well as to the Bourse.
- (157) The Government refused to sanction a loan to Austria-Hungary in 1909 because of that state's political alliance with Germany. See Feis, *Europe, the World's Banker*, p. 134 and *passim*.
- (158) Feis, *Europe, the World's Banker*, p. 51.
- (159) *Ibid.*, p. 58.
- (160) White, *op. cit.*, p. 273. In this connection see also Lysis (pseudonym for M. Letailleur) *Contre l'oligarchie financière en France* (Paris: La Revue, 12th ed. 1908).
- (161) White, pp. 295-296.
- (162) Feis, pp. 125-127. See also *Bulletin de la Fédération des Industriels et des Commerçants Français*, February-March, 1909.
- (163) Peyerimhoff, *op. cit.*, p. 100.
- (164) White, p. 294.
- (165) Paul Cauwès, *Cours d'économie politique*, vol. III, pp. 98 ff. This is also true, to a degree, among those who teach the solidarity of interests between social classes. See Léon Bourgeois, *La Solidarité* (1897).
- (166) Among others, there were Wolowski, Charles Gide, and Levasseur.

See E. Levasseur, *Questions ouvrières et industrielles en France sous la troisième République* (Paris: Rousseau, 1907), p. 448.

(167) This was true of Méline and Paul Deschanel. Georges Weill, *Histoire du mouvement social en France (1852-1924)* (Paris: Alcan, 1924), pp. 432 and 446, and Levasseur, *op. cit.*, p. 498.

(168) Paul Louis, *Histoire de la classe ouvrière en France de la Révolution à nos jours* (Paris: Rivière, 1927), p. 408, and by the same author, *Histoire du socialisme en France de la Révolution à nos jours* (Paris: Rivière, 1925).

Trade-union membership was 60,000 in 1881, 402,000 in 1893, and 1,064,000 in 1912. In 1906, the Socialist party obtained 878,000 votes and 52 seats in the Chamber; in 1914 it got 1,400,000 votes and 103 seats.

The Catholic socialist movement was also important in this regard. See P. T. Moon, *The Labor Problem and the Social Catholic Movement in France* (New York: Macmillan, 1921). The author thinks that social legislation was delayed by Anti-Clerical legislation, pp. 289-294.

(169) For detailed information on these conditions, see Paul Louis, *Histoire de la classe ouvrière en France, passim*, and the official publications *Salaires et durée du travail* (1906), *Salaires et coût de l'existence jusqu'en 1910, etc.*, cited in the above, p. 412.

(170) Paul Pic, *Traité élémentaire de législation industrielle* (Paris: 5th edition, 1922). The labor laws were codified 1910-1912.

CHAPTER VIII

(1) Concerning the economic history of the war, see especially the collection, edited by James T. Shotwell, published under the auspices of the Carnegie Endowment for International Peace—*The Economic and Social History of the World War*. See Camille Bloch, *Bibliographie Méthodique de l'histoire économique et sociale de la France pendant la guerre* (New Haven: Yale University Press, Carnegie Endowment Publication, 1925); G. Olphe-Galliard, *Histoire économique et financière de la guerre (1914-1918)* (Paris: Rivière, 1925); John Bates Clark (editor), *Effects of the World War on French Economic Life* (Oxford: Clarendon Press, 1923); Delemer, *La Bilan de l'étatisme* (Paris: Payot, 1922); Trustee (anonymous), *Le bilan de la guerre* (Paris: Plon-Nourrit, 1921); and Pierre Renouvin, *La Crise européenne et la grande guerre (1904-1918)* (Paris: Alcan, 1934).

(2) See as evidence of this trend, W. Cunningham, *The Rise and Decline of the Free Trade Movement* (Cambridge: University Press, 2nd ed., 1912); J. M. Keynes, *The End of Laissez-Faire* (London: Hogarth Press, 1926); Wilhelm Röpke, *German Commercial Policy* (New York: Longmans, Green & Co., 1934); and Arturo Segré, *Storia del commercio* (Turin: Lattés, 1933), vol. II.

(3) M. Sogemeier, *Die öffentliche Hand in der Privaten Wirtschaft* (Berlin: Hobbing, no date).

(4) See the excellent statement on this point by John Bates Clark in the introduction to *Effects of the World War on French Economic Life* (Oxford: Clarendon Press, 1923).

(5) E. Clémentel, *La France et la politique économique interalliée* (New Haven: Yale University Press, 1931), p. XV.

(6) Pierre Renouvin, *The Forms of War Government in France* (New Haven: Yale University Press, Carnegie Endowment, *Economic and Social History of the World War*, 1927), p. 151, and Gaston Jèze, *L'Exécutif en temps de guerre. Les pleins pouvoirs* (Paris: Girard et Brière, 1917).

(7) Renouvin, *op. cit.*, p. 155.

(8) G. Olphe-Galliard, *Histoire économique et financière de la guerre (1914-1918)* (Paris: Rivière, 1925), chap. I and B. M. Anderson, Jr., *Effects of the War on Money, Credit and Banking in France and the U. S.* (New York: Oxford University Press, Carnegie Endowment Publications, 1919).

(9) H. Truchy, *Les Finances de guerre de la France* (New Haven: Yale University Press, Carnegie Publication, 1926), p. 3, and Gabriel Ramon, *Histoire de la Banque de France*, pp. 427-453.

(10) Bertrand Nogaro, "The Effect of the War upon French Finance," *Effects of the War upon French Economic Life* (Oxford: Clarendon Press, Carnegie Endowment Preliminary Economic Studies of the War, 1923), pp. 84-85.

(11) Robert Murray Haig, *The Public Finances of Post-War France* (New York: Columbia University Press, 1929), p. 26.

(12) Henri Truchy, *Les Finances de guerre de la France* (New Haven: Yale University Press, Carnegie Publication, 1926), p. 6.

(13) See Haig, *op. cit.*, pp. 27-40; Truchy, *op. cit.*; and Nogaro, *op. cit.*

(14) Haig, *op. cit.*, p. 25.

(15) Truchy, *op. cit.*, pp. 45, 48; and Haig, *op. cit.*, pp. 190-191. The advances from the Bank of Algeria were paid up in their entirety in 1920.

(16) Haig, *op. cit.*, p. 235.

(17) *Ibid.*, p. 257.

(18) *Ibid.*, p. 279. The discrepancy between the sum of these figures and those cited from Truchy may be explained by a mistake of 30,000,000,000 francs in French published figures and in different rates of exchange used to get paper-franc totals.

(19) Truchy, *op. cit.*, chap. VIII.

(20) See Gaston Jèze, *Les Dépenses de guerre de la France* (New Haven: Yale University Press, Carnegie Endowment Publication, 1926), and Charles Gide and William Oualid, *Le Bilan de la guerre pour la France* (New Haven: Yale University Press, Carnegie Endowment Publication, 1931).

(21) William Oualid and Charles Picquenard, *Salaires et tarifs, conventions collectives et grèves* (New Haven: Yale University Press, Carnegie Endowment Publication, 1928), p. 4.

(22) Gaston Jèze, *op. cit.*, p. 125.

(23) A. Fontaine, *L'Industrie française pendant la guerre* (New Haven: Yale University Press, Carnegie Publication, 1925), pp. 96 ff.

