

Galiani, Necker and Turgot. A debate on economic reform and policy in 18th Century France

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Nil repente, rien tout à coup . . . Je le répète et le répéterai sans cesse.
Galiani, *Dialogues sur le commerce des blés*, 1770

Je dirais volontiers à celui que vous aimez [Turgot], “Tu ne cede malis :
sed contra audentior ito”;¹ mais il se le dit à lui-même.

Voltaire to Condorcet, 26 April 1775.

In 17th and 18th century France, the question of the transition to a market economy was permanently on the agenda in various forms. Although the debates were often rather confused, the main issues at stake were formulated more and more clearly and the great controversies of that period marked the emergence of many of the most important ideas later integrated into the main corpuses of economic doctrines. The climax occurred during the final decades of the 18th century. Three important attempts were made at that time to fill the gap between theory and practice and to achieve the transition to a market economy. The first, 1763-1764, was limited to agriculture; the second, well known and much wider in scope, was led by A. R. J. Turgot and took place between August 1774 and May 1776; the third, still wider, occurred fifteen years later during the French Revolution. While the first and the second failed, the

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1. [Quam tua te fortuna sinet]. Virgil, *Aeneid*, VI, 95.

third proved more successful and decisive. Recently, the revolutionary period has attracted the attention of scholars (Servet 1989; Faccarello, 1989, 1993; Faccarello and Steiner, 1990). By contrast, this paper aims at analysing some ideas expressed or simply reconsidered during the early 1770s.

Even today there are few dispassionate analyses of this period, especially in so far as Turgot's policy is concerned.² As a result, however, one fact stands out. Among the various different arguments put forward to explain Turgot's 1774-1776 failure to transform the French economy into a general market economy, one explanation curiously seems to be accepted almost unanimously by the opponents as well as the followers of Turgot's reforms : the process of transition, it is contended, was interrupted mainly because of the alleged hastiness and clumsiness of the *Contrôleur général*.³ Turgot is supposed to have acted without the slightest prudence, as a mere doctrinaire whose ambition was to force reality into his beautiful schemes of thought. This is also why, strangely enough, he has sometimes been contrasted to J.-J. Rousseau : commentators stressed the fact that, when Rousseau had the opportunity of proposing a plan for concrete reforms, in his essays on Corsica or on Poland for example, unlike Turgot, he was extremely cautious ; and they stress the fact that he displayed an attitude which was in striking contrast to the one that might have been expected on the basis of the bold ideas set out in his most theoretical works such as the *Discours sur l'origine de l'inégalité* and the *Contrat social* (see for example Sorel 1908 : 174-176).

It is likely however that commentators, whatever their initial theoretical bent, have been trapped by arguments which were essentially formulated before Turgot's ministerial experience and which, as a matter of fact, originated mainly within the reformers' camp itself, in the writings of F. Galiani and J. Necker. This chapter first analyses these arguments concerning the objectives and methods of a transition to a market economy. Galiani's and Necker's positions in this respect have been too often confused with the conservative attitude (cf. for example Morellet 1770 : 1-2) : it is time to realize that they

2. There is a great body of historical and theoretical writing on Turgot. For theoretical aspects not dealt with in this chapter, the reader may refer to the texts listed in the bibliography (Faccarello, 1990, 1992b, 1996; Groenewegen, 1969, 1970, 1971, 1983)

3. The *Contrôleur général des finances* was the French minister of finance.

were authentic reformers⁴ and that they were trying to promote a prudent strategy for reform (part I : ‘Nil repente!’).

This chapter then examines Turgot’s writing on the subject and restitutes a more precise image — one which is perhaps more surprising — of the thought of the author of *Réflexions sur la formation et la distribution des richesses*. In particular it appears that many of the critiques addressed to him, directly or indirectly, missed the mark ; that he was not the intransigent doctrinarian that his adversaries portrayed him as ; and that, on some points, his thought was not very different from Galiani’s or Necker’s (part II : ‘Tu ne cede malis’).

For a clear understanding of the argument, and by way of a preliminary introduction, it is appropriate to place these debates in context.

1 The context of the debate

At the end of the 17th century, during the darkest days of the reign of Louis XIV, the debate on the necessity of abandoning the detailed regulatory policies of the Monarchy and of allowing free competition in all markets was given a powerful launch by Boisguilbert. It received a great and decisive impetus from the 1750s onwards, reflected in a striking increase in the literature on the subject. It is well known that one aspect in particular was especially controversial, that is, the functioning of the grain market. Boisguilbert’s free trade ideas and their theoretical underpinnings were nevertheless more and more accepted and they eventually formed the analytical basis on which Physiocratic theories were built. They also provided the foundations for the theories of authors who, like Turgot, without necessarily sharing all the opinions of the ‘secte’, played an important role in the fight for free trade and the repeal of all — or almost all — the legal and regulatory rules (of an enormous variety) which literally shackled the French economy.

4. The word ‘reformer’ is more appropriate here than the all too frequent ‘liberal’ : the latter constitutes an anachronism and inevitably conveys 19th and 20th centuries ideas which do not fit the period prior to the French Revolution.

Economic policy and enlightened opinion : some basic facts

This fight for free competition met the favour of the majority of enlightened people and of general opinion at the end of the 1750s and the beginning of the 1760s. One book in particular rekindled the debate : Claude-Jacques Herbert's *Essai sur la police générale des grains* (1753), which for years proved to be the main reference.⁵ The movement was also strongly backed by the prevailing agromania and supported by the first members of the newly-founded Physiocratic school. Eventually, liberalization measures were taken.⁶ First, H.L.J.-B. Bertin, at that time Contrôleur général des finances, convinced of the necessity for urgent economic reforms, proposed a 'Déclaration' allowing free domestic grain trade which was adopted by the Conseil on 25 May 1763. Bertin soon had to resign (1763) as Contrôleur général but his fall was not a disgrace. He remained a member of the cabinet until 1780 and thus continued to have some influence on economic policy. The new minister of finances C.C.F. de L'Averdy, whose nomination permitted the registration of the Déclaration by the Paris Parliament,⁷ pursued the work of his predecessor. On 18 July 1764 an 'Édit du Conseil' instituted a regime of free foreign trade for grain subject however to certain limitations. While the stipulated restrictions were added by L'Averdy, the substance of the new law was in fact due to Trudaine de Montigny, Turgot and Dupont.

Thus one of the most important objectives of those in favour of free trade seemed to have been reached, though only in part. In fact, some impediments were voluntarily or involuntarily maintained⁸ and these constituted permanent obstacles to free competition. In the meantime persistent high prices, partly due to bad harvests, prevailed. Some argued that this could be attributed to

5. Six editions of this book were published between 1753 and 1757. Beginning as a short study (53 pages in-8° in 1753) the *Essai* turned into a much bigger book from the 4th edition (1754) onwards. It was still very frequently referred to at the beginning of the 1760s.

6. A law prepared by Daniel Trudaine and C. J. M. Vincent de Gournay in particular, and promulgated in September 1754, is sometimes seen as the first measure of liberalization (Weulersse, 1910, vol. I : 32). However it does not deserve this evaluation (Depitre 1910 : XXXVIII-XXXIX ; Kaplan 1976, chap. III, § 1).

7. It should be noted that the parliaments — the most important of which was that of Paris, whose jurisdiction was extremely wide — were Courts of Justice, and that positions were purchased.

8. For example many rules and privileges, especially concerning the supply of food to towns, were not removed.

the 1763 and 1764 laws. On the other hand followers of free trade ideas blamed the remaining obstacles which, they asserted, were preventing the achievement of free competition and the realization of its advantageous effects. The fear of food shortages along with the agitation and recriminations of the people did not stop but rather increased during these years. Following a well-established tradition, this situation provided the Parliaments with an ideal field to contest royal authority.⁹ At the end of 1769 the nomination of Joseph-Marie Terray¹⁰ to the *Contrôle général* inaugurated a period of retreat as far as economic policy was concerned, and a year later, on 23 December 1770, an ‘*Arrêt du conseil*’ practically repealed all the liberal measures promulgated during the preceding decade.¹¹ Things then remained unchanged until Terray was dismissed and replaced by Turgot four years later. A new policy was then implemented from September 1774 until May 1776, framed by the ‘*Arrêt du Conseil*’ of 13 septembre 1774 which re-established internal free grain trade and by the six edicts of March 1776, the two main ones of which established the freedom of labour by abolishing the ‘*jurandes*’ (the trade communities) and the royal ‘*corvée*’.

As regards the reception of economic theory, a similar evolution took place. General opinion had undergone a great process of change and was progressively turning again in favour of state intervention and regulation of the grain trade. Physiocracy was no longer fashionable and, once its novelty attraction had faded, the dogmatic discourse of the *Économistes* began to bore and above all irritate greatly not only all those who represented enlightened opinion but also authors who, like Turgot, were in close theoretical sympathy with Quesnay, Mirabeau, Dupont and Baudeau. The journal of Physiocracy, the *Éphémérides du citoyen*, was short of articles and experienced increasing editorial difficulties : this is why at the end of 1772 the government did it a kind of involuntary favour by ordering that the publication should stop.¹²

9. On the important question of the role of the Parliaments during this period see Egret (1970) and Kaplan (1976).

10. 21 December 1769. Terray took the place of Etienne Maynon d’Inveau (J. C. Ph. Trudaine de Montigny’s father in law) who himself replaced L’Averdy in 1768.

11. On all these events which marked the last two decades of the reign of Louis XV, see the classic study by Weulersse (1910, vol. I : book I, and vol. II : conclusions of book V) and the books by Kaplan (1976, 1984).

12. See G. Weulersse (1959, chap. I). After Turgot’s nomination to the *Contrôle général*, and under the title : *Nouvelles éphémérides économiques*, the journal was published again from December 1774 to March 1776 (Weulersse 1950).

In this context, attacks against the ‘secte’ increased from the middle of the 1760s, contesting various theoretical points or discussing the very foundations of liberal ideas or the way in which the doctrine could or should be applied to the economy. However these publications were dissimilar and written from highly different points of view. Some constituted nothing more than a mere reaction in defense of the old rules governing markets and the traditional intervention of the French government in economic affairs, especially as far as food was concerned. On a different basis, others attacked instead the very aim of the free-trade doctrine : the overall transition to a market economy.

Rift within the reformers’ camp

A third group of writings is more interesting for our concern. Their authors broadly shared the preoccupations of the liberal current of thought and were themselves reformers. But they disagreed with the Physiocrats and their friends over the interpretation of the first principles of the doctrine, and above all with the way in which their opponents were supposed to conceive the implementation of laissez-faire : it was their contention that the Physiocrats and Turgot were nothing more than unrepentant and dangerous doctrinaires advocating a direct, immediate and concessionless application of their clearcut ideas of unlimited economic freedom. Of course this set of writings gave rise to controversies in which not only the Physiocrats were involved (P.-S. Dupont and N. Baudeau in the first place) but also Turgot, Morellet and Condorcet. Among the authors of this third group, two especially are interesting : Ferdinando Galiani and Jacques Necker, who, through their careful analyses and the important role they played for different reasons, allow us to grasp the nature and the strength of the arguments. On the one hand the Neapolitan abbé¹³ possessed a decisive influence on enlightened opinion of the late 1760s and the early 1770s : Diderot himself provoked the composition of Galiani’s *Dialogues*

13. The bibliography on Galiani’s life and work is immense (see for example L. Guerci, 1975a) and of variable interest. As far as the problems dealt with here are concerned, the main references are to be found in the selected references appended to this paper. A summary of the present knowledge on Galiani’s life can be found in Diaz (1975). Galiani’s correspondence is an essential complement to the study of his writings. Unfortunately, a reliable and complete edition of this correspondence does not yet exist : on this point, see for example Nicolini (1964), Bédarida (1975) and Guerci (1975c) ; Dulac and Maggetti are however currently publishing the letters exchanged between Galiani and Madame d’Épinay (see Galiani/d’Épinay, 1992-...).

sur le commerce des blés (1770) and, with the aid of Louise d'Épinay, improved its French and took care of its printing after Galiani's recall to Naples for diplomatic reasons (see Galiani 1769). On the other hand Necker, the Genevan banker, was not only later to be in charge of French finances at crucial moments in the history of the Ancien Régime but also published important writings in the field of economics and politics;¹⁴ for our period and subject, two of his books are of particular importance : *Éloge de Jean-Baptiste Colbert* (1773)¹⁵ and *De la législation et du commerce des grains* (1775);¹⁶ to which we can add the celebrated *Compte-rendu au Roi* (1781) and, for its long 'Introduction', the voluminous treatise (and best-seller of the time) entitled *De l'Administration des finances de la France* (1784).

Thus the camp of reformers was more or less clearly split into two parts.¹⁷ Hostilities broke out, two episodes of which are worth noting since they give a good idea of the prevailing intellectual climate of these years. The first concerns Galiani's *Dialogues* which were initially prevented from being published. However, after Terray's nomination to the Contrôle général the book could come out on the market and even be distributed with the aid of the government; at the same time the authorities sent Morellet's 1770 *Réfutation* of Galiani (written at the instigation of Trudaine) to the Bastille where it remained until the advent of Turgot.¹⁸ The second episode deals with Necker's 1775 book which

14. See Égret 1975 and Harris 1979; see also Grange 1974.

15. The book won the prize of the French Academy and this literary prize greatly contributed to the intellectual and political fame of the author. Buffon, for example, publicly praised the *Éloge*, which somewhat irritated Galiani who claimed priority for his *Dialogues* as far as objections to the unlimited freedom of trade were concerned (see Galiani's letter to Mme d'Épinay, 22 January 1774, in Galiani 1881, vol. II : 289).

16. More than a year after the publication of the book — and just after the nomination of its author as Directeur du Trésor royal — Galiani wrote a letter to Necker to emphasize their — almost — complete community of views : 'Know that everything you do I will have the sweet illusion, I, of having done it myself. There is . . . such a unison in our minds that for everything you have said on the subject of political economy, it has always appeared to me that I should have said it, that I could have, and that I had thought it. This then is my estimation of your unrivalled book on corn that you wished to have' (Galiani 1975 : 1135).

17. In fact, Morellet fought hard against his former friend Galiani and wrote seriously to him that he considered the *Dialogues* as 'the most dangerous writing ever published against free trade' (1 May 1770, in Morellet 1991 : 132).

18. Other attacks on Galiani's *Dialogues* came from the proponents of an unlimited freedom of trade. *Les Éphémérides du citoyen*, of course, took an important part in the debate. In 1770, moreover, two critiques were published : the abbé Roubaud's *Récréations économiques, ou lettres . . . à M. le Chevalier de Zanobi, principal interlocuteur des 'Dialogues sur*

was published at the very moment when extensive riots, known as the ‘guerre des farines’ (‘Flour War’), were breaking out all over the country, demanding traditional grain market regulation and thus threatening Turgot’s policy; on that occasion Turgot provoked a new polemical essay (Morellet 1775) and Condorcet published his first economic writings.¹⁹

These considerations highlight the differences between those who believed in the necessity of a transition to a market economy. Various positions were advocated and authors did not necessarily stick to the opinions adopted by them at one time. Diderot, for example, was first a supporter of many of Quesnay’s views²⁰ and, in 1767, an enthusiastic proponent of Pierre-Paul Le Mercier de la Rivière’s book : *L’ordre naturel et essentiel des sociétés politiques*; one year later, however, he was extolling Galiani’s ideas and, as a reply to Morellet’s *Réfutation*, worked on an ‘Apologie de l’abbé Galiani’ (Diderot 1770) which remained unpublished at the time :²¹ all this did not however prevent him from continuing to collaborate occasionally on the *Éphémérides* and to discuss Physiocratic ideas calmly. Turgot’s attitude, on the contrary, proved much more inflexible and Condorcet’s struggle against Necker was merciless.²²

le commerce des blés’, and Le Mercier de la Rivière’s *De l’intérêt général de l’Etat ... avec la réfutation d’un nouveau système publié en forme de ‘Dialogues sur le commerce des blés*’. Galiani immediately thought to make fun of Le Mercier de la Rivière’s book and wrote a parody which however remained unpublished at the time (Galiani 1770d). On these debates, see the historical accounts by Nicolini (1959 : 423-519), Koch (1968b : 316-341) and Kaplan (1979).