"It should be remembered that the most highly industrialized parts of France had been occupied by the enemy. The invaded regions had provided 62 per cent of France's pig iron production and 62 per cent of her steel; they contained 85 of the 170 blast furnaces of the country, 48 of the 164 Martin furnaces," etc.

(24) Jèze, *op. cit.*, p. 160.

(25) Delemer, *Le Bilan de l'étatisme* (Paris: Payot, 1922), p. 184, and Olphe-Galliard, *Histoire économique et financière de la guerre (1914-1918)*, p. 183.

(26) *Tableau général de la composition des Ministères.*

(27) Renouvin, *The Forms of War Government in France*, p. 59.

(28) *Ibid.*, p. 60.

(29) Henri Hauser, *Le problème du régionalisme* (New Haven: Yale University Press, Carnegie Publication, 1924).

(30) William Oualid and Charles Picquenard, *Salaires et tarifs* (New Haven: Yale University Press, Carnegie Publication, 1928), p. 4.

- (31) Unemployment doles began to be paid August 24, 1914.
- (32) A. Créhange, *Chômage et placement* (New Haven: Yale University Press, Carnegie Publication, 1927).
- (33) Fontaine, *L'Industrie française pendant la guerre*, pp. 74-75.
- (34) Service de la Main-d'Œuvre Etrangère. Fontaine, *op. cit.*, p. 68.
- (35) Fontaine, *op. cit.*, pp. 59-61 and William Oualid, *The Effect of the War upon Labor in France* (Oxford: Oxford Press, Carnegie Publication, 1923), p. 155.
- (36) Fontaine, *op. cit.*, pp. 56-58, and Michel Augé-Laribé, *L'agriculture pendant la guerre* (New Haven: Yale University Press, Carnegie Endowment, 1925), p. 66.
- (37) William Oualid, *op. cit.*, pp. 183-185, and William Oualid and Charles Picquenard, *Salaires et tarifs*.
- The law of July 10, 1915, established a plan for fixing the minimum wages for those in the clothing industry who worked at home and the law of June 11, 1917, gave clothing workers a half-holiday on Saturday. These are examples of attempts at keeping the industrial peace outside of war industries.
- (38) Those on wheat were abolished July 31, 1914. Michel Augé-Laribé, *L'Agriculture pendant la guerre, Carnegie Endowment, Economic and Social History of the World War* (New Haven: Yale University Press, 1925), pp. 119-120.
- (39) Pierre Pinot, *Le Contrôle du ravitaillement de la population civile* (New Haven: Yale University Press, Carnegie Publication, 1925), pp. 284 ff.
- (40) *Ibid.*, *passim*.
- (41) Michel Augé-Laribé, *L'agriculture pendant la guerre*, p. 95.
- (42) *Ibid.*, p. 56.
- (43) P. Pinot, *Le Contrôle du ravitaillement*, p. 36; Augé-Laribé, *op. cit.*, p. 123; and G. Olphe-Galliard, *Histoire économique et financière de la guerre*, p. 310.
- (44) Augé-Laribé, *op. cit.*, pp. 121-134, 152.
- (45) *Ibid.*, p. 151.
- (46) *Ibid.*, p. 165—Decree of October 7, 1915, and law of January 2, 1917.
- (47) January 10, 1917, the Service de la Fabrication des Produits chimiques Agricoles was established. This organization was transformed into the *Office*.

- (48) *Annuaire statistique*, 1931, p. 102*.
- (49) The lists were established April 13, 1917. They were later changed. See Albert Aftalion, *The Effect of the War upon French Commercial Policy* (Oxford: Carnegie Publication, 1923), pp. 114-115.
- (50) Truchy, *Les Finances de la guerre*, pp. 102-104.
- (51) Securing foreign markets was not lost sight of entirely. An agreement signed August 24, 1917, between France and England provided for the importation into Great Britain of numerous French luxury articles that amounted in annual trade to 200,000,000 francs. E. Clémentel, *La France et la politique économique interalliée* (New Haven: Yale University Press, Carnegie Publication, 1931), pp. 157-158.
- (52) R. Pommereuil, *La Guerre économique (1914-1918)* (Poitiers: Oudin, 1918), p. 12.
- (53) C. R. M. F. Cruttwell, *A History of the Great War, 1914-1918* (Oxford: Clarendon Press, 1934), pp. 187-194; and Louis Guichard, *The Naval Blockade, 1914-1918* (New York: Appleton, 1930).
- (54) Laws of July 24, 1873; July 3, 1877, and December 28, 1888. See Marcel Peschaud, *Politique et fonctionnement des transports par chemin de fer pendant la guerre* (New Haven: Yale University Press, Publication of the Carnegie Endowment, 1926), pp. 56 ff.
- (55) These were the lines of the "Interior" Peschaud, *op. cit.*, p. 104.
- (56) Henri Cangardel, *La marine marchande française et la guerre* (New Haven: Yale University Press, Publication of the Carnegie Endowment, 1927), p. 14.
- (57) From the beginning of the war to December 31, 1915, the state requisitioned 202 sloops, 186 cargoes, 17 passenger transports, 64 tugs, and 83 ocean liners.
- (58) By a decree of July 31, 1914, ships were requisitioned. The *Commission Centrale des Réquisitions Maritimes* was established August 9, 1914.
- (59) Up to April 27, 1915, the losses to Allied and neutral shipping caused by the depredations of the German cruisers were 281,513 tons, which was insignificant when compared with the 25 million tons under the flags of the Allies in this same period.
- (60) Henri Cangardel, *La Marine marchande française et la guerre* (New Haven: Yale University Press, Carnegie Publication, 1927), p. 86.

(61) Henri Mazel, "The Effect of the War upon the French Merchant Marine," *Effects of the War upon French Economic Life*, p. 16.

(62) Previously there had been created the interministerial *Comité des Transports Maritimes*, February 29, 1916, to act as a consultative body for the various ministries. It ordered that ships could not sail except for the purpose of supplying the needs of the country (April 4, 1916). In addition to this body was the *Direction Générale des Transports et Importations*, created November 18, 1916. It was to control railway, internal waterway, as well as ocean transportation. It established priorities and controlled sailings.

(63) Law of April 13, 1917. Another factor in ship replacements was the law of April 19, 1917. It required marine insurance. The state agreed to pay at once on the loss of a ship 75 per cent of the insured value and the balance when construction was begun on an equal amount of tonnage or upon the purchase of a vessel.

(64) Etienne Clémentel, *La France et la politique économique interalliée* (New Haven: Yale University Press, Carnegie, 1931), pp. 84-88.

(65) The Chartering Committee was composed of representatives of Great Britain, France, and Italy. Neutrals demanded high prices for carrying. This caused the Allies to use pressure on neutral shippers. The "Law of Angary" was finally employed. This doctrine in international law was a rule used to justify the seizure by a state at war of any property in its territory whether the owner was a national or a neutral. This gave the Allies an excuse to take ships. The "Law" was first used to obtain Danish vessels and later to get Norwegian and Dutch ships. High prices were paid the owners, and hence they did not object very strenuously. Neutral governments, who did not want to antagonize Germany, could plead *force majeure*. See J. A. Salter, *Allied Shipping Control—An Experiment in International Administration* (Oxford: Clarendon Press, Carnegie Publication, 1921), p. 107.

(66) Clémentel, *op. cit.*, pp. 91-92, and H. G. Moulton and L. Pasvolsky, *War Debts and World Prosperity* (Washington: Brookings Institute, 1932), pp. 27-38.

(67) Clémentel, *op. cit.*, p. 92.

(68) *Ibid.*, p. 107.

(69) Salter, *op. cit.*, p. 138.

(70) Clémentel, *op. cit.*, p. 221.

(71) Salter, *op. cit.*, p. 176.

(72) See in addition to Salter, Cangardel, *La Marine marchande française et la guerre*, pp. 60-61.

(73) Clémentel, *op. cit.*, pp. 306-314.

(74) *Ibid.*, p. 318.

CHAPTER IX

(1) Consult in this connection H. W. V. Temperley (editor), *A History of the Peace Conference of Paris* (London: Henry Frowde and Hodder & Stoughton, 1920-1924), 6 vols.; Bernard M. Baruch, *The Making of the Reparations and Economic Sections of the Treaty* (New York: Harper and Brothers, 1920); S. F. Nitti, *Peaceless Europe* (London, 1922), the American edition has the title, *Wreck of Europe* (Indianapolis, 1922), p. 179; *The Decadence of Europe* (London, 1923), pp. 81-82; and J. M. Keynes, *The Economic Consequences of the Peace* (London, 1921); *A Revision of the Treaty* (London, 1922); and Clémentel, *op. cit.*, pp. 337-348.

(2) Baruch, *op. cit.*, pp. 20-32.

(3) *Ibid.*, pp. 47-48.

(4) It is interesting to note that France refused a German offer to reconstruct part of the devastated area. France wanted that business for herself because it would stimulate national production and afford profits for certain French citizens.

See Max Sering, *Deutschland unter dem Dawes-Plan* (Berlin: Gruyter, 1928), p. 37.

(5) Article 306 of the Treaty of Versailles.

(6) R. S. Baker, *Woodrow Wilson and World Settlement* (New York: Doubleday, Page & Co., 1922), vol. II, pp. 18-19, 23 ff.

(7) Clémentel, *op. cit.*, p. 344.

(8) W. Ogburn and W. Jaffé, *The Economic Development of Post War France* (New York: Columbia University, 1929), pp. 101, 105.

(9) J. R. Cahill, *Reports on the Economic and Industrial Conditions in France, 1920-1925* (London: British Department of Overseas Trade, 1923-27), *passim*.

(10) Ogburn and Jaffé, *op. cit.*, p. 20.

(11) The birthrate of males was so low during the war that when the males who were born at that time were called to perform their military training, the size of the army was diminished by 50 per cent. See C. J. H. Hayes, *France, a Nation of Patriots* (New York: Columbia University Press, 1930), p. 70.

(12) Ogburn and Jaffé, *op. cit.*, pp. 523-527.

(13) From 1903 to 1913 foreign commerce had grown by 66 per cent and it is fair to suppose that under normal conditions its growth would have been at a similar rate. It has been estimated on the basis of incomplete information furnished by the French Chambers of Commerce that internal commerce is about six times as great as foreign commerce. See *Evaluation de la production française d'après les renseignements fournis par les chambres du commerce* (Paris: Ministère du Commerce, 1917), *passim*.

(14) The total number of francs in circulation had increased but not enough to affect the depreciation. James Harvey Rogers, *The Process of Inflation in France, 1914-1927* (New York: Columbia University Press, 1929).

(15) Robert M. Haig, *The Public Finances of Post-War France* (New York: Columbia University Press, 1929), pp. 276 ff.; H. G. Moulton and Cleona Lewis, *The French Debt Problem* (London: Allen and Unwin, 1925), pp. 18, 20, 42.

(16) Ogburn and Jaffé, p. 22. These figures were computed from the *Rapport du Comité des Exports* (Paris: Imprimerie Nationale, 1926), pp. 148-149. See also Haig, *op. cit.*, p. 185.

(17) Association Nationale de l'Expansion Economique was founded in 1915; the Confédération Générale de la Production Française was founded in 1919. Their headquarters are located at 23 Avenue de Messine, Paris. The executive machinery of the two bodies has become so fused that it is difficult to determine where one leaves off and the other begins. The two groups share offices in the same building; they publish together a monthly review entitled *Production Nationale et Expansion Economique*; and some of their chief offices are filled by the same persons.

On the subject of employers' syndicates, see Etienne Villey, *L'organisation professionnelle des employeurs dans l'industrie française* (Paris: Alcan, 1923).

(18) Speech by the president of the confederation at the tenth anniversary celebration in the Confederation's *Annuaire 1929*, p. 29.

(19) *Ibid.*, p. 6.

(20) Its full title is Union of Economic Interests for the Freedom of

Trade and of Industry, the Defense of Private Initiative, and against the Extension of Private Monopolies. It was founded in 1911. Headquarters: 16 Place de la Madeleine, Paris. See the pamphlets of the Union and G. Bourgin, J. Carrère, and A. Guérin, *Manuel des partis politiques en France* (Paris: Rieder, 1928), pp. 243-244.

(21) Headquarters: 8-10 rue d'Athènes, Paris. Organ: *Revue des Agriculteurs de France*.

(22) Founded 1898.

(23) Headquarters: 42 rue du Louvre, Paris. Organ: *La réforme économique*.

(24) Organ: *Revue des questions économiques et financières*.

(25) Headquarters: 92 rue de Courcelles, Paris.

(26) Headquarters: 44 rue de Rennes, Paris.

(27) Founded 1925. Headquarters: 60 rue Taitbout, Paris. Article 2 of the Committee's bylaws states that the purpose of the organization is "to take all measures of an economic nature to increase production and to facilitate commercial relations between France and her colonies and foreign nations."

(28) For more information concerning the C. G. T. consult the works by Paul Louis; Georges Weill, *Histoire du mouvement social en France (1852-1924)* (Paris: Alcan, 3d edition, 1924); Louis Levine (Lewis L. Lorwin), *Syndicalism in France* (New York: Columbia University Studies, 1914); and David J. Saposs, *The Labor Movement in Post-War France* (New York: Columbia University Press, 1931). Headquarters of the C. G. T. are located at 211 rue Lafayette, Paris.

(29) *Nationalisation industrialisée*. See J. Duret, *Sens et portée du plan* and other publications of the Institut Supérieur Ouvrier to be obtained at C. G. T. headquarters.

(30) French political parties are not particularly well understood either inside or outside of France. There remains much to be written concerning the French party system before all aspects of it can be understood. The following references will, however, be found helpful: G. Bourgin, J. Carrère, and A. Guérin, *Manuel des partis politiques en France* (1928); André Siegfried, *France, a Study in Nationality* (New Haven: Yale University Press, 1930); C. J. H. Hayes, *France, a Nation of Patriots*, pp. 199-206; the article by Lindsay Rogers in *Current History*, December, 1929; the forthcoming book (Columbia University Press) by the same author; E. P. Chase, R.