19. Condorcet’s *Lettres sur le commerce des grains* (1775) were probably deliberately intended for publication, as an antidote, at the same time as Necker’s book. In this year, 1775, two other contributions by Condorcet showed the vivacity of his reply : ‘Monopole et monopoleur’ and *Lettre d’un laboureur de Picardie à M. N. [Necker], auteur prohibitif à Paris*; they precede a much longer work : *Réflexions sur le commerce des blés* (1776).

20. In the *Encyclopédie*, the article ‘Laboureur’ (1765) is usually attributed to Diderot.

21. He did however publish an article (Diderot 1771) to introduce Galiani and his *Dialogues* to the enlightened European public. On the relationships between Diderot and Galiani, see Nicolini (1959 : 400-410) and the well documented article by Dieckmann (1975); see also the contributions by Venturi (1960 : 184 & sq.) and Koch (1968b).

22. Voltaire’s attitude is also typical in this respect. While he made fun of some aspects of Physiocratic writings in general and of Le Mercier de la Rivière’s 1767 book in particular, and while he found Galiani’s book witty and, in substance, agreed with the main ideas of liberal doctrine (see for example his letters to Grimm and to Turgot, both dated 12 January 1770), he was greatly irritated, on the contrary, by Necker’s 1775 study, the publication of which induced him to end his relationship with the banker (until — of course — Necker’s nomination as Directeur du Trésor royal!). On Voltaire and Galiani, see also Pomeau (1975).

Part I. 'Nil Repente!'

2 The relativity of the principles of political economy

A transition to a market economy constitutes first and foremost an economic reform. Hence, the discourse of the proponents of a total and rapid liberalization of economic structures and exchanges was conducted in terms of stability and efficiency, especially as regards the main market of the time, that of agricultural products. Not only was freedom supposed to stabilize the price of 'corn', stabilizing it at a profitable level and eliminating grain crises; it was also supposed to provoke the adoption of better production methods and to determine a progressive and cumulative increase in general wealth. Concepts of liberty, property and, as a consequence, free competition formed the basis of the construction. But a question inevitably arose: was it wise to rely blindly on these concepts? Could these principles be applied uncritically in an attempt to reshape the existing economic order? Galiani and Necker in particular did not think so; in their opinion, these concepts should be understood in a relative way and implemented with the greatest care.

On the fundamental principles of the free trade doctrine

This opinion was first grounded in the conviction that circumstances can occur in which the basic tenets of political economy prove to be conflicting. It is especially untrue, Galiani and Necker noted taking up an old idea, that private interests and public good always go *pari passu*.

Property and liberty, Galiani asserted in his *Dialogues* through one of the protagonists, the Chevalier de Zanobi, are certainly 'sacred rights for men' (1770 : 189). Nothing should trouble them, he continued, except 'ties which link us to society' or, in other words, except that which concerns 'the general interest or damage' with which politics deals. If nothing harms private justice and the general interest, then (but only then) man

benefits from all his rights, is free and once more becomes an owner : I know of no power on earth which can deprive him. Neither the caprices of a despot nor the speculations of a metaphysician, neither the insane cries of the multitude nor the ill-founded fears

of a government . . . have any legitimate right . . . to interfere in our business. (ibid.)

The nuances of this discourse are apparently not innocuous and the stress put on the ‘ties which link us to society’ and on ‘the general interest’ is grasped by the person the Chevalier addresses and who exclaims : ‘Do you hear the exceptions he added to rights of property and of liberty?’ They can, he remarks, ‘lead us a long way’. But, as a matter of fact, they only led Galiani to propose a moderate foreign trade regulation. His aim, he often stressed to his correspondents,²³ was not to forbid foreign grain trade; but, owing to the uncertain existence of a permanent exportable agricultural surplus (a recurrent problem in the *Dialogues*), simply to ‘subordinate’ French foreign grain trade to the domestic circulation through a system of taxes on imports and exports of ‘corn’ and of some derived foodstuffs.²⁴

Necker approved of this. Has trade to be free? Yes, he answered, because nothing can ‘equal the activity of self-interest’ and because, for their happiness, men must not be ‘unnecessarily hampered’. But, he specified, this principle does not form ‘an infallible guideline’ and one must not give up the idea of ‘putting it within limits if the public good requires an exception’ (1773 : 33). Here again, it must be said, this ‘limit’ is not very strong (1775 : parts III and IV)²⁵ even if it proved at times more noticeable than Galiani’s : while Necker accepted a slight regulation of the foreign grain trade, he also admitted, for example, direct government intervention on the grain market in case of serious crisis (ibid., part III : ch. XII, and part IV : ch. VI-IX), which Galiani always refused for an large country like France (Galiani 1770b for example).

23. See for example his letters to Morellet, 26 May 1770 (in Galiani 1881, vol. I : 155-157), and to Suard, 15 December 1770 (ibid. : 321).

24. Galiani’s interventionism is extremely moderate (see also his early position in favour of the *non fare* : 1758 : 340). In his opinion public granaries do not constitute a solution to the problem because, in a country like France, they are synonymous with despotism and inefficiency. See Galiani’s long and witty letter to Morellet, 26 May 1770 (in 1881, vol. I : 151-160). In a later text, however, Galiani drew a distinction between two very different kinds of public granaries : still rejecting the usual *annona*, he stressed the usefulness, in the case of Genoa, of some kind of *magazino di precauzione* (Galiani 1773 : 736-739).

25. Morellet himself did not stint in exploiting the ‘contradiction’ he believed he had uncovered between Galiani’s and Necker’s principles, which according to him was dangerous for the free trade doctrine, and the concrete proposals of these authors, far removed from those the reader might expect after such entries into theoretical matters. He made this ‘contradiction’ the main axe of his critique of Necker (Morellet 1775). It should nevertheless be pointed out that Morellet curiously minimised the interventionism of the Genevan banker.

It must also be said, however, that such a discourse can be found in the writings of radical reformers when, for example, they deal with externalities. But the proponents of a prudent strategy for reform tried to go further and to integrate these statements in a broader context. An attempt (see Necker 1775) was to put forward a purely social and conventional concept of property. Morellet considered this line of thought extremely dangerous and susceptible to justifying all kinds of arbitrary decisions (1770 : 98-111 ; 1775 : 12 & sq. ; 1821 : 173). The 'property argument', however, was not so decisive in so far as this conception of the foundations of property could perfectly well be shared by a radical reformer as well. Other considerations were consequently needed to back up the initial qualification of the free trade doctrine.

In this respect, Necker developed another argument based on the idea of the incompleteness of economic theory. In his opinion, the kind of restrictions described above were also grounded in the fact that economics was by that time a recent field of study the object of which, moreover, raised new and difficult questions because of its complexity. 'There is only one truth ... in political economy as in every other science', he acknowledged ; 'but who can be sure of attaining it ? Who can grasp completely this troubled mass of feelings, passions and wills' (1775 : 149) which motivate human beings in economic behaviour ? Who is capable of establishing causality links out of great amounts of economic facts and data ? 'Sometimes one sees entirely different consequences induced by the same principles ; sometimes these consequences provoke such reactions that they seem to act as a primary cause ... ; eventually one sees contrary events to be the effects of the same axioms' (ibid. : 8). One can thus easily understand why, in this context, theoretical thinking and the enunciation of practical rules are not easy tasks.

In reaction against the old administrative rules, it is true, some principles had indeed been established, which lay precisely at the foundations of the free-trade doctrine. They were however still incomplete and highly sketchy, Necker argued, and, because of the other missing pieces of this great theoretical puzzle of economics, they were likely to be incorrectly understood.

For example, fundamental passions which produce important consequences for market behaviour were still left aside by the theoreticians who wrongly thought that they could be neglected and thus only focused their attention on a

small set of alleged fundamental principles (*ibid.* : 151) : they ‘too often neglect all the details’ whereas the latter contribute decisively to the overall working of the economy and, moreover, like all the ‘circumstances’ often invoked by him, usually alter the functioning of these ‘huge forces’ selected at the beginning. In this way, Necker concluded, difficulties were by no means overcome but only set aside.

Of course these statements at first sound inappropriate insofar as a powerful passion lies at the heart of the free-trade doctrine : ‘cupidity’, or selfishness. But, as a matter of fact, Necker was criticizing here the neglect of all the other passions such as the common and irrepressible terror of starvation which always gave rise to violence, riots and plunders, and which inevitably broke out on the markets in times of anxiety and troubles. The same was said of the speculative devices, ploys and trickeries of some merchants, which, in given circumstances, were supposed to hold in check the equilibrating market forces.²⁶

We should therefore be wary of great words such as liberty and property, Necker insisted (*ibid.* : part I, ch. xxvi-xxvii) : ‘the wider the meaning they have, the more easily one is led into error, because one cannot decide to impose an exception on them’ (*ibid.* : 67). He consequently warned the proponents of radical reforms that it would be wrong to render absolute the basic principles of economics and that ‘there are truths which are likely to turn into errors’ (*ibid.* : 150). One must not forget the necessary links that these ‘truths’ have with each other and the reciprocal limitations they entail. Just like good and evil, truth and error are relative notions which ‘depend on the degree of wisdom or exaggeration one confers to ideas ; a single word alone simply cannot express the modifications and nuances, and everytime one advocates a single word or an exclusive principle, one runs the risk of being mistaken and going too far’ (*ibid.* : 74). Necker’s arguments remained however at a general level and the theoretical developments he hoped for are unclear.

Galiani, for his part, similarly criticized the over general ideas that create belief in a reality simple in its mechanism and ideal in its automatisms. ‘Now,

26. See also Diderot (1770 : 93-94) for an elegant formulation of this common idea : ‘How is it proved that an unlimited freedom establishes invariable prices? This is only true in abstraction, disregarding the knaveries, the passions, all the trickeries of avidity and all the trickeries of fear’. On the role of merchants in the domestic grain trade, see Necker’s long analysis (1775, part II, ch. I-V : 77-89).

general theories and nothing are almost the same thing', he wrote to L. d'Épinay. 'The Économistes believed that with four rough, vague words and a dozen general arguments they knew everything, and I proved to them that they knew nothing' (6 November 1773, in 1881, vol. II : 274-275). His methodological remarks, nevertheless, outline a rather more precise *problématique* than that of Necker.

The reader initially risks being led astray by the metaphors and vocabulary used. The appeals to mathematics and to the language of the exact sciences to formulate correctly and resolve the problems treated by the moral and political sciences²⁷ can lead to confusion for they use a vocabulary that is today out of date (the notion of function, for example, is designated by the expressions 'undetermined equation' or 'undefined equation'); they also testify to philosophical reminiscences (controversies concerning the calculation of *maximis* and *minimis* and the principle of least action²⁸). They nevertheless affirm or reaffirm two important propositions : first, that every political, economic or moral problem is a problem of maximisation (or of minimisation) under constraint ; and, second, that if the general theories are useful in providing a framework for the argument, they do not allow for precise measures of economic policy to be dictated as long as a certain number of concrete data remain unknown.

The first proposition stems from the opinion according to which, since 'there is no good that is not allied to some bad' (Galiani 1770 : 204), politics, or a 'problem of political economy', is 'the science of doing the greatest good to men with the least pain possible, depending on the circumstances'.²⁹ Is it a case of performing here what is mathematically impossible, in other words a combined and simultaneous maximisation and minimisation ? Examples prove that it is nothing of the sort³⁰ and that it is a problem of extrema under

27. See for example Galiani 1770 : 205 ; 1776 ; 1782 : 15-16n, 17-18, 22, 35 n.1, 266-267 n.2 ; see also Galiani's letter to L. d'Épinay, 6 November 1773, in 1881, vol. II : 276.

28. Controversies in which writings by Leibniz and by Maupertuis in particular played an important role.

29. To L. d'Épinay, 6 November 1773, in 1881, vol. II : 276. 'Every moral question . . . is a composite problem always amounting to how, in a given case, one can obtain the greatest good for oneself at the cost of the smallest possible injury to others, or again how one can obtain the greatest good for other men at the cost of the least trouble to oneself' (1782 : 16-17).

30. See Galiani, 1782 : 22. See also Diderot's and d'Alembert's *Encyclopédie*. The entry 'maximis and minimis' is to be found in vol. 10, published in 1775.

constraint. It is thus necessary to attend to the formulation with care; ‘when in a problem there are several unknowns’, the author continued, ‘the equation becomes indeterminate, or belongs to the class of problems we call *maximis* and *minimis*, and such in fact are all political problems’ (1770 : 205); ‘every political problem is first of all only resolved by an undefined equation that only finds itself determined when you apply it to particular cases’ (in 1881, vol. II : 276).

These passages have a precise meaning and in fact return to the second proposition mentioned above. ‘It is not because a problem is indeterminate that it cannot be resolved’, Galiani emphasized. ‘It is resolved by means of a general equation, itself also indeterminate, composed of several unknowns and comprising all cases. When the unknowns . . . are specified in the particular circumstances of cases, this equation adapts itself to each circumstance and resolves the cases’ (1782 : 35 n.). The general ‘indeterminate’ or ‘undefined’ equation represents here what, today, we call the theoretical model (or its reduced form) : a model that can only indicate precise measures of economic policy if each time one specifies its environment, in other words if one states and determines concretely its share of constraints and parameters.³¹ Furthermore herein resides all the complexity of the operation as well as the main difficulty presented by the ‘problems of political economy’, for it is still necessary to select the pertinent elements and to know how to evaluate them.

Galiani returned several times to this question. In a dissertation dedicated to Genoa, he defined political economy as a science that amounts ‘to applying very simple general theories to very complicated specific cases’, and declared that he who believes he possesses this science ‘through only having understood the theory, is a fool’ (1773 : 735) : one must above all know how to implement and apply these theories, which call upon a thorough and detailed knowledge of each situation envisaged (*ibid.*). ‘You ask’, Galiani wrote to L. d’Épinay (6 November 1773, in 1881, vol. II : 276),

31. In a sense, this conception is taken up later by A. T. Vandermonde (see Faccarello 1989 : 90). Diderot (1770 : 87) interpreted Galiani’s critique of general principles — and their defense by Morellet — as an important methodological opposition between a modern empirical and scientific attitude (Galiani’s) which starts from specific facts to discover more general concepts and laws, and a dangerous theoretical apriorism (Morellet’s). This clear-cut opposition is obviously not true (especially if it is noted that most radical reformers based their theory on a form of empiricism : that of Locke and of Condillac). On Galiani’s epistemological approach, see also his 1767 manuscript *De l’opinion*.

if it is good to grant total freedom to the export of corn? This general problem is only resolved by an undefined equation. You then ask if free export in France should be granted for the year 1773. Here the problem is determined, since you determine the country and time; and the same equation, applied to the determined case, will sometimes give you the affirmative . . . and at other times the negative’.

Four basic qualifications

Now, is it possible to go further and to explain more concretely why some of the ‘truths’ of the free trade doctrine are likely to turn into errors and why the basic concepts of political economy should not be interpreted as timeless truths which could be valid whatever the place and the period? The considerations here deal ultimately with the parameters and the constraints just mentioned, that is with the concrete and specific features presented by the economic, social and political environment in which the economic policy of the transition process has to be worked out and implemented. They entail important practical and theoretical consequences which, in Galiani’s and Necker’s opinion, eventually result in a serious qualifying of the (unlimited) free trade doctrine : ‘in the field of political economy, a single change makes an immense difference’ (Galiani 1770 : 20).