Valeur, and R. L. Buell, *Democratic Governments in Europe* (New York: Nelson & Sons, 1935); B. M. E. Léger, *Les opinions politiques des provinces françaises* (Paris, 1934); and Fernand Corcos, *Catéchisme des partis politiques* (Paris: Montaignes, 1932). The bourgeois groups differ mostly on such matters as clericalism, foreign policy, education, and social legislation. Their real opponents are the socialists and at times and on some questions the Radical-Socialists just to the right of the socialists.

(31) Founded in 1903. Headquarters: 36 rue de Varennes, Paris.

(32) Founded in 1901. Headquarters: 17 rue de la Rochefoucauld, Paris.

(33) Headquarters: 17 rue de Valois, Paris.

(34) Founded in 1905 by the Union of French Marxists under Jules Guesde, revisionists or reformists under Jaurès, and revolutionary syndicalists (Blanquists) under Edouard Vaillant. It should be noted that there is also the Social Catholic Party founded in 1924—the Popular Democratic Party.

(35) The composition of the Chamber of Deputies in January, 1934, was as follows:

Indépendants	12
Groupe républicain et social	17
Action économique sociale et paysanne	5
Fédération républicaine	42
Centre républicain	33
Républicains du centre	6
Démocrates populaires	16
Républicains de gauche	32
Gauche radicale	44
Indépendants de gauche	23
Gauche indépendante	14
Radicaux et radicaux-socialistes	157
Républicains socialistes	13
Socialistes français	11
Groupe socialiste de France	30
Socialistes (S. F. I. O.)	98
Unité Ouvrière	9
Communistes	10
Isolés	27
	<hr/>
Total	599

Official results of the elections of May, 1936:

Communistes	72
Pupistes et communistes dissidents	10
Socialistes S. F. I. O.	146

Elections of May, 1936— <i>Continued</i>	
Socialistes U. S. R.	26
Socialistes indépendents	11
Radicaux socialistes	116
Républicains indépendents	31
Républicains de gauches	84
Démocrates populaires	23
Républicains U. R. D.	88
Conservateurs	11
	<hr/>
Total	618

(36) Chase, Valeur, Buell, *op. cit.*, p. 343. This is an exaggerated statement of the case, but has a basis in fact. See also Walter R. Sharp, *The French Civil Service* (New York: Macmillan, 1931) and Joseph Barthélemy, *Le gouvernement de la France* (Paris: Payot, 1925), chap. IX; and *Encyclopédie française*, vol. X.

(37) Paris: Alcan. He also published *Propos d'un ignorant sur l'économie nationale* (Paris: Nathan, 1923).

Similar to Professor Hauser's case is that of Professor Serruys. Before the War he was a classical scholar; he was called to an official capacity during the War and he afterwards became the chief negotiator of French commercial treaties. See his *Traité de commerce; systèmes tarifaires et méthodes contractuelles* (Paris, 1928). He is one of the protectionist theorists in France at the present time.

(38) *La nouvelle orientation économique*, p. 185.

(39) *Ibid.*, pp. 184-6.

(40) Ray Stannard Baker, *Woodrow Wilson and World Settlement*, vol. II, pp. 332-334.

(41) *La nouvelle orientation économique*, p. 186.

(42) *Ibid.*, pp. 194-196.

(43) His views are set forth in the three long volumes *Principes d'économie nationale et internationale* (Paris: Recueil Sirey, 1929-1931). See also "Les fondements nouveaux de protectionisme industriel," *Revue d'économie politique*, March-April, 1933.

(44) *Ibid.*

(45) Vol. III, p. 474.

(46) Brocard gives an interesting explanation of the growth of nations, vol. I, pp. 296-393.

(47) Vol. I, pp. 145, 186-7.

(48) Vol. III, p. 484.

(49) Vol. III, p. 482.

(50) Vol. III, p. 488.

(51) Vol. III, p. 493.

(52) Vol. II, p. 675.

(53) Vol. III, pp. 472-479.

(54) Vol. II, pp. 65-66; vol. III, p. 480.

(55) Vol. II, p. 345.

(56) Vol. II, pp. 678-683.

(57) Vol. II, pp. 544 ff.

(58) Vol. II, pp. 280 ff. Professor Brocard does not go so far as to say that a nation should not invest abroad in the production of goods that compete with those produced at home, when the home producers do not need capital. He is more interested in whether the investment abroad pays a safe and good return. From the point of view of economic nationalism, however, it would appear that if productivity is the measure of national strength one should not aid other nations by loans to produce goods which one can sell to them directly.

(59) Paris: Rousseau, 1914.

(60) *Op. cit.*, p. 33.

(61) *La conception de l'économie nationale et des rapports internationaux chez les mercantilistes français et chez leurs contemporains* (Paris: Sirey, 1931), pp. 152-172.

(62) Paris, 1922, p. vii.

(63) *Op. cit.*, vol. I, pp. 144-147.

(64) Gaëtan Pirou, *Les doctrines économiques en France depuis 1870* (Paris: Colin, 2d ed. 1930); René Gonnard, *Histoire des doctrines économiques* (Paris: Valois, 1927), vol. III; and the French economic reviews.

(65) Charles Gide and Charles Rist, *Histoire des doctrines économiques* (Paris: Sirey, 4th ed. 1923), pp. 337-338.

(66) *Cours d'économie politique*, vol. II, p. 68.

(67) C. J. H. Hayes, *France, a Nation of Patriots*, pp. 457-8. Hervé has published a newspaper since the war, *La Victoire*.

(68) *Le socialisme national* (Paris: Renaissance du Livre, 1917), pp. 42-46; and *Le nationalisme suivant les peuples* (Paris: Flammarion, 1920). A similar stand has been taken by Ch. Andler, "D'un nouveau socialisme national," *L'Information ouvrière et sociale*, June 23, 1918. See also Roger Berg, *Le Socialisme entre l'économie nationale et le cosmopolitanisme* (Nancy: Imprimerie Nancéienne, 1934).

(69) *The Psychology of Socialism* (London: Allen & Unwin, 1928), chap. XI. The French edition of this book went under the title of *Au delà du Marxisme* (Brussels, 1927).

(70) *Op. cit.*, p. 311.

(71) *Op. cit.*, p. 325. In order to be complete it is well to mention the rôle of publicists in preaching national economics. Among them may be mentioned Probus (J. Corréard) who organized a small society called *Fédération des Républicains Rénovateurs*. Headquarters: 8 rue de Richelieu, Paris. Organ: *La France Vivante* (weekly). See his *La constitution syndicale de la France* (Paris: Grasset, 1919); *Rénovation* (Paris: Grasset, 1919); and *Des finances modernes pour vivre* (1920).

Mention should also be made of the late Lysis (M. Letailleur), former editor of *La Démocratie Nouvelle*. He was author of *Vers la démocratie nouvelle* (Paris: Payot, 1917); *Pour renaitre* (Paris: Payot, 1918); *L'erreur française* (Paris: Payot, 1918).

See also as examples of publicists with national economic leanings the works of Victor Cambon, *Notre Avenir* (Paris: Payot, 1918), and *Où allons-nous?* (Paris: Payot, 1918); and of Ed. Amanieux, *L'armature sociale* (1919).

The Société d'Études et d'Informations Économiques, an institution for the propagation of economic ideas of large capitalists, is also worthy of note. Headquarters: 282 Bd. St. Germain, Paris.

(72) A. de Foleville, "La richesse en France," *Revue économique internationale*, April, 1906.

(73) *Questions financières*, published by *La Société d'Études et d'Informations Économiques*, May 10, 1935. In 1930 there were 357,240 inheritance tax returns. In 1928 there were 674,046 deaths.

(74) See *Annuaire statistique*. Those who pay this tax number 2,486,709. The group taken to form the .06 per cent of those paying the tax comprises those reporting incomes of 50,100 francs or more. There is a considerable evasion of this tax and the evaders are probably those in the lower brackets.

For a discussion of the tax, see R. M. Haig, *The Public Finance of Post-War France* (New York: Columbia University Press, 1929), pp. 315 ff.

See also Charles Rist, *Tableaux de l'économie française* (1935), plate 37.

(75) The *Action Française* has sponsored the *Union des Corporations*. This Union's organ is *Production Française*. Agricultural problems have particularly interested the party. Its attitude toward them is to be found in the weekly *Action Française Agricole*.

It should be pointed out that complete harmony does not exist between the *Action Française* and the pretender—Le Comte de Paris. In 1935 Le Comte de Paris founded his own paper—*Courrier Royal*.

Concerning the trends mentioned in this section, see Harold Laski, *The Rise of Liberalism* (New York: Harper and Bros., 1936), the last chapter.

(76) See C. J. H. Hayes, *France, a Nation of Patriots* (New York: Columbia University Press, 1930), p. 205. Among Valois' writings may be mentioned: *La réforme économique et sociale* (1917); *L'économie nouvelle* (1919); *La révolution nationale* (1924); *La politique de la victoire* (1925); *L'état, les finances et la monnaie* (1925), all published by the Nouvelle Librairie Nationale, now the Librairie Valois. Valois has now returned to his first love—anarchism.

(77) Paris: Grasset, 1934. See also his *Disciplines d'Action* (Paris: Editions de France, 1935); Henry Malherbe, *Un chef, des actes, des idées* (Paris: Plon, 1934); and the party's newspaper, *Le Flambeau*.

(78) See Gaëtan Pirou, *Le corporatisme* (Paris: Sirey, 1935); *Nouveaux aspects du corporatisme* (Paris: Sirey, 1935), pp. 7-9; and *La crise du capitalisme* (Paris: Sirey, 1936), footnote 2, p. 12.

Attention should be called in this connection to the bill proposed to the Chamber by Flandin in 1935, which provided that the state should impose industrial peace on laborers and capitalists. It should dictate terms in case of conflict that would have to be accepted.

(79) Raymond Millet and Simon Arbellot, *Ligues et groupements* (Paris: Temps, 1935), pp. 34-35.

(80) The organs of these two groups are *La Solidarité Nationale* and *Le Franciste*, respectively. They have made famous the cry "*La France aux Français*."

(81) By January 1, 1926, 8200 of the 9300 factories employing ten or more men which had been destroyed had been reconstructed and at least a thousand had merged to form larger units, all of the 200 coal-mine shafts which had suffered injury had been repaired and improved, iron mines had

been put in working order, textile factories had been reconditioned, and roads, railways, bridges, canals, and houses had been rebuilt or repaired. See J. R. Cahill, *Report on the Economic Conditions in France* (London: His Majesty's Stationery Office, 1923-1927).

(82) Industrial recuperation began in 1921 and was fairly steady to the depression. There were temporary relapses in the early part of 1923, when the Ruhr was occupied, in the early months of 1924, when the franc's decline unnerved businessmen, at the turn of the year 1924-25, and in 1927, when deflation began.

(83) Based on 1913 production.

(84) If it had increased at the same speed that it did from 1907 to 1913, the index would have stood at 150 in 1926 instead of at 125. Ogburn and Jaffé, *The Economic Development of Post-War France*, pp. 92-101. The above index is based on figures compiled by Jean Dessrier, statistician at the Statistique Générale de la France. See the *Bulletin de la statistique générale de la France*, July, 1926, and months following. Experts maintain that the increase indicates that the process of industrialization, which had never been so complete in France as it was in Great Britain and Germany, was still going on. The index of British production for the same period follows:

1913—	100
1920—	90
1925—	86
1926—	68 (general strike).

These figures were taken from J. W. F. Rowe, "An Index of the Physical Volume of Production," *The Economic Journal*, June, 1927, p. 178.

(85) Ogburn and Jaffé, p. 109.

(86) *Ibid.*, pp. 112-113.

(87) *Memorandum on International Trade and Balances of Payments, 1913-1927* (Geneva: League of Nations, 1928), vol. I, p. 240. Ogburn and Jaffé, *op. cit.*, p. 540.

(88) Sir Robert Cahill, *Economic Conditions in France* (London: His Majesty's Stationery Office, 1934), pp. 628, 652.

(89) *Ibid.*, p. 627.

(90) *Ibid.*, p. 628 and P. Jéramec, "La production industrielle," *Revue d'économie politique*, May-June, 1935.

(91) *Ibid.*, p. 396 and G. Damougeot-Perron, *L'économie française et les décrets-lois* (Paris: Sirey, 1936), p. 41.

(92) *Ibid.*, pp. 468-469.

(93) *Ibid.*, p. 635 and John de Wilde, "Political Conflict in France," *Foreign Policy Reports*, April 1, 1936.

(94) Eight loans were made by the Crédit National between 1919 and 1924. The last one was a failure. James Harvey Rogers, *The Process of Inflation in France, 1914-1927* (New York: Columbia University Press, 1929), pp. 35-36.

(95) R. M. Haig, *The Public Finances of Post-War France*, pp. 302-3.

Some 26 billion francs of private claims remained to be met. At the end of 1927, about 85,500,000,000 francs in all had been met, and 9900 millions remained to be settled.

(96) Harold G. Moulton and Leo Pasvolsky, *War Debts and World Property* (Washington: Brookings Institution, 1932), p. 261.

(97) *Ibid.*, pp. 266-7.

(98) *Ibid.*, pp. 299 and opposite 487. From 1924 to 1931, France received from Germany, her principal debtor, 1426 million dollars, which left her a balance of 1008.1 million dollars. Her aggregate scheduled receipts and payments on inter-governmental debts outstanding on July 1, 1931, were, respectively, \$13,855,776,000 and \$10,498,105,000, which left a surplus of \$3,358,671,000. The Hoover moratorium and Lausanne agreement have put a practical end to reparation and war-debt payments.

(99) See Robert M. Haig, *The Public Finances of Post-War France*, pp. 143 ff.; Memorandum on Public Finance, 1922-1926 (Geneva: League of Nations, 1927), pp. 192-218, especially pp. 196-7; and the *International Statistical Yearbook* (Geneva: League of Nations, published annually).

(100) Ogburn and Jaffé, *The Economic Development of Post-War France* (New York: Columbia University Press, 1929), p. 66.

(101) For this material, consult Haig, *op. cit.*; and Ogburn and Jaffé, *op. cit.*

(102) Haig, *op. cit.*, p. 186.