The first necessary and significant qualification consists in a — so to speak — geopolitical determination of the limits within which the basic concepts of economics ought to be understood. As far as corn trade is concerned, for example, and following Galiani’s developments, most of these limits can in fact be discovered if we consider two sets of constraints : first, the area covered by the country and its geographical and political situation compared with that of the surrounding states; second, the nature and the quantities of disposable resources in the country, and above all the situation of the corn-growing land with respect to communication routes and to the borders of the state.³² Briefly

32. The analysis appears in various parts of the *Dialogues*. See for example *ibid.* : 20-22, 35 & sq., etc. It is important to note that Galiani’s position is not one of historicism. It mainly consists in an analysis conducted with a set of criteria : two political criteria respectively linked to sovereignty and to the form of government (see hereafter); and a geographical criterion based on spatial economics (on this last point see Dockès, 1969, part II, chap. V).

stated : ‘a good legislation is always the one which suits the constitution, the forces and the nature of each country’ (1770 : 237 ; see also *ibid.* : 86).³³

A small sovereignty like Geneva, for example, did not possess any fertile land and was surrounded by large and powerful states which could suddenly and rapidly starve it through blockade. In such a small country, Galiani asserted, the grain trade is necessarily a highly political question. As a consequence, this strategic trade should not be left to private enterprise and the government should take charge of it. The legislator could do so quite easily and without waste since the small number of citizens allows an exact forecast of needs and an efficient management of public stocks. ‘When [corn] supply concerns politics, it ceases to be the object of trade. The [public] corn granary will doubtless be expensive, but it will be a necessary expense, as is that of the troops and like all those that are important to the safety of the state’ (1770 : 42). On the contrary, a vast state like France with abundant land and a large population should not adopt this kind of policy : in such a country the grain trade can be left without harm to private initiative which always proves more rapid and more efficient than a public administration. Government should also avoid intervening in markets. Its only preoccupation should be to ensure liberty and to institute a foreign grain trade regulation if, for example, corn-growing land is located on the boundaries of the state. But it has to avoid the implementation of this type of regulation if this land is situated in the interior of the country, and provided that the existence of an exportable grain surplus is ascertained.³⁴

Necker took up this argument in a rather allusive way.³⁵ He insisted however on a second noticeable limitation to the basic principles. He expressed the opinion that if the liberal foundations of economic policies are eventually always preferable to regulation, the grain trade constitutes the only exception

33. As a result of some general analogies between the developments of Galiani’s theory and the constructions of Vico or of Montesquieu, on the other hand, attempts have been made by commentators to link Galiani’s thought to his Neapolitan, French or Scotch philosophical environment : see for example Croce 1909, Nicolini 1952, Tagliacozzo 1968 and Larrère 1992 ; these points of view are however partial and controversial and the question still needs to be studied seriously.

34. Following the same line of thought, the case of the province of Genoa (Italy) is also examined in a further memorandum (Galiani 1773).

35. ‘A grain regulation’, he wrote, ‘which in a country apparently results from the laws of nature would turn upside down another country with less fertile land, a different situation and governed by different customs’ (Necker 1775 : 8 ; but see also 26-27).

to this general rule. It would certainly be a nonsense, he admitted, to regulate the majority of market transactions : ‘this would replace the active and zealous glance of self-interest with the apathetic one of administration ; this would mean showing the merchants a road they could find themselves perfectly well and whose choice, depending on an infinity of combinations, can never be made by the legislator’ (1775 : 73). The legislator has to confine himself to ‘installing barriers at the edges of known precipices and then to allowing people stroll as they like within the common space’ (ibid.). But if price and quantity movements of most commodities are not generally of great importance, the case of agricultural products is fundamentally different because they must provide food and work for the nation through their production, transformation and marketing. And it is Necker’s opinion that this position is tightly bound to the only indelible prejudice of the people. ‘What a principle ! . . . Thus people’s prejudices make the rule ! They will doubtless make it each time that prejudices are part and parcel of their own nature’. But, Necker soon added, ‘one must not be afraid of this truth ; the people will always have only one vigorous and powerful feeling, the only one which cannot be defeated by the administration : that which is connected with their subsistence’ (ibid. : 62).

A third qualification of the understanding of the basic principles of political economy is still more fundamental. It deals with a delicate theoretical point : the analysis of disequilibria and of the stability of economic equilibrium. The argument, developed by Galiani, focuses on the working of the forces and the length of the period of time necessary to return to the point of equilibrium after a disruptive shock has taken place. In agreement with the free-trade doctrine, Galiani asserted in substance that the stability of equilibrium is certain, provided free competition prevails. He stressed immediately, however, that this process of return to a state of equilibrium is complex and always lasts a long time. The time needed may be longer than that men can endure : hence it is not surprising if important problems are likely to arise in the meantime.

Nature, Galiani insisted, ‘does not take care of us . . . and we do have to mind her’ (1770 : 209). ‘Without doubt’, he explained, she ‘always comes back faithfully to the laws her Creator gave her to last eternally. Without doubt, she places everything once again in equilibrium’ (ibid. : 209) : this is ‘a brilliant idea in the mind of a metaphysician’ (ibid. : 210). Unfortunately, however, ‘the length of the return periods’ is never taken into account by this ‘metaphysician’

and this is obviously a big mistake because, as for us, ‘we cannot wait’ (ibid.). Obstacles frequently arise in cases of urgency; needs are pressing and man’s constitution is weak: every ‘practitioner’ knows that well. As a consequence, Galiani stressed, if nothing is more true than the fact ‘that free trade will spread corn everywhere there are consumers and money’, this is true ‘in theory alone because men aim at gain’. But if ‘the theorem goes well, the problem goes very badly’, he added:

be careful that, in practice, it takes time to post a letter in order to spread the news that a town is short of corn to a region where there is plenty of grain. It also takes time before grain arrives; and if this period lasts fifteen days and your stocks are only sufficient for a week, this town remains eight days without bread and for this insect called man eight days of fasting are more than enough to die.’ (ibid. : 211; see also 165-166)

It is thus impossible to trust in nature and in its automatic mechanisms. On the contrary, ‘our task in this world is to fight her’ (ibid. : 210). Political action consists precisely in avoiding or in overcoming all destabilizing shocks and in maintaining an equilibrium ‘which would be that of art, contrary to that of nature’ (ibid. : 238): ‘art corrects nature in almost all respects and ... with time and care it sometimes succeeds in defeating and in controlling her’ (ibid. : 188).

How then to rely on a liberalization policy conceived and led by theoreticians who neglect these essential aspects of things? This would inevitably mean taking the risk of great evils. From this point of view, however, Galiani did not deduce radical consequences (other writers did it instead) and in the end his critique remained extremely moderate:³⁶ we know that, as a proponent of free internal grain trade,³⁷ he only asked for a slight regulation of foreign trade. On this point also Necker made this critique his own (Necker 1773 : 32-33) as well as part of the policy recommendation.

36. Galiani’s general position is restated in an interesting memorandum to Sartine (Galiani 1770c) in which he warned the French government that the repeal of all the liberal decisions taken in the 1760s and the resulting ban on grain exports was a folly. See also Galiani’s letter to Baudouin, 28 November 1772 (in 1881, vol. II : 141 & sq).

37. See especially his very firm position in 1770 : 224-225. The memorandum referred to in the preceding footnote is also of great interest in this respect : see in particular the (liberal) measures Galiani advised to be taken in case of a grain crisis. See also his letter to L. d’Épinay, 13 November 1773, in Galiani 1881, vol. II : 280.

From this analysis there follows eventually a fourth qualification of the basic principles of economics. In Galiani's and Necker's opinion the errors at the origin of the (mistaken) conclusions drawn by the advocates of an alleged concessionless and cautionless free-trade doctrine result from a misapprehension of facts and a lack of experience. This point will be mentioned again below when dealing with the causes of reform failures; it nevertheless entails theoretical aspects which are worth noting here. As a matter of fact, would the *Économistes* otherwise have based their propositions on average prices 'which exist only in reasoning' (Galiani 1770 : 211), i.e. Quesnay's 'prix communs', instead of taking into consideration the only prices which matter, the actual rates of exchange? Would they otherwise have been so ignorant of the genuine characteristics of agricultural countries?³⁸ And would they have also so greatly overestimated the resulting advantages of free trade? On this last point as on the others, only a moderate conclusion can be drawn : 'free trade is a good thing because one must side with liberty each time it is possible to do so and each time this liberty will produce some benefit; but the benefits we can expect are much less than those imagined on this subject by the lively imagination of the *Écrivains*' (ibid. : 225).

3 First threats to reform : vested interests, habits and public opinion

It is Galiani's opinion that the French authors made a mistake when they termed 'science économique' the new field of economics : they should have instead named it, he asserted, 'science politique' (Galiani 1773 : 736).³⁹ Similarly, to analyse the transition process to a market economy as a mere technical question of stabilization, regulation and efficiency would also be a serious mistake. Indeed, as for all major reforms, this process brings into play a determined

38. 'Neither you nor your *Écrivains* have ever seen agricultural countries and your description [of such a country] no more corresponds to the truth than the shepherds trimmed with ribbons, Hylas and Philène, resemble our dirty herdsmen' (Galiani 1770 : 104).

39. In his 'Sermon prononcé le jour de l'an 1770' included in his *Correspondance littéraire*, Friedrich Melchior von Grimm declared, speaking of the *Dialogues* : 'there is no one here who has not perceived that this book is not so much a book on the corn trade as a work on the science of government in general, a luminous and new model of the way in which each question of State must be envisaged and elaborated'. In Germany, for example, the first translation of Galiani's 1770 book was entitled : *Dialogue über die Regierungskunst* (1777).

social and political balance. Moreover, in the present case of a transition to impersonal regulation through market prices and mechanisms, the problem was also in the end eminently political and could imply nothing less than a modification in — or a change of — the regime. The contemporaries often understood what was at stake and expressed it in diverse forms.

Market economy, grain trade and political regimes

In his own way Galiani was clear about this. ‘If you succeed in modifying the corn administration too much in France’, he wrote to J.-B. A. Suard, ‘you alter the form and the constitution of government : this change being either the cause or the consequence of the entire freedom to export’ (8 September 1770, in Galiani 1881, vol. I : 245). In the *Dialogues*, the considerations on the emblematic functioning of the grain market are also unambiguous. Corn, the author argued, was indeed likely to be considered in two different ways. Like all commodities, ‘it belongs to trade and economic laws’; as a ‘necessary’, however, and consequently ‘major concern in the civil order of society’, ‘it belongs to politics and to the “raison d’État”’ (1770 : 33-34). Of course, the two conceptions cannot in practice co-exist simultaneously without damage. How, then, to decide which is the better adapted to the country ?

At this point the geopolitical reasoning reappears. ‘In the small [sovereignities] corn is a matter that belongs entirely to the sphere of politics’, Galiani asserted. ‘In large ones, it could be only a trade concern’ (ibid. : 35-36). But why *could* it be so ? Because the dimension and the situation of the state are only part of the story. The geopolitical criterion has to be completed here in a decisive way by further political considerations. The nature of the political regime prevailing in the country also has — and perhaps above all — to be taken into account : ‘in all government, corn legislation is in tune with the spirit of the government’ (to Suard, 8 September 1770, in 1881, vol. I : 244).

For example, are the inhabitants subject to an absolute despotic power ? Or, on the other hand, do they have political rights, do they enjoy autonomy ? In the first case, they are serfs or slaves ; in the second, they are free. In each of them, Galiani continued, a particular relation to life or to survival inevitably takes shape. The master or the despot are always supposed to feed the slaves or the subjects, and this food is the only thing that these slaves or subjects

can ask for and will effectively demand. ‘Any animal ... that gives up or loses its freedom, ... is in the same instant released from the responsibility of feeding itself. This law is as general as it is eternal’ (ibid. : 216). In the other kinds of states, on the other hand, governments do not owe the free man anything but the very conditions of the exercise of that freedom. ‘Thus ... let us establish that the varying degrees of concern that sovereigns have shown for [corn] supply’ have always been related ‘to the varying degrees of freedom that they accord their subjects’ (1770 : 218).

So it was Galiani’s contention that the edict of 1764, while open to sharp criticism from an economic point of view (see *ibid.*, eighth dialogue), was nevertheless of great political relevance.⁴⁰ After ‘the reciprocal defiance of the people and the sovereign’ (ibid. : 226) which formed the foundation of the former policies, he wrote, confidence eventually came as the essential cog in the machine of the state. And since ‘the pivot has changed’, ‘the entire machine must be changed’ (ibid.). But, it might be asked, to what extent? Once private enterprise is allowed in the grain market, should the government grant entire freedom of trade or should it try to regulate it one way or another?

As a matter of fact, the French monarchical regime was neither despotic nor democratic : it represented a case halfway between these two extremes, which Galiani once called a ‘limited government’.⁴¹ In such a regime, only limited changes are possible. This is why, while enthusiastically accepting the new age of confidence and the free internal trade it implied, Galiani advocated a foreign trade regulation. ‘Under a despot’, he wrote to Suard (8 September 1770, in Galiani 1881, vol. I : 245), ‘free [grain] export is impossible ; the tyrant is too afraid of the cries of his starving slaves. In a democracy, freedom to export is natural and inescapable : governing and governed people being the same, confidence is boundless. Under a mixed or temperate government, freedom can only be of a modified and temperate kind’. As a corollary, Galiani stressed, a complete change in French grain regulation and an alteration in ‘the form and the constitution of government’ inevitably go hand in hand, ‘this change

40. In his view it marked the transition of French people to adulthood : ‘they were minors who had to be fed. Now they are adults, emancipated, they must think about feeding themselves, and their free industry must be the source of their fortune and their opulence’ (Galiani 1770 : 220).

41. To Suard, 15 December 1770, in Galiani 1881, vol. I : 320. The expression is Suard’s : see his letter to Galiani, 14 October 1770, in Nicolini 1959, ‘Appendice decima’ : 553.

being either the cause or the consequence of the complete freedom to export'. To L. d'Épinay, he merely gave a rough outline of his thought : 'The monarchy essentially hinges on the inequality in estates ; the inequality in estates on a low price of food ; and a low price of food on constraints'. Complete economic freedom was to raise the price of corn ;⁴² it therefore was notably to increase the wealth of the peasantry who could thus resist the power of the monarchy and provoke a transition to a republican form of government.⁴³

The fragility of social equilibrium

Whatever one may think of this view, the debate was necessarily broadened. Free-trade ideas now not only included clear political considerations that contemporaries could not be completely unaware of ; but, leaving their strictly economic field, they also turned to a general discourse on reform. The transition to a market economy thus appeared as a particular instance of a wider problem : the determination of the best way of introducing major and successful changes. As a consequence two kinds of discourse, economic and political, were intrinsically intertwined.

Any new economic policy, any outstanding reform, the authors stressed with different degrees of emphasis, necessarily affect the entire social structure. This structure is complex and its composition as well as its equilibrium are the results of history. 'In this immense machine of the political state, . . . everything is connected', noted Galiani (1770a : 245) ; this is why, he added, 'political science is so difficult' (ibid. : 246). Society is but a fragile mixture of divergent interests, Necker insisted, founded 'on a gentle reciprocity of concessions and sacrifices' (Necker 1773 : 34). In this context, the measures for economic liberalization may be seen as perturbing shocks that have extensive repercussions throughout the nation. They disturb the prevailing equilibrium with the risk, Galiani stressed, 'of seeing the entire machine overturned' (1770 : 245).

Economic policy, for example, may well help agriculture if it were 'out of equilibrium' : but certainly not by disrupting the other sectors, which would

42. If only because, for different reasons, the exportable grain surplus was supposed to represent quite a small amount.

43. 2 January 1773, in Galiani 1881, vol. II : 154. See also 22 January 1774, ibid. : 290.

inevitably happen if the measures were to bring about a rise in the price of corn. ‘The upheavals break the links and the springs, and the machine is destroyed. Do you know that I consider this sudden increase in the value of corn as the most violent and most dangerous upheaval that one can give a state?’ (ibid. : 246). From this point of view, a free foreign-trade policy is worse than a revaluation of specie in terms of a unit of account. Indeed, once the devaluation of the unit is known, everyone can take account of this in transactions and, if possible, pass the cost on. But a persistent price increase induced by free exports introduces a period of serious uncertainties and troubles from which many — if not most — will suffer. For ‘who can calculate the change occurring in corn? It varies in accordance with harvests and with exports. One can see that it is more expensive, but by how much? ... One just doesn’t know. So it is impossible to get appropriate compensations. A lengthy succession of years, attempts and tests are needed for such a calculation to be made by all men’ (ibid. : 250). In the end, Galiani concluded, ‘after a terrible upheaval and a whole generation of suffering, bitterness and worry, nobody will have gained anything nor will anything have been done except many pieces of this great machine broken or dislocated’ (ibid. : 249). Galiani’s discourse was rather general. Necker, while sharing the same conclusions, tried (1775 : 37-42) instead to describe precisely what happened during the disequilibrium period and to show that all the groups in society were not affected in the same way by the perturbing shock : there were in fact losers and winners, even if gains were only momentary.

Sometimes however, Galiani admitted, gains can occur in the long run and eventually benefit the greatest part of the population ; but the point is that the welfare of future generations never justifies the torments suffered by the present one. In his letter to Suard (8 September 1770) in which he stressed the political consequences of an important change in grain administration, Galiani commented in his usual provocative way :

a change in the constitution is a beautiful thing when it is done, but a nasty one to do. It greatly worries two or three generations and only benefits posterity. Posterity is only a possible being, and we are actual beings. Must actual beings put themselves out for the possible ones, and be unhappy? No. Therefore, keep your government and your grain. (in Galiani 1881, vol. I : 245-246)

We should therefore mistrust apparently simple remedies such as the unlimited freedom of trade, Necker also insisted : ‘the social architecture refuses this unity of means and this simplicity of conception’ (1775 : 68). This is why, also, an absolute and permanent prohibition of foreign grain trade is just as reprehensible, especially if it is noted that an extremist policy sooner or later necessarily generates its opposite and that ‘the change from entire liberty to total prohibition is an abrupt and violent change, contrary to the principles of any good policy’ (Galiani 1770 : 251).

It is necessary to renounce the concern with the people’s happiness, it is necessary to cease to be interested in maintaining the inner calm and prosperity of the State, or it is necessary to position one’s reflection between these two extremes, continual prohibition and freedom. (Necker 1775 : 122)

Thus, on account of its multiple but sometimes not easily foreseeable results, any reform necessarily encounters obstacles that are likely to delay it or even to cancel its effects. The first obstructions naturally originate in the different ways ‘the various classes in society’ consider the grain issue ; ‘without intending to be unjust, men almost always pay attention to their own interest’ (Necker, 1775 : 8) and react negatively when these interests are damaged. This state of things is of course greatly complicated when vested interests of all kinds consciously try to thwart reforms and to maintain the previous (and, for them, advantageous) economic order. These situations were too frequent and too obvious to deserve a special analysis : Galiani and Necker merely alluded to them in their books. But it is interesting to note that, in a previous memorandum written and sent to the Neapolitan Foreign minister Bernardo Tanucci in 1765, Galiani’s analysis of the French reactions against Bertin’s and L’Averdy’s liberalization edicts is mainly led, precisely, in terms of vested interests.⁴⁴

The other obstacles come from the inertia of the social structure, which mainly results from habits and prejudices. Galiani first took the dictum literally whereby habit is man’s second nature, and he stressed that this habit provokes spontaneous reactions against any innovation. Man, he wrote, is but ‘a ductile material through habit . . . ; out of habit one gives his strengths, his nature . . .

44. Galiani’s 1765 memorandum, along with his correspondence with Tanucci (see especially the letters he wrote in 1764), raise the problem of a possible evolution of his thought. This question cannot however be dealt with here ; but see for example F. Nicolini (1959 : XI-XII) and Ph. Koch (1968a : 13-23).

an extension which initially seemed impossible ; and what is more remarkable, as soon as he has done this, he finds that it is quite natural . . . , that it is his physical state' (1770a : 204). This is why the author made fun of theoreticians who neglected this essential aspect of things and showed too much confidence in the power of reason.⁴⁵ But this is also why the reformer could be led to despair : 'Oh ! how many efforts, worries and sacrifices are still necessary for the administrator . . . when he wishes to make men abandon their habits !' (Necker 1775 : 149). Fortunately, however, this resisting factor also involves hope. A habit takes root and, therefore, one only needs to know how to introduce it : that is precisely part of the art of a legislator.

The strength of public opinion

The political expression that connotated possible resistance to — or more rarely, as will be seen below, wide acceptance of — reforms was first 'opinion' and then 'public opinion', supposedly deriving from the 'people' or from the 'public'. Towards the middle of the 18th century, the concept of public opinion emerged with some force in France from the enduring religious and economic controversies⁴⁶ which progressively undermined the authority and the legitimacy of the king. We know to what extent the notions of public and public opinion, whose content and meaning have greatly evolved, were poorly defined, and that anyone could read into them whatever they wanted.⁴⁷ But whatever the moving and changing sociological foundations were, the essential point

45. In a letter to L. d'Épinay, dated 24 May, 1777, Galiani announces humorously that he had written a work during a coach trip. 'It is done and is perfect, as I have done the titles of the chapters. You only have to fill them in, which is very easy, since they fill themselves. The idea at the origin of this work came after reading Grotius (Oh ! what a raving man !)' (in Galiani 1881, vol. II : 508-509). The general title of the 'work' is significant : *De l'Instinct et des habitudes de l'homme, ou principes du droit de la nature et des gens*.

46. After the pathbreaking book by Habermas (1962), contemporary historical studies on the nature and significance of public opinion have emerged. For our subject, an interesting contribution is Baker's study (1987, 1990). On the 'public sphere', see also Habermas (1990), Baker (1992) and Calhoun (1992). Farge (1992) illustrates the formation and the perception of French public opinion through some historical (religious and political) events and Kaplan (1982) studies people's fears over grain markets ; the contributions by Ozouf (1987) and Chartier (1990 : ch. II) are also of some interest

47. Louis-Sébastien Mercier, who analysed the strength of public opinion in his celebrated *Tableaux de Paris* (1782-1788), nevertheless made fun of 'Monsieur le Public' : 'Does the public exist ? What is the public ? Through what medium does it express its will ?' Mercier wondered how a painter could ever represent this 'undefinable mixture' and described this 'Public' as a man extravagantly dressed with pieces of different costumes pertaining to all

was that, progressively, opinion or public opinion became a sort of unavoidable interlocutor or a kind of tribunal before which affairs had to be debated, the favours of which one hoped for and which one could always try to convince or to manipulate : in short, a new source of power, of political legitimacy. ‘This superiority of public opinion is especially felt in a monarchical state’, wrote Necker lucidly, ‘

because in it the members of society do not have any role to play in the making of laws ; they therefore put all their strength in opinion : they make it into the representative of their wishes and their thoughts ; and they turn it into a tribunal that one is obliged to respect although there be neither soldiers nor constables ; but because it has sovereign control over the two major springs of perfected society, esteem and scorn. (1775 : 87)

Public opinion thus constituted an effective political force that no one (and especially not the reformer) could ignore. Economists in France were well aware of this. Since the times when Boisguilbert and Vauban, having given up the hope of convincing the men in power, had published their work to publicize their views, they started progressively appealing and resorting to it.⁴⁸ As a matter of fact Quesnay and the Physiocrats paid considerable attention to opinion⁴⁹ and Turgot and Condorcet were also highly concerned by this issue (below, Part II). Of course the theme is not absent from Galiani’s writings (even if he did not employ the term)⁵⁰ and it is also touched upon by Necker, first very succinctly in his 1773 *Éloge* and then much more extensively in his 1775 book and subsequent writings. For our purposes, it is thus essential to note the weight that public opinion took on for the reformer.

kinds of social groups or classes. He concluded ironically : ‘You see that this man must think as he is dressed’ (in Mercier 1978 : 349-350).

48. Secrecy over public affairs was a traditional and important rule for the French monarchy. Its transgression was considered as an offence. As late as 1764, a *Déclaration du Roi* prohibited ‘the printing, selling or peddling’ of any writing concerning the finance administration.

49. An anecdote illustrates well the spirit of the times. To a speaker who was arguing that it was the halberds, that is the armed force, that led the kingdom, Quesnay asked : ‘And who leads the halberd, Sir?’ As the speaker did not reply, Quesnay added : ‘It is opinion, it is on opinion that one must work’ (cited in Hecht 1958 : 241).

50. As far as we know, Galiani wrote of the ‘feelings’ of ‘the people’. In the *Dialogues*, he mentioned the ‘public’ (1770 : 128) as referring to enlightened opinion. It should be noted that Galiani once began writing a book entitled *De l’opinion* ; as was the case for many other of his writing projects, however, only a few pages were completed and the work remained largely unfinished (see Galiani 1767).

What does this force express? The analysis can in fact differ considerably depending on the field (economics, politics, religion) under study. A first idea that comes to mind is traditional. Public opinion can be opposed to genuine knowledge : it is then seen as highly uncertain and changing and constitutes an ideal vehicle for all the prejudices diffused in society or at least for all ideas that have not been thought out maturely. It therefore takes on the old meaning of opinion, is sometimes synonymous with error, irrationality, and, in this case, the ‘public’ is often the entire people themselves or, at least, the greatest (and uneducated) part of them. However, a second and very different idea might also be put forward. Far from proceeding from — and leading to — error, public opinion may be enlightened and express a rational thought, a truth. The ‘public’ is then restricted mainly to the ‘enlightened’ public; the borderline between enlightened and unenlightened people of course remains uncertain, implicit, and, moreover, fluctuates with the problems and the authors considered. It can also be said that, in this context, its sociological characterization is of no importance. This second meaning apparently became widespread in French political debates from 1770 to 1780 onwards.

These two broad conceptions may of course be stated with all kinds of nuances, and their possible qualifications are likely to assume a great relevance because they may induce important differences in the nature of feasible reforms and their timetables.

Of course the various meanings of opinion and public opinion can be found in the economic writings of this time (and indeed at times co-exist in a single text). The first meaning noted above often occurs and effectively mainly refers to the mass of the uneducated people. In Galiani’s *Dialogues*, and in a rather fleeting way, it is linked to the state of servitude (or ‘minority’) of the people. In such a case, as already noted, the sovereign implicitly committed himself to ‘feeding’ the people whatever the circumstances. If a problem arose and food was in short supply, the people revolted, ‘suspected fraud and abuses’. And how could such suspicions not arise, since the sovereign is apparently omnipotent? ‘When man has been divested of everything’, Galiani commented, ‘he acquires the right to judge from events’ (1770 : 218). Necker’s 1773 position was not fundamentally different. ‘The multitude of men is quite wild’, he wrote : ‘it is eager to love and to hate’, it lets itself be moved ‘only by simple passions’; without being capable of judging anything whatsoever, ‘it needs a man to

whom it can ascribe its happiness or sadness. Circumstances, a word whose empire is great in the eyes of the careful observer, is a word the multitude never understands' (1773 : 60).

The second meaning of public opinion noted above is far more difficult to find in the writings of Galiani and Necker. It seems touched on in the *Dialogues* where a rather positive picture of people's sentiments, affections and instincts can also be found. But this impression is actually induced by a different conception. As a matter of fact, the people 'do not need to reason', the author claimed : 'they only need to feel and to experience' (1770 : 178). But these feelings nonetheless express a truth and, provided they pay attention to them, the politician and the legislator may rectify — or simply take — a decision in an adapted way. Expressions coming from the people, Galiani explained, are likely to point out when a measure overshoots acceptable limits, and thus indicate when and why a reform will not be accepted : they quite simply express the fact that the bad effects it produces outstrip the good ones. This limit can, of course, be calculated, but only the 'wise man' can do that. 'The people feel it by instinct. The man in charge of public responsibility perceives it with time. The modern writer [i. e. the Physiocrat] never notices it' (ibid. : 205). And to the President in the *Dialogues* who commented : 'As wise men are extremely rare I see that you attach a greater importance to the sensations of the people and of the practices of the persons in charge [of public responsibilities] than to the opinions of authors' (ibid.), the Chevalier de Zanobi (i.e. Galiani) merely replied : 'If you understand me, keep the secret'. The argument is surely polemical, but it would certainly be a mistake to consider it only from this point of view.

Galiani's conception differs therefore from the concept of 'enlightened opinion' to which reference is made in the last decades of the 18th century, on which we traditionally call when we consider political and religious questions and which marks the truly positive side of public opinion. The overall option of the *Dialogues* is different : the truth that the feelings of the people express is not entirely rational, does not result basically from a debate in the public sphere and eventually originates in 'instinct',⁵¹ or in 'nature'. In the end, this

51. 'The people are not absurd and stupid like the Ecrivains, always lavish with their praises, do them the honour of repeating them at any moment. But they are sensitive and, when their necessities of life are affected, they cry' (ibid. : 162); 'they are great calculators

option refers chiefly to Galiani's peculiar ideas on 'nature' and on education⁵² as an extension of 'nature'. 'There is more nature in this world and less violation of its laws than you suppose', he wrote in his provocative *Dialogue sur les femmes* (Galiani 1772 : 635). 'A lot has been said on education and, as usual, it is still a book to be written. A great part of education is an instinct and is therefore nature herself, a necessity, an organic law of our species' (ibid. : 639).

Necker seemed however to adopt the most positive and modern meaning of public opinion when he compared it to a tribunal. The same impression prevails when he claimed that public opinion may be — and even is — more enlightened than the law since it is the heir of centuries of learned thought and experience : 'it is more enlightened, because whereas the law may be the work of a single man who can be mistaken, opinion is the result of the thought of nations and centuries' (1775 : 87). But this characterization was not predominant in his writings of the 1770s.⁵³ A slightly different view in fact prevailed which can be considered as a kind of halfway house between the two clearcut definitions we started from. This third way, whilst emphasizing the negative aspects of opinion, nevertheless makes it play a moderating and regulating role in society, as distant from enlightened reason as was the conception in Galiani's *Dialogues*.⁵⁴ For even if they are often of an irrational kind, Necker explained, the movements of public opinion are not vain ; they often have their roots in an instinctive defence against the 'abuses' linked to property rights in a regime of unlimited free trade. Opinion thereby plays the role of a 'salutary brake', an opportune counterweight. The unlimited freedom of trade, Necker wrote, could only really exist

so long as the opinion fighting against it will prevent its being used according to its own [sole] interest. Without this salutary brake one

through instinct' (ibid. : 179). See also 1770c : 61-62 : 'Do not think that the boorish peasants in the country, the churls in the towns, the farmers, etc., are stupid because they do not speak French correctly . . . These people judge cleverly, calculate exactly and make accurate predictions as to the effects and the duration of a law which affects them'.

52. For some comments on this point, see Guerci 1975b.

53. It is instead developed in his 1784 book (see especially vol. I, 'Introduction' : xxiii-xxv, lxii-lxiv and lxxviii-lxxii for example). Of great interest is also Necker's analysis of the nature and strength of opinion in connection with the nature of the political regime (on this point, see Baker 1987, 1990).

54. On the 'instinct' of the people, see 1775 : 8. In 1784 (1784 : xli) Necker also referred to 'a kind of [infallible] instinct' which he still supposed to be effective in the multitude.

would experience how dangerous it is to incite all the citizens to participate in the corn trade; we shall see what remarkable movements of prices will be the effect of this unbound freedom, if one could practice this with confidence; if all the rich and active men in France could calmly listen to their cupidity without fearing either public scorn or the movements of the people. (1775 : 87)

The times are thus definitely over in which opinion, ‘the queen of the world’, was merely seen as entirely determined by the laws.⁵⁵ Since it constituted an autonomous force that was at once physical (riots!), moral and political, opinion was now conceived of as a possible and dreadful obstacle facing the reformer. Whether it was the refuge of errors and prejudices, or the place where a ‘regulating’ instinct was expressed, or even the site of a kind of wisdom accumulated over time and which made it ‘more enlightened’ than the law, it in any case turned out to be stronger than the law because it imbued everyone from within : ‘it is stronger because it is present everywhere, because it exercises its empire in society and even within families’ (Necker 1775 : 87). The reformer should consequently pay a great deal of attention to it for, Necker specified, when this force expresses itself it rarely does so with calm and serenity.