(103) Ogburn and Jaffé, pp. 154-5:

"At the close of 1925 and during the early months of 1926, a period of progressive inflation, there was, contrary to theoretical expectation, an excess of imports. During the latter half of 1925, when deflation was most marked, there was an excess of exports, which is again contrary to theory. These contradictions, however, do not necessarily mean that the export-import ratios

were not influenced by inflation and deflation. It was, in reality, inflation which in the early part of 1926 caused merchants and manufacturers to accumulate stocks, especially of imported raw materials, in anticipation of a further drop in the value of the franc. This, of course, lowered the ratio. Then, in the autumn and winter of 1926, merchants and manufacturers imported no more, but consumed their stocks while waiting for the franc to rise still more and thus make imports cheaper. This caused the ratio to rise at the close of the year.

"In general, the available data of French inflation and trade point to a probable but none too well defined relation between the two phenomena."

For this and what follows, see George Peel, *The Economic Policy of France* (London: Macmillan, 1937).

(104) Ogburn and Jaffé, p. 180.

(105) Law of July 29, 1919.

(106) J. Naudin, *Les accords commerciaux de la France depuis la guerre* (Paris: Sirey, 1928); C. J. Gignoux, *L'après guerre et la politique commerciale* (Paris: Colin, 1924); and Allix, *Les Droits de douane*, vol. I, pp. 92 ff.

(107) Ogburn and Jaffé, *op. cit.*, pp. 542-545.

(108) Pierre Angelini, *La politique du contingentement des importations* (Paris: Presses Universitaires, 1932), p. 25; and F. A. Haight, *French Import Quotas* (London: King and Son, 1935).

(109) In addition there were increases in some rates (Law of March 31, 1932), and special measures were taken against exchange dumping; etc. See Marc Lasserre, *Les nouvelles orientations de la politique commerciale française* (Paris: Presses Universitaires, 1933); and the annual article on French tariffs by J. Naudin in the *Revue d'économie politique*.

(110) Cahill, *Economic Conditions in France* (1934), p. 554, points out that the quota figure is determined either by the Government or by trade associations after negotiations with foreign associations. The latter method allows for considerable influence on the quota for selfish purposes. Decrees of December 31, 1933, established 600 new quotas which were to be managed under the Ministry of Commerce by French trade committees—an arrangement that was analogous to wartime committees and consortiums.

(111) Moulton and Pasvolsky, *War Debts and World Prosperity*, pp. 386-387.

(112) This was one of the causes of the British coal strike in 1926.

(113) Prior to 1922 membership in this committee was considered largely

honorary. Since then the committees' activity has made membership of practical value and hence places on it are coveted by leaders.

(114) Founded in 1898 but reorganized in 1919. It publishes the *Moniteur officiel du commerce et de l'industrie* which contains general trade information.

(115) They have sprung into existence since 1919. Before that date French interests were not represented abroad to any great extent, except perhaps by the embassies. The commercial attachés were placed under the jurisdiction of the Ministry of Foreign Affairs until 1929 when they were transferred to the Ministry of Commerce.

(116) There are also French Commercial Offices Abroad. As they are in the process of being abolished and as there are only eight left, they do not seem to deserve mention in the text. They were set up during the war to do approximately what the attachés do at present. Then there are, too, the French Chambers of Commerce Abroad, made up of men of affairs, which receive a subsidy from the Government in recognition of the service that they render to the cause of foreign trade. The estimated subsidies for 1930 were:

National Office of Foreign Commerce	2,897,000
Commercial Attachés and Agents	22,890,000
Commercial Offices	2,295,600
French Chambers of Commerce Abroad	707,500
Trade Fairs and Exhibitions	270,000
Commercial Missions	26,500
Miscellaneous	14,500

See Maurice Duperré, *Organisation des services d'expansion commerciales* (Paris: Office Nationale du Commerce Extérieur, 1930), *passim*. Also Gignoux, *op. cit.*, pp. 106-111.

(117) Address: 21 Boulevard Haussmann, Paris. Founded by law of October 23, 1919.

(118) Because the Bank entered a field already served by private banks without government subsidies, certain restrictions were placed upon it. It was forbidden to establish branches in France, although it might have "representatives" in the larger French cities, and in foreign cities where French banks already existed except in the latter case by the consent of those banks. When the reserve of the bank is over 25 million francs the state will get 30 per cent of the profits to reimburse it for its advances. When the reimbursements have been completed, that is, when the Bank has paid the state the amount previously advanced, then the state will receive only 20 per

cent of the profits. See *Convention* of May 28, 1919, between the Ministers of Finance and of Commerce and the Bank.

(119) *Direct and Indirect Subsidies. International Economic Conference* (Geneva: League of Nations, 1927), p. 11.

(120) *Ibid.*

(121) Exporters benefit from reduced railway rates on goods to be shipped in French bottoms to East Africa and South America, and 20 per cent reduction in total shipping rates on goods sent on the French Line to England via Saint-Nazaire and New Haven, to New York, and by certain other French merchant lines to the Near and Far East. See *Direct and Indirect Subsidies*, p. 17, which bases its statement on the *United States Tariff Commission Dictionary of Tariff Information* (1924).

(122) Established by the decrees of November 2, 1928, and June 23, 1929.

(123) The exporter must bear at least 20 per cent of the risk. The other 20 per cent may be covered by insurance with private companies. An extension of this system was made in 1935. See G. Damougeot-Perron, *L'économie française et les décrets-lois* (1936), pp. 143 ff.

(124) The methods which will be employed may be analogous to those used in 1931 when Germany and Austria proposed a customs union. At that time French banks withdrew short-term loans to one of Austria's leading banks, the Credit Anstalt, thus forcing that institution to the verge of bankruptcy, although at the same time they promised loans to Austria if the idea of a customs union were abandoned.

France can wield tremendous influence by throwing her gold in the scales of diplomacy. The Government does bring pressure on the banks to act as it desires. At least, Premier Laval on the occasion of his visit to the United States in October, 1931, said that his Government had taken steps to check the withdrawal of gold from America. *New York Times*, October 26, 1931, p. 1, and continuation.

(125) *Direct and Indirect Subsidies*, p. 23.

(126) The suppression of Abd-el-Krim in Morocco (1926) and of uprisings in Syria might be considered exceptions to this statement, but this action did not add territory to France's colonial empire and hence may be placed in the category of policing.

(127) See below, p. 342. See also Thomas E. Ennis, *French Policy in Indochina* (Chicago: Chicago University Press, 1936).

(128) Constant Southworth, *The French Colonial Venture* (London:

King and Son, 1931), has endeavored to answer this question. He estimates (pp. 92-93) that 2½ per cent is a generous allowance. Southworth has made what is perhaps the most serious study of this problem, but his statistical method is open to criticism. Attention has been given this same problem by P. T. Moon, *Imperialism and World Politics* (New York: Macmillan, 1926), p. 532; A. Vallet, *Un nouvel aperçu du problème colonial* (Paris: Berger-Levrault, 1925); and Melvin Knight, *Morocco as a French Economic Venture* (New York: Appleton, 1937).

(129) Southworth thinks that the benefits have been very small and French capital could have been put to better use in other places.