It is rare that it is moderate in its decrees; it is rare that it stops where it should do so; the impulsion that it needs to become a powerful force and resist obstacles almost always throws it beyond its goal . . . It could be said that public opinion can only act on mores by means of its own excess. (ibid. : 89)

4 Second threats to reform : sectarianism and enthusiasm

It can happen, however, that an influential fraction of the opinion wishes for a rapid passage to a regime of free competition. This opinion is not thus judged any the wiser by our authors : it has merely passed from one extreme to the other and, at the least obstacle, will return in favour of the opposite

55. See for example Herbert (1753 : 10) : ‘Opinion is the queen of the world, and the law is the mother of opinion. Awkward regulations, repeated prohibitions, increased formalities will induce in the minds of all kinds of nations ideas of constraint and of timidity which . . . influence their actions and their thoughts : and the differences we observe between the peoples in a region are only the result of the nature of laws and of the habit of the government.’

opinion. Galiani stressed this inconsistency.⁵⁶ However, more importantly — and it is this point which must concern us at present — the obstacles raised in the way of the reforms can in fact come as much from supporters of these reforms as from the adversaries.

The hasty acceptance of over-general ideas

In contrast to the state of opinion which blocks everything through lack of knowledge and daring, the roots of which are immersed in diffuse ways in vested interests, concern for primary needs, history, or tradition, this second possible state had identifiable and recent causes. It was the achievement of the propaganda by the proponents of an unlimited freedom of trade. It was they who impeded the view that reality is infinitely more nuanced than their schemas maintained, that men have not always lived in error and, finally, that ‘there are liberties which cover the slavery of the multitude, and prohibitions that only serve as an opportunity to exercise its faculties and forces’ (Necker 1775 : 73).

How can one explain this contrived state? Certainly not, Galiani asserted, on the grounds of benefits induced from the policy of the liberalization of trade sanctioned by the laws of 1763 and 1764; for, on the contrary, it was prosperity and the sense of security it engendered that carried the liberal theory and provided it with supporters. Is the sea calm and the wind good? The voyage is a pleasant one.

Sailors never talk of leaving their sails to the wind’s mercy unless they see a vast calm. The general good fortune of Europe, the particular good fortune of France has given birth to the principle of allowing nature to take its course . . . The ideas formulated in the minds of the *Écrivains*, the freedom to broadcast them, the ease they have met in persuading, . . . are the effect of the calm, of prosperity. (1770 : 212)

Next, in order to understand the emergence and the vogue of slogans in support of an unlimited freedom, it was again necessary to remember, Necker observed, that political economy was a new science. In the confusion of ideas that inevitably prevails at this stage, are not the authors naturally inclined

56. See also Necker’s stigmatization of ‘the French fancy’ (1775 : 120).

to succumb to ‘these illusions of self-love, which persuade us we have seen everything, once we have looked for a few moments; and which wreath us with laurel at the beginning of our careers, dispensing us from making them’ (1775 : 151)? Party spirit easily finds a hold here and creates itself as a partial arbitrator ‘who believes even more than he doesn’t know’ (ibid. : 10).

Finally, the general ideas the radical reformers are fond of are often attractive ones and it is this that can constitute their force and cause their diffusion. They are simple too, at least in appearance, since they allow themselves to be summed up in a word or slogan : this is a second major attraction. Confused sentiments play a part in their acceptance, deriving from somewhat irrational bases, that can prevail in the opinion at a given moment and mean certain appellations or slogans are instinctively preferred to others (‘what sentiment made us hate, our spirit banished’, ibid. : 153), thus tending to dictate ill-adapted choices. Freedom of trade presents itself precisely under this guise. For what reason? Rightly or wrongly, the regime of competition is often assimilated to that of personal freedom and well-being, while that of regulation finds itself indissolubly tied to the idea of physical and political constraint. ‘The unlimited love of liberty in political economy and the exaggerated hate for prohibition’, Necker continued, ‘go back to man’s childhood; born in weakness . . ., struck by the long spectacle of his servitude . . ., the name of *liberty* must enchant his first thoughts, and that of *prohibition* appears to him as the sound of his chains’ (ibid. : 72-73). Thus, out of force of habit, the ‘general words that have so often made us happy or unhappy still dominate our opinion and enslave our vote’ (ibid. : 72). For these reasons, received ideas connected to concepts of freedom and competition — or else those, just as received, that are diametrically opposed to them — ‘will always have a major advantage over those’, more apposite but more complex, ‘which need to be explained’ (ibid.).

The destructive effects of enthusiasm and haste

The good intentions of the radical authors, it has to be pointed out, are not generally called into question, at least in public : this is a leitmotiv that is to be found again, despite some exceptions, in the literature of the following decades. Galiani for example, even if he privately treated his opponents as a

‘veritable sect of cranks’ or ‘poor stupid fanatics’,⁵⁷ nonetheless accepted that ‘it is the heart . . . that has outlined the ideas of their imagination’ (1770a : 175). Necker repeated the appraisal, though perhaps in a form that was more politic than sincere.⁵⁸

It is nonetheless the case that these same good intentions are at the origin of a formidable danger : the *Économistes* are supposed to be victims of a sentiment that connects to the fanaticism of virtue. ‘Virtue, the desire to do good, is a passion in us as all other ones’ the Chevalier de Zanobi explains. It is rare, ‘but when it is encountered, it is too violent. It is even more violent than any other’. No contrary passion comes to oppose it and ‘while the spur to good animates us, no rein of remorse halts us’ (Galiani 1770 : 206).

From this flows ‘enthusiasm’ : in other words, plainly put, the fanaticism or sectarianism of the radical reformers;⁵⁹ enthusiasm even more dangerous as it is communicative : ‘one persuades others by the heat of the address, and because one is a virtuous man’ (ibid.). The ‘rogues’, Galiani emphasised, who ‘sooner or later . . . reveal themselves’ are to be feared less than the honest, virtuous man who goes astray : ‘he holds himself in good faith, he wants good and the whole world trusts him on this ; but unfortunately he is mistaken as to the means of procuring this for men’ (ibid.). The generality of the concepts, the simplicity of the ideas, their emotional potential do the rest and it is thus that ‘whole nations [are] deceived by the zeal of a few men’ (ibid. : 61).

Finally, enthusiasm sweeps away all reflection, skipping over the stages. It ‘wants to do everything and to do everything at once’, it ‘never knows how to wait’ (ibid. : 208) : ‘enthusiasm and administration are two contradictory words’. From this, it is enough for the radical theoretician to become an ‘admi-

57. To L. d’Épinay (28 April 1770, in Galiani 1881, vol. I : . . .) and to Suard (8 September 1770, in ibid. : 248) respectively. It is true that Galiani’s letters circulated, with his consent — though within a very restricted circle.

58. He inserted, here and there, treacherous comments. Are there not, he declared, ‘charlatans for all sciences and for all projects’ ?

59. ‘*I am for [liberty] and not against . . .* But I am in favour of it without fanaticism, for fanaticism, or enthusiasm, has never appeared to me good for anything except causing a riot. This is the only difference between the *Économistes* and myself, their principles and mine’ (to Morellet, 26 May 1770, in Galiani 1881, vol. I : 158).

nistrator', or for his ideas to be adopted by a 'mediocre administrator',⁶⁰ for serious complications to arise, leading to a head-on collision with the interests and habits of the different social groups. On this point, Necker's judgment was ironic from the start. Confronted with his own errors, he stated, the radical theoretician will never be at the end of his reserves and will ask, for example, for 'one or two centuries' to see the real impact of the measures taken; and 'if the upturned society refuses this experience, it is accused of impatience; it alone becomes culpable, and the principle still keeps its glory or its pretensions' (1775 : 38).

If we add to the tableau the lack of experience and poor knowledge of the terrain and men that Galiani and Necker attributed to their opponents, one easily ascertains that all these combined features reveal themselves to be fatal. The riots of the spring of 1775 were not totally calmed before Galiani judged severely those in charge of the economic policy.

I hope that this event will have taught M. Turgot and M. l'abbé Morellet to know men and the world, which is not that of the writings of the *Économistes*. [M. Turgot] will have seen that uprisings occasioned by high prices are not impossible . . . He calculated everything and only forgot the ill-nature of men, and the desire that plagues men in office. (to L. d'Épinay, 27 May 1775, in Galiani 1881, vol. II : 406)

Other more concrete points connected to the liberalization policy illustrate in a tangible way, according to Galiani and Necker, the arrant *maladroitness* — if not blindness — of the authors they criticize.

Let us consider once again the liberal policy on corn.⁶¹ Was it not extremely badly conceived? In their haste to set up free circulation and free exchange, did not the upholders of an unlimited free trade reveal proof of naivety in forgetting the borders, in thinking that it was enough for a country to abolish all impediments to external trade without bothering to ascertain if

60. The 'mediocre administrator' possesses a lazy turn of spirit; he 'adopts one or two principles, and submits all his conduct to them; born to obedience and imitation he makes himself a slave of a sole master . . .; he refers everything back to him, and he believes he has the secret of the universe; anxious to govern, and unable to follow the varieties of nature, he orders her to be simple' (Necker 1773 : 37).

61. Other critiques were formulated on the abolition of the *jurandes* and the policy of the freedom of work (see for example Galiani, letter to L. d'Épinay, 13 April 1776). They are however less pertinent.

this measure could be followed by an identical act on the part of its partners in international trade? It would have been necessary, Galiani noted, ‘to make certain of reciprocal treatment’. But, he remarked ironically, ‘it seemed evident to the *Économistes* that the evidence of their evidence would make evident to all nations the evident advantage of free export, and that all would adopt it. None followed, none prepared to do so’ (1770a : 263).

In the same way, the choice of the moment to implement the policy is also crucial : one should act during a period of abundance and calm, avoiding a period in which, for various reasons, there is a shortage of grain everywhere! However, at the time of the 1764 edict, ‘England, the only country in Europe which freely allowed export, protected itself . . . Poland, this great granary of the North tormented by its internal troubles almost stopped its trade . . . Turkey went to war’ and forbade export. ‘Once these three great doors were closed, all the people buying grain fell back on France. She had to confront the whole of Europe’s needs. This is the cause of the present difficulty’ (ibid. : 263-264).⁶²

The same caution obviously applies to internal trade. ‘It is . . . in line with wisdom never to make a new law on grain, when one foresees that circumstances will inevitably cause a price movement, contrary to public wishes’ reiterated Necker after Turgot’s decision to liberalize domestic grain trade. For men ‘will not take the trouble to separate out what comes from harvests and what belongs to the law’. As a result, in similar circumstances, it is better ‘to modify a little what exists, or moderate its abuses with administrative power’. A new law can only be introduced subsequently, when ‘the circumstances that can deliver it to public opinion, or at least protect it at its birth against the affront of the event’ present themselves (1775 : 149).

One immediately thinks here, of course, of the periods of bad harvest. But other circumstances can also act in an even more crucial manner. For example, to pick up a theme that was important at the time, it is well known that the grain trade cannot occur without merchants : it is on them and on their activity that the circulation of corn rests, and therefore the success of the self-regulation of the market. But, constantly suspected of ‘monopolist’ practices

62. See also Galiani’s letter to Suard, 15 December 1770, in Galiani 1881, vol. I : 323-324; and Necker 1775 : 35.

and speculations at the expense of the people, this profession was unfortunately branded and discredited, Necker noted with emphasis, picking up a theme dear to Herbert.⁶³ A simple decree of liberalization or a system of premiums was not enough to give it back the character of respectability which, alone, was likely to induce the possessor of capital to adopt this trade ; it was thus insufficient to assemble the necessary conditions for competition : ‘it is in vain for the law to encourage a traffic over which opinion throws its scorn’ (1775 : 87). Acting on opinion was thus indispensable, but any change of mentality in such a sensitive area could only be extremely slow. A long transition period was imperative and the problem could not be resolved from one day to the next.

Finally, and above all, one must not envisage employing force to repair the damage of an imprudent policy, as Turgot did at the time Necker published his lines. One can rightly say ‘that the principles of justice are unvarying, that one must never submit them to the passions of men, and that, if the people don’t hear reason, it is necessary to bring them to it by force’ (1775 : 61). But what is force in these circumstances, and what actually withholds it? Public authority is nothing when confronted with the rock of contrary opinion. ‘From this moment it has no power ; all error . . . adhering to human nature must be treated as reason’ (ibid. : 62 ; see also 1781 : 97-98).

5 The wisdom of a legislator

Not one of these lessons was retained by the *Économistes*. They wanted to bend ‘the dominant passion of the people’, but this is a task doomed to failure : ‘it is . . . the system that one must combine with this passion which is thus as data in administration’ (Necker 1775 : 62). It is on this same theme that the commentators of the time had welcomed favourably the *Dialogues sur le commerce des blés*. Louis Petit de Bachaumont’s notes in his *Mémoires secrets pour servir à l’histoire de la République des Lettres en France*, dated 9 February 1770, certainly reflect the main choice of the enlightened public. According to Bachaumont, after so many years of dogmatic debate, Galiani finally

63. See Herbert (1753 : 4-7, 13-17). It is Herbert’s opinion that the various laws and regulations promulgated in France since the 16th century and which explicitly targeted the merchants — to say the least — as bad citizens, were greatly responsible for this state of things.

proved that ‘as regards administration, as for all the rest, one can, spiritedly, equally uphold the pro and con . . . and that the best legislator is the one who accommodates himself to the times, to the places, to the circumstances, and whose versatile wisdom, following events, knows how to yield to things’ (see also Diderot 1770 : 90-91).

As a consequence, the legislator must first of all examine the lasting nature of the socio-psychological situation thus depicted. Must he reform this before anything else? Can he do this, and how?

A strategy of prudence

On this point, Galiani’s position seems moderately optimistic. Since, from one point of view, man allows itself to be guided by habit, a slow process of apprenticeship is possible provided one does not scare him. ‘People . . . feel, they experience, they hold on to memories; and distrusting innovations, they similarly distrust the reasons one brings them. But once confidence is gained’, they can shed their prejudices (1770 : 227). From another point of view, the production and diffusion of knowledge can accelerate learning from experience. This is where the ‘true philosopher’ comes on stage : he accelerates ‘the time of corrections. He can well spare a nation attempts and trials made at its own expense’ (ibid. : 87). It is however important to remember that, for the author of the *Dialogues*, a large part of the education of men and women resides in ‘nature’, is an ‘instinct’, and that the evolution of behaviour, if this is not totally ruled out, could only be extremely slow.

Necker was even more pessimistic, at least in 1773-1775. If for him, as we have already seen, public opinion ‘is the result of the thinking of nations and centuries’, there is a place for apprenticeship though this could also only be accomplished over a long period! As to the instruction and the education of the masses, one should not count on this. ‘One must write, the light will come’, he exclaimed, mocking the Physiocrats; ‘with this light, all the passions of the people will change, and perhaps we will be near the happy moment when the power of evidence will govern the universe’ (1775 : 62). But, he added, ‘once this evidence is established between all men who think and argue . . . , it will never have power over the people, whose roughness, blindness and ignorance . . . will never change’ (ibid.). The inevitable inequality of fortune, in fact, will always

prohibit the instruction of those who possess nothing and who must spend their lives working.⁶⁴ It is an illusion to believe that the present action can be rationally expounded to the people and to count on their motivated allegiance : ‘the principles on which one bases the greater part of economic institutions, are so abstract, that the wisdom of these laws can never be demonstrated generally, and they will always need to be defended by time and success’ (ibid. : 149). This discourse was however subsequently changed.⁶⁵

Be this as it may, if fundamental modifications are at least very slow on all fronts, the reformer must possess as primary qualities prudence and moderation ; qualities to which he can add, ultimately, cynicism.

The man propelled by the ‘esprit d’administration’ must have an eye on the state of the forces facing him, their potential co-operation, acceptance, resistance or revolt, constantly keeping an ear open to opinion. In his *Éloge* to Colbert, Necker traced the portrait of the wise administrator. He drew up an impressive list of the required qualities for the function (1773 : 8-9) and defined in these terms the task he assigned him :

to examine institutions and practices ; to see where their advantages end, or their abuses begin ; to reform the one without destroying the other ; to conceive a scheme and lead all circumstances to its goal ; to form new plans, and to advance them without upheaval, without shocking the practical habits and spirits of men, and without producing new resistances by over-zealousness. (ibid. : 47)

These qualities are also currency for Galiani for whom the surest path between two points, the shortest in terms of efficiency, is almost never the straight line. ‘It is not enough to know to what end one wants to bring things’ he indeed specified, ‘one has to know how to get them there’, and this is where the crucial *savoir-faire* of the statesman situates itself ; ‘it is always a question of avoiding movements . . . [that are] over precipitate ; you need to extend the path and waste time’ (1770 : 208).

64. And even if this instruction one day becomes possible, Necker added, ‘is it really certain that this growth of enlightenment will give owners an advantage?’ (ibid. : 63).

65. Necker altered his discourse some years later, after his first ministerial experience (1784, vol. I, ‘Introduction’) : the favour he carried from public opinion has certainly something to do with this. This opinion is then conceived of as enlightened and can even form a guide for reforming action. It judges the administrator in his action and is earned through *confidence* (key word for Necker), which is itself to a great extent . . . the result of prudence and moderation.

A metaphor illustrates the subject in an eloquent way. The science of the management of men, the Chevalier de Zanobi affirms, is like that of working a vessel : it consists in

this sole and unique, very simple and very short principle, *nil repente*, nothing suddenly. To steer the course well one has to go about. This is good, but if you tack too tightly, water enters through the port-holes, the vessel is engulfed by waves and it is all over. You lose the purpose, the means, you lose everything, you perish. (ibid.)

Let us change metaphor. Doesn't the doctor know one must always respect the convalescence of a patient ? Doesn't he arrange for the avoidance of the sudden transferal 'to the open air after a long stay in a hermetically closed room' ? Things are not different in political economy and the edict of 1764 authorizing external trade in corn is an example : 'too much freedom given too soon'. 'Abruptly giving someone the freedom to provide for his own food when for a long period he has not been used to concerning himself with this is a fatal present' (ibid. : 228). *Nil repente*, hammered the author. 'I repeat it and I will repeat it endlessly' (ibid.).

The risk of prudence : the way to renouncement

One nevertheless feels that the position of the prudent legislator, calmly proceeding, circumspectly but surely on the way to reform, however seductive it is, is extremely hypothetical. Can this type of man really be found ? And will not the procedure such as it is depicted here become entangled in the end in the moving marshes of 'circumstances', until it loses its reason and soul ?

The authors accepted the first question and repeatedly stressed the fact that a true reformer must concentrate within him capacities and qualities to an exceptional degree. The great man, Galiani advised, 'must combine qualities that are opposed, extreme, almost impossible to couple ; he must have the fervent desire for good of the virtuous man, combined with the calm and as it were indifference of the wicked' (1770 : 206). If he must 'fervently want', he must not less 'calmly discuss' and 'patiently wait', which, the author specified, would be a miracle. 'Nature often creates a perfect thing ; but two together is rarer work' (ibid. : 207). The portrait of the statesman propelled by the 'esprit

d'administration' depicted by Necker in 1773 is just as eloquent⁶⁶ (1773 : 9-11). This type of man is all the more exceptional since the required qualities are given : the 'esprit d'administration' cannot be learned. 'It is the view, given by nature, that gauges the measure; and for this view, there are no lessons' (1773 : 11; see also *ibid.* : 13).

The second question is even more important. If the social body bends, amends, distorts and modifies what theory establishes according to an ideal type, if the principles 'bow on application : the circumstances, the time, everything can modify them' (Necker 1773 : 11; and *ibid.* : 53, note), doesn't the good administrator risk being transformed into a good manager, in other words finally ceasing to be a reformer? Doesn't he risk even more being left with only one 'quality', albeit very ordinary : the cynicism of men in office? 'In vain do you praise your Chevalier for moving away from enthusiasm', Morellet wrote to Galiani. 'My dear abbé, do you know that this maxim is precisely the one tyrants preach' (1 May 1770, in Morellet 1991 : 128)? Suard himself, close to Necker and to Galiani, found the prudence of the *Dialogues* disabling : 'is it really true that it is necessary never to attempt any change in an imperfect government, for fear of civil war? . . . Would not the fear of inflaming civil war through wanting to reform some abuses . . . lead to perpetuating the barbarities of the most barbaric laws?' (to Galiani, 14 October 1770, in Galiani 1770b : 553-554).

When Turgot acceded to the ministry, Galiani expressed his doubts as to his chances of success. If Turgot continues in power, he wrote, 'he will prove what to this day has been problematical : whether a perfectly honest man, all truth, all reason, all philosophy, can be Contrôleur général. I am of those who doubt this possibility, and I have conceived a hatred and scorn for humankind so unequivocal that my heart, whilst wishing him well, cannot prevent itself from trembling' (to Bombelles, 29 October 1774, in 1881, vol. II : 360). At the time of the riots which followed the liberalization policy, he asserted that the 'first problem to solve' for a reformer is to stay in office, and even to 'work unceasingly to stay in office so as to do good to people longer'. This is why — the logic of the argument goes far — 'if some good that he would have liked

66. Even if the aim of the operation consisted in the event of showing that this type of man can exist : if Colbert was one of these, does not the *Éloge* suggest that Necker was another?

to do exposes him to losing it, he must sacrifice this outright for his existence' (to L. d'Épinay, 27 May 1775, *ibid.* : 405-406).

The dilemma seems inevitable. In the course of the events that marked French politics, the serenity of the *Dialogues* disappeared allowing an embittered cynicism to penetrate. Our period, unfortunately, 'makes the cures as intolerable to us as the ills' Galiani lamented. Thus the portrait of the good statesman indeed perceptibly changes!

I believe . . . that the dullest man would be the greatest man of our age, since he would leave all the ills in existence (which is what is required), while always giving himself the appearance of curing them (which is required too). Turgot, who seriously wanted to cure, has been overthrown; Terray, who frankly said he wanted to cure nothing, has been cursed; a dull man would say everything Turgot said, and would do everything Terray did, and this would work miraculously. (9 November 1776, *ibid.* : 481)

Nonetheless Galiani warmly greeted Necker's coming to power, and his prudence : the Directeur général des finances was right to begin 'with dull routine ideas'; all this permitted the thought 'that he will stay in office for a long time, that he will do as good a job there as it is possible to do'.⁶⁷ A few years later, however, Necker suffered the fate of Turgot; the cynicism faded allowing despair to appear :

the resignation of M. Necker puts me in such a bad mood . . . Is it possible to find neither enlightened century, nor amenable nation, nor sovereign courage, nor time, nor moment, where the great man can remain in office! . . . Must there be an eternal law . . . delivering men to the wicked and the idiots, and forever excluding the heroes. If this law exists, we must bend our backs and stoop our heads; if it does not exist, I will curse the parliaments, the intendants, the schemers, the intriguers and the understanding-nothing for having committed this massacre. (9 June 1781, *ibid.* : 618-619)

The cup is full. The strategy of prudence had not, or not yet, led to total surrender, to the abandoning of all idea of reform amongst its promoters, but its efficiency was no longer as obvious and one might fear the outcome to be counterproductive. Necker, perhaps, had had a foreboding of this when he commented that 'the various administrators of the *chose publique* tend sometimes to an . . . excess', contrary to that of the over-rash reformer; 'used to

67. To L. d'Épinay, 8 February 1777, *ibid.* : 495. See also Galiani's judgment on Sartine (1 June 1776, *ibid.* : 446).

endlessly negotiating the passions of men, often forced to struggle against their blindness and their violence, they have all the timorousness of the experience, and take fright too easily at complaints and changes' (1775 : 9). Significantly, he repeated the warning after his first dismissal, castigating the 'pliability of character that drives an administrator to pervert his own work, by consenting to exceptions or to modifications that alter its spirit and principles' (1784 : xlii).

Is a clear assessment possible on such bases, and does not the strategy of prudence escape all control by nature? How to estimate in advance an act in the course of which each step can just as well be interpreted as the pursuit of reforming action or as the abandoning of the appointed goal? No further theoretical discourse on the transition is possible a priori if everything rests on the confidence placed in a man and his supposed capacity to navigate according to the circumstances.

It is necessary, in other respects, to recognize that, in placing an insistent accent on the qualities necessary for a statesman, in allowing it to be understood that the grand theoretical schemas — the 'systems' — are often misleading, Galiani and Necker spread confusion and did not ease the task of their readers. Do they not give the impression — in truth erroneous — that they set at nothing any theoretical schema and thus deprive the reforming action of any guide or guard?

None the less one would be wrong, considering their arguments, to employ an anachronistic typology and to tax their discourse as 'reactionary'.⁶⁸ Even if their styles, their thinking and their developments were sometimes divergent, they both were sincere reformers, plainly preoccupied with their questions — important and, it is true, not often dealt with — of how to implement the projected reforms in concrete terms. It is thus necessary to believe Galiani when he replied to Suard's anxieties by declaring again his intentions :

Is it necessary to perpetuate the barbarity of the most barbarous laws, etc.? No, what is needed is to change them step by step. I have propounded the greatest extension of the step France could take in leaving its vicious system ... The *Économistes* have proposed one

68. It would be misleading, for example, to use here Hirschman's 1990 typology. It must be noted also that, to be credible and efficient, all kinds of 'reactionary rhetoric' necessarily employ arguments that are true in some (but not in all) circumstances.

greater than the nature of legs ; they have tripped and broken their noses. (15 December 1770, in Galiani 1881, vol. I : 322)

Now, it remains to be shown⁶⁹ why, in the case of Turgot — and contrary to what is usually asserted — part of the critiques directed at the radical reformers miss their mark ; and how the positions one normally thinks of as so opposed are in reality, in spite of theoretical choices that are at times divergent, close on a number of points.

Part II. ‘Tu Ne Cede Malis’

What could lay Turgot open to the criticisms developed in the preceding pages? It is evidently the most radical formulas that almost always retain the commentators’ attention. Certainly, in this respect, some examples are eloquent.

The first example is taken from the correspondence with Dupont, which is full of striking phrases. Does Turgot not declare himself the advocate of the ‘all or nothing, all the time’ (20 December 1768, III : 24) thus giving the image of a man who is all of a piece and extremely rigid? ‘They recommend moderation. A pleasing policy!’ he exclaims when speaking of the duc de Choiseul’s partisans. ‘Moderation is good in terms of calm discussion, but when rascals excite people at their pleasure with lies, it is necessary to unmask them’ (ibid). Does Turgot not also begin to dream of being in control of the government in order to act according to his wishes without wasting precious energy and time explaining and justifying himself?⁷⁰

69. There could, of course, be more to say concerning the theoretical and political aspects raised here. The essential, however, has been to display the crystallizing of the main ideas and themes at the turning-point of the 1770s. What remains would be to show that our authors, in certain aspects of their discourses, found themselves in good company : are not the themes developed in the last two sections also, in a way, those of Adam Smith? See Stewart 1794 : 316-319, where Necker is quoted in this respect. See also the major recent writings on Smith (and primarily the works of D. Winch, K. Haakonssen and R. F. Teichgraeber).

70. ‘If I were to engage in action, I would have to be absolute master because then I would only have to see and act in consequence. Instead, it is necessary for me now to persuade in order to obtain action, and I must sweat blood and water in order to present clearly a thousand details that are evident to me at a glance, but which are long to prove’ (16 July 1771, III : 491 ; cf. 11 September 1775, IV : 676).

A letter to J. Tucker written just before the ministerial experience could serve as another article with which to convict him. In it, Turgot renews his liberal profession of faith in a dogmatic fashion. ‘My principles on this matter’, he wrote concerning the grain trade, ‘are *indefinite freedom* to import . . . without any entry duties; the same indefinite freedom to export . . . without any exit duties or limitation even during the times of scarcity; freedom within the country to sell what one wishes, when and where one likes’ (10 December 1773, III : 614-615). Moreover he specifies that these principles must be extended ‘to trade in all kinds of commodities’ (ibid. : 615).

Is this not ultimately the same Turgot who declared to the king, while presenting the projects of edicts that were going to precipitate his fall : ‘when something is recognized as being right, when it is absolutely necessary, we must not stop because of difficulties : they must be overcome’ (1776a : 150), for if an operation’s usefulness is recognized, ‘it can never be done too early’ (ibid. : 159).

Such affirmations, isolated from their context, can certainly be troubling. Symptomatic in this respect is the attitude of Bertin, scalded by a decade of polemics and resistance of all kinds. At the time of Turgot’s rise to the ministry, the artisan of the 1763 reform wrote to the new Contrôleur général to warn him that

I have only one worry . . . which is based precisely on your zeal for the good . . . I exhort you to put the slowness of prudence in your step; I would go so far as to suggest . . . that you mask your views and opinions . . . [A]s much as you can, maintain the appearance, if not of turning your back to your goal, at least of walking with very slow steps. (1774, in Turgot 1913-23, IV : 200)

As we know, the Contrôleur général did not exactly follow this advice, even if his first measure, the Arrêt — so much awaited and so feared — of 13 September 1774 was prudent, restricting itself to re-establishing only free domestic grain trade.⁷¹

Finally, during the course of his ministerial period he gave the impression of acting in a very authoritarian manner, carried along by his reformist zeal;

71. Michelet later elaborated this measure in a lyrical manner as ‘La Marseillaise des blés’. Indeed, Turgot’s adversaries, who expected a much more daring policy were taken unawares. Turgot had intended to re-establish a free external grain trade, but gave up this idea (see Schelle, in Turgot, 1913-1923, IV : 201 n.).

he behaved also in a way that ran counter to other principles that he had put forward until then, especially concerning the freedom of the press, sacrificing them, in a sense, to free trade.⁷² The repression that he ordered at the time of the ‘guerre des farines’ is well-known. During the same period, also, he reproached Necker for publishing his 1775 text *La législation et le commerce des grains*, although he had allowed him to print it.⁷³ It was as if, in retrospect, he regretted his liberal attitude; the same scenario reoccurred one year later when he attempted to censor and prosecute others who had openly criticized his policy of abolishing the ‘jurandes’.⁷⁴

These facts, however, should not lead to confusion. They should, in no way prevent us from judging calmly his conception, both before and after 1774, of the definition and enactment of a policy of liberalizing the economy. To understand his position, his anti-dogmatic mind and the status accorded to theoretical reasoning must first be analysed.

6 Against the sectarian spirit : scientific independence and the strategy of communication

The most aggressive reproach addressed to the advocates of free trade was that of being ‘men with systems’, ‘enthusiasts’, i.e. sectarians. It is well-known how Turgot always refused, both for Gournay and himself, the designation of ‘man with a system’ (Turgot 1759 : 618-620). ‘Enthusiasm’ sometimes appeared suspect to him although he occasionally excused it among ‘people of good will’. Like Galiani he disliked intensely the ‘sectarian spirit’. This was constant for him, and on this point, his attitude towards the Physiocrats was unambiguous. Of course, the affirmation that ‘although I belong to no sect, I would choose the latter [Physiocracy] if I were to take one’ (to Dupont, 25 September 1767, II : 667) is well-known and seems benevolent. The esteem that Turgot had for

72. Although his attitude at the time of the ‘guerre des farines’ conformed to his principles, as we shall see below.

73. See Turgot’s letter to Necker, April 25, 1775 (IV : 412) and Necker’s response (ibid.). On this episode, see also Morellet’s narrative, which is sympathetic to Necker (Morellet, 1821 : 202-203).

74. See Turgot’s letter to Miromesnil (1776, V : 255-256) and Miromesnil’s response (ibid. : 256).

Quesnay and, to a lesser extent, for Mirabeau, ‘the two patriarchs among the economists’, did not, however, blind him; his irritation toward ‘the sectarian spirit’⁷⁵ and ‘economic intolerance’ (13 October 1767, II : 672) did not lessen.⁷⁶

What reproaches addressed to Quesnay and his friends serve as the basis of this judgment? From numerous remarks of Turgot’s, some themes emerge, all of which are related to the Physiocrats’ attitudes and the type of reasoning they used against those who did not follow all of their ideas. For our topic, we will confine ourselves to reproaches other than the purely analytical ones concerning economic theory, political philosophy, and property rights. Turgot’s constant opposition, however, to the Physiocratic ideas concerning ‘tutelary authority’⁷⁷ and ‘legal despotism’⁷⁸ are worth mentioning here for they formed an important obstacle to the reception of the rest — and for Turgot the essential part — of the Physiocratic message.