Another anti-imperialist on economic grounds is Grover Clark, *A Place in the Sun* (New York: Macmillan Co., 1936) and *Balance Sheet of Imperialism* (New York: Columbia University Press, 1936).

(130) Hardy, *Histoire de la colonisation française*, pp. 295-296.

(131) Gabriel Hanotaux and Alfred Martineau, *Histoire des colonies françaises* (Paris: Plon, 1929), vol. I, p. 1.

(132) Hanotaux and Martineau, *op. cit.*, vol. VI (1933), p. 564.

(133) *Annuaire statistique*, 1926, p. 95.

(134) Ogburn and Jaffé, *op. cit.*, p. 519.

(135) *Ibid.*, pp. 526-527. In francs of current value the trade figures were:

	Millions of francs	
	Exports	Imports
1920 including Alsace Lorraine.....	26,894	49,904
1921	19,772	22,755
1922	21,378	24,275
1923	30,866	32,859
1924	42,368	40,162
1925	45,754	44,095
1926	59,677	59,598
1927	54,924	53,049

(136) The figures in francs should be corrected to allow for a decline in prices. The general index of wholesale prices during the period was:

1928 —	634
1929 —	623
1930 —	543
1931 —	477
1932 —	408
1933 —	396

Cahill, *op. cit.*, p. 70.

(137) The *Revue d'économie politique* devotes one issue annually to an economic survey of France. The section on the balance of trade and payments has been written since the war by P. Meynial and more recently by L. Rist and P. Schwob. The League of Nations' *Balance of Payments* report relies on the above articles for most of its information.

(138) The huge flight of capital from France during the inflation, which was estimated by Meynial in the *Revue d'économie politique* to have been 37 billion francs in the years 1924, 1925, 1926, was almost entirely repatriated by 1932.

(139) Philippe Bonnet, *Les émissions de valeurs mobilières en France depuis 1926* (Paris: Mechelinck, 1931), p. 147 and Haig, *op. cit.*, pp. 399-401. In pre-war francs, state revenue from taxation increased from 4066 million in 1913 to 7040 million in 1927.

(140) Bonnet, *op. cit.*, p. 136; Eugene Staley, *War and the Private Investor* (New York: Doubleday, Doran & Co., 1935), p. 527; and *L'Europe Nouvelle*, January 11, 1930. French colonial investments, French holdings of securities and capital in French concerns doing business abroad, and treasury loans to governments should be added to these figures for French holdings of foreign securities for a complete picture of French investments abroad. See also J. Malpas, *Les mouvements internationaux de capitaux* (Paris, Thesis, 1934).

(141) Bonnet, *op. cit.*, p. 139.

(142) This is not exclusively true. France's share of the Young Plan loan to Germany may be considered an exception. The largest long-term loans to foreign governments were made to Belgium, Roumania, Poland, Bulgaria, Hungary, Jugoslavia, and Czechoslovakia. See *Le Temps*, March 2, 1932.

(143) The silk industry has not grown in size despite the subsidies. See *Natural Silk Industry. International Economic Conference* (Geneva: League of Nations, 1927), p. 20. In the same category of industries as silk may be placed hemp and flax growing. These industries receive subsidies in France. *Subsidies—Direct and Indirect. International Economic Conference* (Geneva: League of Nations, 1927), p. 11.

(144) The subsidies were based on the tonnage of planes, kilometers covered, and operating deficit. For a detailed treatment see Marian D. Tolles, *A History of French Subsidies to Commercial Aviation* (Northampton, Mass.: Smith College Studies in History, 1933) and Cahill, *op. cit.*, pp. 455 ff.

(145) *Problème de l'outillage national. Rapport de Conseil National Economique. Journal Officiel.* Jan. 17, 1929.

(146) Laws of August 2, 1918, August 1, 1928, and August 10, 1929. The *chiffres d'affaires* tax is not collected on construction and repairs. The ship yards were also granted special rates for the transportation of their materials on state railways. See *Shipbuilding. International Economic Conference* (Geneva: League of Nations, 1927), p. 33.

(147) The mail contracts amounted to a total of 89,000,000 francs in 1928 and to 349,600,000 francs in 1934. Cahill, *op. cit.*, p. 448.

(148) Cahill, *op. cit.*, pp. 446, 450-451. Of French foreign trade, 47.08 per cent was carried by sea, 51.92 per cent by land. French shippers carried 63.92 per cent of sea-borne exports and 35.59 per cent of sea-borne imports.

The nations which ranked above France in total tonnage were in 1931 Great Britain, The United States, Japan, Germany, and Norway. Italy and Holland were close behind.

(149) The costs of construction in France were greater than in Great Britain from between 19.7 and 24.6 per cent. Cahill, *op. cit.*, p. 249, and L. Lefol, *La protection de la construction navale en France et à l'étranger* (Paris, 1929), pp. 93-113.

(150) Law of August 2, 1928, with changes in 1928 and 1931. See Lefol, *op. cit.*; E. Deparès, *Le crédit à la construction navale* (Paris: Presses Universitaires, 1932); and J. E. Saugstad, *Shipping and Shipbuilding Subsidies* (Washington: Gov. Printing Office, 1932).

Only 50 per cent of the value of the ship could be advanced with the ship alone as pledge; 85 per cent if other collateral was used. Cahill, *op. cit.*, pp. 618-19.

(151) Cahill, *op. cit.*, pp. 452 ff.

The *Compagnie des Messageries Maritimes* appealed to the state for aid in 1920 and received it on the condition that a proportion of the Company's earnings go to the public treasury. The state obtained in this fashion a voice in its management.

The *Compagnie Générale Aréopostale* got state financial assistance in 1924 and since 1931 has been managed by a board in which the state has a voice.

The *Compagnie Marseillaise de Navigation à Vapeur* (*Compagnie Fraysinet*) and the *Compagnie de Navigation Sud-Atlantique* have made contracts with the state whereby the public treasury supports a large share of their losses and divides with them their profits, if any. This profit-and-loss-sharing scheme requires the lines to provide stipulated services and allows the state to intervene in their management. See J. E. Saugstad, *Shipping and Shipbuilding Subsidies*, pp. 109-114, 124.

(152) G. Pirou, *La crise du capitalisme* (Paris. Sirey, 1936), pp. 61 ff. and G. Damougeot-Perron, *L'économie française et les décrets-lois* (Paris: Sirey, 1936), pp. 55-69. The state has also helped other branches of agriculture, but this action has been of secondary importance.

(153) The roads were returned to private management in February, 1919.

(154) There were certain other minor provisions such as the proportion of new construction which the state would pay. The length of the concessions was maintained or provided for in 1883. See Thévenez, *Législation des chemins de fer*, pp. 51-53.

(155) In 1933 the Orléans and Midi companies signed a five-year agreement of unification. See also Herbert E. Dougall, "Railway Nationalization and Transport Coördination in France," *Journal of Political Economy*, April, 1938.

(156) The Anglo-Persian, the Royal Dutch-Shell, and Standard interests got equal proportions and M. Gulkenhain 5 per cent.

(157) See the unpublished Master of Arts dissertation (Columbia University) by Nancy Stevenson on the subject, or H. G. Thomas, *Le régime du pétrole en France* (Paris, 1934).

(158) See especially agreements between the state and the company of May 17, 1924, and June 25, 1930. The state had an option to take up a further 10 per cent which it has since exercised.

(159) By agreement of April 1, 1931, the company agreed to sell oil at a discount to the state for public services.

(160) Cahill, *op. cit.*, p. 158.

(161) Laws of March 16, 1928, and April 7, 1932.

(162) The most important wells are at Pechelbronn, Alsace. There are others in the department of the Hérault and in Autun, but their output is very small.

The changing source of oil imports in France is interesting. The percentage of imports from the United States, the principal source, has declined from 40.8 in 1930 to 27.2 in 1932. The U. S. S. R. was second in 1932, having replaced Persia, which took third place. Venezuela and Roumania were the other chief sources.

(163) Savings banks in France must invest their capital in government securities or place their funds in the *Caisse*.

See G. Damougeot, *op. cit.*, pp. 217-226, for the effect of these institutions

on the money market. Also M. G. Myers, *Paris as a Financial Center* (New York, 1936).

(164) Created by Law of March 31, 1899. Through its departmental agents it extends credit to coöperatives or to peasants with small or medium size holdings. There is also the National Office of Agricultural Credit, created by the Laws of April 9, 1918, and June 21, 1919, to advance sums to war veterans and victims of the war.

(165) See above, pp. 325-326.

(166) The tobacco monopoly has been administered since October 1, 1926, by the Autonomous Fund for Debt Redemption.

(167) Another example was the coal mines of the Saar.

(168) See the very illuminating anonymous article "Les participations financières de l'Etat dans les entreprises privées," *Revue politique et parlementaire*, March 10, 1933, p. 456.

(169) *Ibid.*, p. 459, and *Memorandum on Public Finances: 1922-26* (Geneva: League of Nations, 1927), pp. 192-218. For a list of "Public Undertakings," see pp. 208-210.

(170) For example, the state invested 2,631,500 francs of a total capitalization of 65,000,000 francs in the *Union hydro-électrique à Eguzon* and 6,000,000 francs of a total capitalization of 12,000,000 francs in the *Société de régularisation des Forces motrices de la Vallée de la Romanche*. It also has aided power-line companies. See "Les participations financières de l'Etat dans les entreprises privées," *Revue politique et parlementaire*, March 10, 1933, pp. 461-2.

(171) *Ibid.*, pp. 462-3. The state has invested through the *O. N. N.* 2,916,800 francs of a total capitalization of 6,000,000 francs in the *Compagnie Générale de Traction sur les Voies Navigables*; 600,000 francs of a total capitalization of 1,000,000 francs in the *Traction du Nord*; and 2,000,000 francs of 6,000,000 francs in the *Traction de l'Est*.

(172) Cahill, *op. cit.*, p. 644.

(173) These figures are based on unemployment relief payments. Inasmuch as all unemployed do not receive the benefits, the total number of unemployed is much larger than the statistics indicate. Unofficial estimates of unemployment in the spring of 1934 varied from 700,000 to over 1,000,000.

(174) April 3, 1919.

(175) All workers with an annual income of 18,000 francs or less were

required to avail themselves of the law's advantages and all others were allowed to do so, if they so desired, workers without children were not forced to insure themselves if they earned over 15,000 francs. The minimum limit was increased by 2000 francs from 18000 francs for every child beyond two. In order to provide capital for the undertaking a sum equal to 10 per cent of every insured's salary was to be paid into a fund, 5 per cent by the worker and 5 per cent by the employer, unless the worker is voluntarily insured. The unemployment insurance is granted by mutual-aid societies or trade benevolent associations or by municipal or departmental offices known as *Fonds de chômage*. In the department of the Seine, where most unemployment is to be found, the state furnishes about 7 francs of 8 francs 50 which an unemployed person receives. The time limit on the benefits was increased from sixty to one hundred eighty days, but abolished entirely, June 24, 1932. The whole scheme is administered by the National Office of Social Insurance, which was expected to function without state aid. For a complete discussion of the law see David J. Saposs, *The Labor Movement in Post-War France* (New York: Columbia University Press, 1931), pp. 267-279.

(176) Heads of families are given privileges of various kinds—special benefits under the old-age pensions and industrial-accidents acts, reductions on income, legacy, and inheritance taxes, reductions in railway fares, etc.

(177) See George Mauco, *Les étrangers en France* (Paris: Colin, 1932).

(178) In December, 1933, establishments employing at least 100 workers each and a total of 2,414,460 persons, had 36 per cent of their employees on short time. In two years their total number of employed had decreased by only 8 per cent.

(179) See his *Die neue Wirtschaft* (1918), pp. 231 ff.; *Von kommenden Dingen* (1917); and Count H. Kessler, *Walter Rathenau* (1929).

(180) R. Gonnard, *Histoire des doctrines économiques* (Paris: Librairie Valois, 1927), vol. III, pp. 285-288; Pirou, *Les doctrines économiques de France depuis 1870*, pp. 85-86.

(181) Pirou, *op. cit.*, p. 86.

(182) Decree of January 16, 1925; law of March 19, 1936; and decree of July 24, 1936.

(183) If two-thirds of the votes at a meeting of the Council are cast in favor of a suggestion, the Government must consider the proposal and reply to the Council.

(184) Among its members were the famous economist, Charles Gide,

Emile Borel, Fougère, President of the Federation of Silk, Leon Jouhaux of the C. G. T., and M. de Peyerimhoff of the Comité des Forges.

(185) The Council has taken a stand for government control of and aid to industry. See "Avis sur le projet de loi relatif au perfectionnement de l'outillage national," *Journal Officiel*, January 5, 1930.

(186) See the penetrating analysis of this problem by David Mitrany, "The Political Consequences of Economic Planning," *The Sociological Review*, October, 1934.

(187) This office existed for a short time in 1925. It was re-established by the Tardieu Government and has been in existence ever since.

(188) *State and Economic Life* (Paris: International Institute of Intellectual Coöperation, League of Nations), vols. I and II.

(189) Francis Delaisi, *Les deux Europes* (Paris: Payot, 1929), p. 250.

(190) Francis Delaisi, *Les contradictions du monde moderne* (Paris: Payot, 1925).

(191) *The World Economic Conference. Final Report* (Geneva: League of Nations, 1927), p. 48.

(192) French interests are involved in a great many international cartels. One of the most interesting ones is the potash cartel in which the French state mines have joined the Germans. Most of the cartels were not created to overcome strictly national economic policies, but to overcome difficulties resulting from the modern system of national economics, mass production, overproduction, and price-cutting. See Louis Domeratzky, *The International Cartel Movement* (United States Department of Commerce, 1928); Robert Liefmann, *Kartelle, Konzerne und Trusts* (Stuttgart: Moritz, 1930); and Roger Conte, *Auf Veranlassung des Ausschusses für Internationale Industrievereinbarungen* (Paris: International Chamber of Commerce, 1927), No. 46.

(193) For an account of the creation of the B. I. S., see Pierre Mendès-France, *La Banque Internationale* (Paris: Valois, 1930).

(194) *Application of the Recommendations of the International Economic Conference. Report in the period May, 1928 to May, 1929* (Geneva: League of Nations, 1929).

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