The reasons for a critique

A first reproach concerns the Physiocrats’s line of reasoning. Logic, Turgot affirms, is not ‘the *Économistes*’ strong point’; in general, they want ‘to go too quickly’ and do not analyze ‘the meaning of words scrupulously enough’. Moreover, this is not the only problem, as he notes when denouncing the ‘failure to examine the principal circumstances’ of the questions dealt with (to Dupont, 29 October 1771, III : 498). A second reproach arises from this concerning a misunderstanding of the facts, with the inevitable inexactitudes of calculation that result — calculations whose false precision irritates Turgot. ‘Factual inexactitudes’, Turgot wrote to Dupont, are the ‘*Économistes*’ original sin’ (14

75. To Dupont, 5 August 1768, III : 13; 15 February 1771, III : 474. See also 21 June 1771, III : 488.

76. ‘I am sorry ... that you rejected the reproach of sectarian tone in such a way as to prove all the more that it is just’, he wrote to Dupont. ‘Moreover, as it is just and all too just, it is necessary not to respond to it, but rather to work at no longer deserving it’ (26 December 1769, III : 77).

77. ‘MM. les *Économistes* cannot get rid of their tic about tutelary authority, which dishonors their doctrine, and is of the most inconsequent inconsequence to their dogma of evidence’ (to Dupont, 21 December 1770, III : 398); see also the letters dated 14 and 25 March 1774 (ibid. : 662-663).

78. ‘I had wanted to give my Augsburg Confession on the great article of legal despotism, the doctrine of which does not cease to sully the works of economists and should only be found in those of Linguet’ : to Dupont, 10 May 1771, III : 486-487.

December 1770, III : 395). ‘MM. les Économistes, do you never grow tired of speaking of facts about which you are mistaken at every moment, when you could rely on demonstrative arguments?’ (15 October 1771, III : 497). Three other grounds for complaint are, however, much more serious, for they touch the mainspring of intellectual progress and activity.

In the first place, Turgot stigmatizes the Physiocrats’ attitude, which consists in parading belief in an allegedly complete system, refusing any evolution of thought or masking such an evolution when it occurs.⁷⁹ For this reason, it is necessary to force ‘the economists to explain themselves’ and this is why a book like Graslin’s *Essai analytique* is welcome : ‘they are far from having said everything, and there would be no harm if, when, after having cleared some corner of the scrub, they admitted it . . . and gave up believing that they have always spoken the same way ; this damned sectarian spirit!’ (to Dupont, 13 October 1767, II : 672).

In the second place, the unconditional submission to the ideas expressed by Quesnay ends in the refusal to think for oneself — whereas the greatest freedom must be the rule in scientific matters. If, for example, the ‘Discours préliminaire’ that Dupont placed at the beginning of *Physiocratie* (1767) seemed to Turgot to be neither complete nor exact, and if its ideas were, in his opinion, presented in a manner that was too systematic and sketchy, the cause of the problems was Dupont’s ‘subjection to the master’s ideas’.⁸⁰ ‘All of you wish that Quesnay and his first disciples had said everything. On the one hand, you prohibit yourselves from examining a multitude of issues that he did not discuss, and when you do speak about them, you always try to bring them back to what the masters said’.⁸¹ Did Dupont not see that the ‘disciples’ great respect’ made ‘them speak nonsense their entire lives’ (15 February 1771, III : 474), for as respectable as their masters were, one cannot ‘make an exception to the rule that says that they must not exist in scientific matters.’⁸²

79. ‘Woe betide . . . the nations in which, by an blind zeal for the sciences, we close them up within the limits of current knowledge by seeking to fix them’, Turgot wrote in his second discourse at the Sorbonne (1750 : 221).

80. 18 November 1767, II : 677 ; cf. also 20 February 1766, II : 506-507.

81. 7 May 1771, III : 484, cf. also 9 October 1772, III : 568.

82. 18 November 1767, II : 677. In order to argue well, Turgot insists, ‘it is necessary to begin by creating a tabula rasa’, but it is true that ‘this is antipathetic to any sectarian spirit’ (15 February 1771, III : 474).

Finally, Turgot rebelled against the approach that consisted in simply annexing well-known people, without their knowledge, to the Physiocratic movement in order to force their patronage — while censoring any aspects of their thought that did not fit the tenets of the sect. In 1768, therefore, Turgot rose up against the ‘annexation’ of Benjamin Franklin to Physiocracy (5 August 1768, III : 13). A little more than a year later, upon the publication of *Réflexions sur la formation et la distribution des richesses* in the *Éphémérides*, he protested vigorously against Dupont’s surreptitious censorship.

It is true that the sectarian attitude reflected the discipline’s youth, or at least, its unfinished state and still considerable ignorance. Are not systems comparable to mausoleums, ‘monuments to the pride of the great and to human misery’, and do they not serve ‘only to cover the shame of our ignorance’ (1751 : 340-341)? The areas where the sciences ‘were first enlightened’, Turgot affirms,

are not the ones where they have made the most progress. The respect that the brilliance of novelty imprints upon men for the nascent philosophy tends to perpetuate the first opinions : the sectarian spirit joins in ; and this spirit is natural to the first philosophers, because pride is nourished by ignorance, because the less one knows, the less one doubts ; the less one has discovered, the less one sees what remains to be discovered... (1750 : 221)

A prophetic judgment : more than twenty years later, his analysis had not changed and it applied perfectly to Physiocracy. The ‘économistique’ sect is a sect ‘inasmuch as it is wrong’, he wrote to Dupont : ‘for one never creates a sect because one speaks the truth, but only because what one says is false’ (25 March 1774, III : 663).

The definition of a communication strategy

The sectarian attitude naturally engenders enthusiasm. On this point again, Turgot seems to agree with Galiani and Necker, except that he sometimes treated those who were guilty of it with a certain indulgence. Is not this ‘enthusiastic tone’ ‘excusable in itself’ and does it not arise ‘from an honest motive’ (1770 : 270)? Are not those who condemn it playing into the hands of the enemies of reform? ‘I do not like to see him’, he writes about Galiani,

always so prudent, so much an enemy of enthusiasm, so much in agreement ... with all these people ... who are so comfortable with allowing the world to go on as it is, because it is going so well

for them ... Oh! of course all such people dislike enthusiasm and refer to everything that attacks the infallibility of those in power as 'enthusiasm'. (to J. de Lespinasse, 26 January 1770, III : 421)

However, Turgot is no less critical of this 'enthusiasm', especially since as a result of it the Physiocrats harmed the cause of free trade, which they intended to promote. Thus they 'have been able to prejudice a part of the public against them' (1770 : 270). 'Enthusiasm harms those who are capable of giving in to good reasons' (to Dupont, 10 May 1765, II : 439) but who are disturbed by excess. In the scientific as in the political domain, it is apparently important to adopt rules favoring good communication.

In the first place, it is fitting to use a moderate tone and to avoid declamations and insults since the adversaries will naturally respond in the same tone.⁸³ This problem of communication is that of all the Physiocrats, and their attitude toward the artisan class is symptomatic in this respect : is not this class called sterile 'in such a way as to sting the vanity of industrious people' (to Dupont, 20 February, 1766, II : 508), whereas another, more neutral term, could have cut short all useless polemic? 'This is a matter of not explaining and of choosing terms badly' Turgot concludes. 'To be right is not enough ; it is also necessary to be polite.' The lesson is valid, moreover, for all authors whose behavior is, in his eyes, equally exaggerated.⁸⁴

The conclusion that emerges also constitutes a strategy of reform. For while it is true that those in charge of the government 'are rightly shocked by violent expressions which everyone understands', it is no less true that they 'attach only a modest importance to the uncertain or distant consequences of philosophical truths that are often disputed' (to Condorcet, December 1773, III : 640). The new ideas can therefore make their way on the condition of being presented discreetly and steadily. 'When one does not insult, it is rare for one to offend

83. 'It is true that these men have a somewhat sour tone', Turgot wrote to Dupont, alluding to a rejoinder that the latter had received ; 'they seem to have taken ill humor against yours, and it would not be bad if this example were to enjoin you to temper a bit the cutting style for which you are reproached' (10 May 1765, II : 438).

84. His animosity toward Linguet, whose work he disapproved of for both its content and its form, is well-known. 'I hate despotism as much as anyone else ; but it is not by declamations that it must be attacked ; it is by establishing the rights of men demonstratively. One will deserve better from the nations by attacking these abuses with clarity and courage and especially by concerning humanity, than by delivering eloquent insults' (to Condorcet, December 1773, III : 639-640).

... With an honest tone, one can say anything, and this is still more the case when one combines it with the weight of reason and some slight precautions that are not difficult to take' (ibid).

Let us return, however, to the rules for good communication that Turgot set forth to Dupont. In the second place, it is necessary to 'explain adversaries in their own terms, and not to judge them constantly in the light of one's own principles. The 'small attention' that consists in 'discussing one's opponent's incidental sentences with minute logic and interpreting them not according to the tacit suppositions that he makes, but according to the interpreter's own principles' results in dialogues of the deaf (20 February 1766, II : 510). Instead, it is necessary to unravel the logic specific to the discourses. 'This art of explaining adversaries in their own terms and of unravelling the tacit suppositions that sometimes preside, without their knowledge, over their reasoning ... is the art of abridging disputes' (ibid., : 511).

Thirdly, it is fitting to treat the opponents' pride gently by respecting their rhythm of thought and by not treating them with contempt if they discuss or do not know a newly-established truth. 'However obvious a truth may be', Turgot warns, 'it can be unknown to very enlightened people ... Teachers of economic science seem not to have paid attention to the necessity of tolerating this human weakness' (10 May 1765, II : 438). As in theology, he continues, it is necessary, therefore, to distinguish between 'negative' and 'positive ignorance'; only the latter, which is 'proud and opinionated', deserves condemnation.

Fourthly, again in order not to humiliate adversaries, one must not hesitate to give in on the form when the latter surrender on the essentials. 'Polemical relentlessness', which was common in the *Éphémérides*, is very harmful (29 August 1771, III : 495). The conclusion always goes in the direction of moderation. 'Always to be right is a great wrong. . .' (ibid.).

Fifthly and finally, it is necessary to explain one's ideas and acts endlessly. Hence Turgot's constant efforts at explanation during his intendance at Limoges; and later the long preambles that he added to the edicts that marked

his policies, and which he always believed necessary to maintain.⁸⁵ Hence also his constant effort to inform the authorities in charge of enacting his policy.⁸⁶

This analysis in no way remained a dead letter. We know that Turgot stopped collaborating on Diderot and d'Alembert's *Encyclopédie*, probably in 1759, after having written several articles. Condorcet should be believed when he affirms that Turgot did not act out of weakness (the enterprise was condemned by the authorities) but because 'the *Encyclopédie* was alleged eventually to be a sectarian book'; according to Turgot, to insert the truths that had to be spread into a work branded with this accusation, whether well- or ill-founded, was in some way harmful to these truths.⁸⁷

7 Reforms, the 'reading and thinking public' and public order

Is it possible to specify who is aimed at by this strategy of communication? For whatever the subject debated in political economy was, what we call today the 'scientific community' was then only nascent, constituting an insufficient target. In addition, it was necessary to address all those who took a part, directly or indirectly, in defining and instituting any given policy.

Unlike Galiani, and well before Necker's evolution on this theme, Turgot accepted the new ideas concerning public opinion and its role as a 'tribunal'. 'I know, Sir, that you do not adopt my ideas on the necessity of discussing

85. See his reflections to the king in January 1776 (V : 153 and 159) concerning the preambles to the government edicts for suppressing 'corvées' and 'jurandes'.

86. See, for example, the circular notifying the 'Arrêt du Conseil' to the Intendants, the one to the Procureurs généraux, and the one to the Presidents of the Chambres de Commerce, all of which are dated 19 September 1774. See also the circular to the Intendants sending them Morellet's refutation of Galiani (10 December 1774, IV : 228-229).

87. Whatever a sect's origin may be, 'all the individuals who belong to it answer for the errors and faults of all the others. The necessity of remaining united obliges them to be silent about, or to hide the truths that would wound men whose votes or adherence are useful. They are obliged to form . . . a body of doctrine; and the opinions that are included in it and adopted without examination, become, in the long run, true prejudices. Friendship stops with individuals, but the hatred and envy that each of them excites extends itself to the entire sect. If this sect is formed by the most enlightened men in the nation, if the object of its zeal is to defend the truths that are most important to the public happiness, the evil is still greater. Anything true and useful that is proposed is rejected without examination' (Condorcet 1786 : 26).

this matter [the grain trade] with the tribunal of the public', he wrote to the Contrôleur général, Terray, 'but here is a point upon which I am too strongly convinced not to keep to my opinion' (1770 : 268).

Turgot was aware, however, that the public was not a homogeneous entity. He distinguished schematically three different kinds of people forming so many different kind of public, on three levels of a simplified social scale.

Social stratification and public opinion

At the bottom of this scale are the 'people', who are ignorant and suspicious. In 1762, Turgot wrote to the author of a project for a mutual assistance society, which would have been of great use to the very poor, that the attempt would not succeed. 'However evident the Association's advantages may be, it is necessary, in order to be convinced, to reflect and to compare the future with the present', and the people are incapable of doing so. This is the case because of their ignorance and their 'habit of living from day to day'; 'the kind of apathy' into which poverty plunges them by 'taking from them the idea of a better state'; and 'some sort of vague mistrust of a people who fear everything because they see nothing, who do not imagine that one could dream of doing them a good that they had never thought of, and who perhaps became skeptical by dint of having been cheated' (II : 235 : cf. the letter to Condorcet, 16 July 1771, III : 523). It is not the people who must be addressed, at least as a priority. But while, in these conditions, working for the people is a difficult task, it is however necessary to maintain this goal, even if one exposes oneself to their ingratitude.⁸⁸

At the other end of the social scale are the privileged — the 'robe' and the 'épée', the clergy, and those involved in finance. These people are generally well-educated, but caste prejudices and short-term interests often make their judgment bad. What is the use therefore to trying to convince them as a group? Turgot responded with the most absolute skepticism to Dupont, who wrote a tragedy with the hope of persuading princes and all those in power by

88. 'The People . . . are so easy to deceive that I will perhaps incur their hatred by the very measures that I will take to defend them against vexation' (to the king, 24 August 1774, IV : 112).

spreading Physiocratic ideas in an attractive and didactic form. In his opinion, it had only a ‘small merit’ to which he ‘attached no price’.⁸⁹

Finally, in the middle of the social scale — a necessarily elastic ‘middle’ — are people whose position shelters them from an incessant concern with mere needs, and who, by their instruction, have acquired the habit of becoming informed, reading, and discussing; in short, they use their reason. They compose the enlightened class of the population. It is their opinion that matters, for they are the ones who form the true ‘public’, the strategic place of action; ‘it is to the reading and thinking public that we must speak; they are the ones whom we must please and the only ones we need persuade; all the flattery for the people in power, all the small detours needed to try not to shock them, are a waste of time’ (to Dupont, 16 July 1771, III : 491). This is ‘a general rule’ (12 April 1771, III : 482).

To enlighten the public means in the long run to propagate the ideas of the Enlightenment both towards the bottom and especially towards the top of the social scale. For what do princes who do not use their reason do, if not follow the dominant opinion? They ‘will truly be convinced only of what everyone surrounding them is convinced of, i.e. truths that have become . . . popular’ (12 April 1771 : 481). This is a lesson that Turgot never tired of repeating. ‘It is always necessary for the public to be enlightened; it is the only means of lifting that opposition that is born on all sides by misunderstood interests’ (20 February 1766, II : 514-515).

Nicolas Baudeau summarized the situation and the policy to be followed well when commenting thus on the Arrêt of September 1774 on the liberalization of the internal grain trade :

the two extremities of the people understand nothing at all : namely those of the court and the first rank of the city, and those of the base populace. I have noticed for a long time a great conformity of penchants and opinions between these two extremes; only the middle rank is enlightened and virtuous. A good government and

⁸⁹. ‘I know of no time that is more completely lost’, he commented, ‘than that spent in instructing princes who are no longer children . . . If the princes are men, they will understand books written for men and do not need one to deliver fables to them, as one would with children. If they are only princes, they will repeat the fable without understanding it’ (12 April 1771, III : 481; cf. 7 May 1771, III : 483).

the good instruction that results from it tend more and more to cut off from these extremes and to swell the middle class.⁹⁰

The fundamental role of instruction and education

Since ‘it is to the reading and thinking public that we must speak’, it is important not only that this part of the population be the largest possible, but also that it be the best instructed and educated. Here, Turgot, unlike Galiani and Necker, but like many philosophers of his century, demonstrates an unshakeable confidence in the powers of education and instruction, and in the continuous growth of the Enlightenment : a confidence that he theorizes through the new ideas of human perfectibility and progress.⁹¹ In these respects, the situation in France seemed quite good to him. A letter to Price, written after his disgrace, demonstrates this optimism. France is a nation, he states, ‘that is much more enlightened than is generally believed among you and where it is perhaps easier even than with you to lead the public to reasonable ideas’ (22 March 1778, V : 533).

From this perspective, the central role was devolved to the scholar and the man of letters. For one can claim to speak to the public only in an adult manner, through the language of reason. The public will eventually be persuaded ‘only by good reasons that convince good minds . . . ; reasons must be given and presented with simplicity’ (to Dupont, 12 April 1771, III : 482). By the same token, however, this public, so dreaded by men in power, depends on those who are the source of the Enlightenment : and while it is true that ‘the public . . . masters powerful men’, it is no less true that it ‘is, in turn, mastered by enlightened men’ (ibid.).

Here again, Turgot expressed these convictions early on, in his second discourse at the Sorbonne for example. He went to greater length on this subject in a letter to Madame de Graffigny (1751, in 1913-23, I : 241-255), concerning

90. 22 September 1774, quoted by Schelle, in Turgot 1913-1923, IV : 222.

91. In Europe, ‘a new doctrine that has to strike the final blow to the already reeling edifice of prejudices is developing : it is that of the indefinite perfectibility of the human species, a doctrine whose first and most illustrious apostles have been Turgot, Price, and Priestly’ (Condorcet 1795 : 166). Turgot and Condorcet’s optimism was certainly accentuated by the awareness of living in a period in which the influence of Enlightenment ‘on opinion, and of opinion on nations and their heads’, had suddenly ‘ceased being slow and imperceptible’ (Condorcet, *ibid.* : 149).

the second edition of her *Lettres d'une péruvienne*. Turgot began by criticizing the customary education of the time,⁹² which he claimed was 'only a store of very frivolous rules for teaching very frivolous things' and offered to teach children 'the art of judging for themselves, of inspiring in them this impartiality that banishes from society, if not humor, at least the disagreements that humor occasions!' Men would be happier, he exclaimed, 'if they had acquired from childhood shrewdness in giving opinions and docility in receiving and following them' (ibid. : 252-253). Is this vision utopian? Turgot revolted against those who claimed that it was. History testifies abundantly to the power of 'public education' and 'mores', whose influence over people no longer has to be proven. Why not conceive of this well-directed influence as being at the service of justice and virtue?'⁹³ 'I believe that nature has put the seed of all the virtues in everyone's heart . . . ; that education — a very adroit education — can develop them and make most men virtuous' (ibid.).⁹⁴ In this context, reason itself, probably by instruction and the habit of reflection, will further education. The evolution may be slow ('I know that humankind drags itself along slowly to take the smallest steps') but it is no less certain : 'each generation must learn a bit of it, and it is thus up to books to be the tutor of nations' (ibid.).

Throughout his life, Turgot preserved this faith in the written as the indestructible vector of the progress of enlightenment. In his correspondence with Dupont, he returned several times to the problem of his effectiveness as a man of action compared with that of a good author. According to him, this action is very limited and restricted to only small, momentary benefits, while the good that a man of letters can spread is lasting and almost irreversible.⁹⁵ He repeats this to Condorcet. By study, he writes, one can be 'a thousand

92. See also the letter to Hume, 25 March 1767, in which Turgot praised Rousseau.

93. 'What! this empire would lose its strength by relying on the kingdom of virtue! What! Malabar women were persuaded to burn themselves after the death of their husbands, and men could not be persuaded to be just, gentle, and obliging! What! this power that struggles with so much violence, that surmounts our heart's propensity with so much superiority, will not be able to support it! Error and cowardice!' (ibid. : 253).

94. 'A fortunate arrangement of the brain fibers, more or less strength and delicacy in the organs of senses and memory . . . are probably the only difference that nature creates among men . . . Everything else is the effect of education' (1748, I : 131). This emphasis on the power of education allows Turgot to reject the 'theories of climate' (cf. ibid. : 139-140; cf. also 1751a : 304).

95. 2 July 1771, III : 490; 16 July 1771, III : 491; 9 August 1771, III : 493.

times more useful to men than in all our subordinate places, where one worries oneself, often without success, in order to achieve some small good . . . All of this small good is transitory, and the enlightenment that a man of letters can spread must sooner or later destroy all the artificial evils of the human species' (24 June 1772, III : 573). The progress of enlightenment is so ineluctable at this point that even censorship cannot prevent it : 'I am not convinced that there is nothing useful to do, even without the freedom of the press, which the good books can do without, because they are able to break through. The most difficult thing will always be to write them' (to Dupont, 6 March 1778, V : 544).

One question, however, remains unanswered : how to act toward those who do not think, who are not accustomed or do not have the leisure to do so, in short, toward those who do not belong to the true 'public'? The power of reason obviously loses a large part of its strength here. However the situation is not desperate since the development of free trade also inevitably generates an equalizing of fortunes (the progressive diminution of the least and most favoured classes) and a development of the middle classes, which is precisely where a love of study and the use of reason are found. In other words it creates its own support.⁹⁶

It is true that these effects are progressive and take a long time to come to fruition. In the interval, the problems engendered by the extreme classes are raised for reformers in a very acute way. The most privileged classes have the power of decision and for the time being they can appeal to opinion : 'perhaps the secret specific interests of powerful people will join the prejudices of the multitude in order to stop the efforts of the truly wise men and of the true citizens' (to Price, 22 March 1778, V : 539). As for the most disadvantaged classes, they also have the strength, and, at the very least, an ill-will and a certain inertia. 'The best devised project must encounter obstacles in the coarsest minds of this class of men. How can they be defeated? By experience or success? And what will happen if success depends on the assistance of these same men?' (1762, II : 235).

96. Cf. Condorcet, for example, 1786 : 196-197 ; or again 1795 : 216 : 'the equality of fortunes necessarily contributes to that of instruction'. 'It is easy to prove that fortunes tend naturally to equality, and that their excessive disproportion either cannot exist or must cease promptly if civil laws do not establish an artificial means of perpetuating . . . them' (ibid. : 211).

Public order

All reform is disturbing in the short term, for some people always derive advantages from abuses. Because of ‘the *habitual state of war* of all the parts of society against each other’ (to Condorcet, 16 July 1771, III : 523) these disturbances necessarily engender reactions connected with prejudices and threatened interests. Turgot knew all this and indeed it was so obvious that he never approached the subject except incidentally. But, what should be done in the case of serious trouble? How should the government react when public order is no longer respected? Turgot’s behaviour as minister has often been judged very severely in this matter; perhaps it would be helpful to see that this behaviour was not improvised, but rather arose from careful consideration. The question had been approached in 1771 during an exchange of letters with Condorcet on the subject of criminal justice.

Public order is no longer respected in riots. The government’s authority is ridiculed, laws lose all their strength, and society finds itself in a ‘state of war’. Turgot is inflexible in this matter : ‘The seditious gathering of the people and the tyranny that it exercises on these occasions’ are for him ‘one of the pests that is most to be feared . . . , one that must most be repressed’ (ibid. : 535). This is why, in such circumstances, justice must not allow itself to be forgiving, simply because of the large number of disturbers or ‘the nearly involuntary error that has led them, for the most part, and that excuses them’; these considerations can be taken into account only by the king and the government, which alone may accord mercy, except to the leaders.⁹⁷ The future of society and its cohesion depend on this firm attitude.

There is, however, a second important instance in which, without disturbance, the logic of the laws can be twisted, authority ridiculed, and the social bond threatened. This situation is produced when powerful individuals, or an entire group, intentionally use forms established by law in order to dispute and obstruct the legitimate authority’s decisions. Society’s functioning is therefore blocked, for any rational discussion becomes impossible; this blockage remains

97. ‘It is necessary that the people . . . do not hope to escape from the government’s justice, but rather that they put all their hope in the government’s bounty. It is especially necessary that the hidden heads of the sedition, those who have misled . . . the people, be known and punished’ (ibid.).

so long as the government itself scrupulously respects the legal forms that, at the time of their establishment, had not foreseen this type of situation. ‘*Whenever minds are divided, then forms are nothing, and one is precisely in the state of war*’ (ibid. : 536). Turgot emphasized that this does not mean that justice is not ‘sacred’, even in the state of war; it means only that

superstitious respect for forms will impede any activity of the government whenever the latter cannot freely dispose of them ... When those who apply them have bad faith and are guided by party spirit or hidden interests, it is too easy to take advantage of them and to make arbitrary applications of them; from then on, they are no longer any more than weapons in the hand of the rogues, and all the more formidable since they impress the people by a false appearance of justice. (ibid.)

The typical example taken by Turgot is that of the ill-will of the Parliaments, from which he himself was to suffer several years later. ‘I ... say that the government has and can have no means of defeating their persistence if it wishes to observe all the established forms scrupulously ... It is therefore necessary, in these extraordinary cases ... to judge only by the basics, i.e. by the principles of natural law and the public interest’ (ibid.).

Turgot was perfectly aware of the inherent danger of this solution. A government can make good use of it, but also bad use, for if it is in a position to have the forms at its disposal, the latter will become ‘the most terrible instrument of its tyranny’ (ibid.). The fact of ‘judging only by the basics’ therefore constitutes ‘a fatal extremity, and ... the legislator must act in such a way that it be necessary to use it only rarely’ (ibid.). In a crisis, however, it remains the only safe path.⁹⁸

Turgot’s ministerial period involved plenty of events that allowed him to put his principles to work, from the repression of the ‘guerre des farines’ to the Lit de justice in the spring of 1776. From his entry to the ministry, foreseeing the difficulties, and in parallel with the re-establishment of free domestic grain trade, Turgot tried to take several preventative measures. ‘You must be careful to avoid, and even to forestall any movement and any obstacle that could come

98. Here again, Turgot places his confidence in education and the general progress of morals — albeit in a disenchanted tone : ‘one must not give up hope that one day the progress of reason will establish just laws everywhere and will make men as happy as they can be, and will thus forestall all the revolutions. Amen!’ (III : 537).

from the people, who are too unenlightened about their own interests', he wrote to the intendants.

You must obtain and maintain, for this important object, some precise correspondence, in order to understand the mood of the people in the different districts of your Généralité. I am convinced that, if they become overheated, you will neglect no means of calming them and discovering the instigators before they lead to some commotion. (19 September 1774, IV : 211)

8 The status of theoretical reasoning

We know the theoretical developments set out in Turgot's principal writings,⁹⁹ how they belong to the tradition deriving from Boisguilbert, and how they repeat numerous themes developed by Quesnay, while nevertheless engendering a current of thought distinct from Physiocracy. It is not the place to return to these issues here. It is however important to emphasize the status of Turgot's approach, and its differences with Galiani and Necker's lines of reasoning. This difference did not appear clearly at the time, and this probably contributed to confusions in the debates.

Galiani, or 'the art of those who wish to confuse clear things'

A good point of departure is Turgot's evaluation of the 1770 *Dialogues*. We know that Turgot sometimes enjoyed anti-Physiocratic writings and that he found in them certain curative virtues, particularly their anti-dogmatism. Although Galiani's book seemed dangerous to him, he found it amusing and worthy of being refuted (to Dupont, 2 February 1770, III : 373). He had expressed this opinion in substance in a letter to Morellet (17 January 1770), judging the reply to be a difficult exercise in which it was important to put all sectarianism aside; this is why Baudeau would not have been able to undertake the matter, for he would have responded 'too much as an Économiste' (III : 420). In a letter from Turgot to Julie de Lespinasse (26 January 1770) we read that Galiani's *Dialogues* come 'from a poorly employed mind' and unfortunately

99. On this subject, see footnote 2 above.

give ‘support to all the fools and rascals attached to the old system’.¹⁰⁰ The Neapolitan abbé is accused of having deployed his habitual art of confusing clear things (ibid., III : 420).

Galiani does so by immediately approaching the problems in all their complexity. ‘This art consists in never beginning at the beginning, in presenting the subject in all its complications, or through some fact that is only an exception or through some isolated, foreign, subsidiary fact that is not related to the question and has no place in the solution’. Such, for example, is the case of Geneva, which the *Dialogues* examine first. By proceeding in this way, Galiani was like someone who, in order to write ‘a book on the means that men employ to obtain their subsistence, would devote a first chapter to legless men, or he would be like a geometer who, in discussing the properties of triangles, would begin with white triangles, as supposedly the simplest, in order to discuss blue triangles next’ (ibid.). In other words, Galiani’s error lies in examining only the particular cases of situations that are presented by constituted governments and are necessarily very different. Now, Turgot’s radical affirmation (its meaning will have to be grasped) is that ‘whoever does not forget that there are political states separated from each other and constituted in various ways will never treat any question of political economy well’ (ibid. : 421).

In addition Galiani’s analyses were located in Montesquieu’s tradition of thought which Turgot rejected, claiming that it offered an erroneous theory of ‘counterpowers’ and denied the existence of truths that are valid in all times and places.¹⁰¹

In fact for Turgot the correct method consisted in developing theoretical principles in their simplicity and generality, and of introducing complications only later (the constraints dear to Galiani and Necker). It is indeed an illusion to wish to reach conclusions for economic policy immediately without procee-

100. It should be noted that Turgot does not count Galiani among these fools and rascals, and recognizes that the author of the *Dialogues* ‘moves far’ from the old system in his conclusions (III : 420).

101. Turgot often alludes to this in his letters. Condorcet summarises the aspect of the problem concerning us here in these terms : ‘The political writers must endeavour to establish what these laws should be and to find out ways to make them as simple and as perfect as one could hope ; rather than defining what laws are more appropriate to one degree of latitude than another, what institutions are better at exalting certain passions, favouring the interests of some classes, supporting different kinds of tyrannies, and perpetuating more or less absurd prejudices’ (1786a : 198-199).

ding by stages. To use a modern vocabulary, Turgot seems to say that Galiani is not aware that his model is tributary to the fundamental theoretical analyses that it must presuppose.

Turgot never abandoned this position. The first operation to be effected is to reduce the theoretical questions to their simplest terms (II : 310-311). This is what he makes clear in a draft letter on taxation destined to Bertin, then *Contrôleur général*, who had consulted the *intendants* on this matter. Turgot thought that he could not answer these questions directly without developing the principles themselves (1763 : 294). It is only by proceeding thus, he affirms, that the best possible state of things can be defined ; it is this optimum, in the etymological sense of the term, that must be aimed at from the beginning. This is precisely the task of theory. Once the optimum is known, there will always be time to determine the way to realize it — progressive or not, slow or fast, direct or indirect. In Turgot's terms,

it is always the best with which one must be concerned in theory. To neglect this research, on the pretext that this better is impracticable in current circumstances, is to wish to resolve two questions at the same time : it is to give up the advantage of raising questions in the simplicity that alone can allow them to be demonstrated ; it is also to throw oneself without a thread into an inextricable labyrinth and to wish to disentangle all the roads at the same time, or rather, it is to close one's eyes voluntarily to the light, thus making it impossible to find it. (*ibid.* ; cf. also 1759 : 621)

The hypotheses of 'full prosperity', 'general competition', etc. (cf. III : 310-311) which served as the foundation of the arguments of the advocates of free trade partook precisely of such a method, which is, moreover, valid for all fields where theoretical reasoning plays a role. 'After having thus resolved the problem in its greatest simplicity, and by bringing the fewest elements possible into it', Turgot wrote concerning criminal justice, 'there will be time to consider the modifications in the results that will be required by the successive introduction of various elements that can complicate it' (17 May 1771, III : 519).

It is also from this point of view that the already quoted necessity of abstracting from particular political states can be understood. There are two reasons for this. First, the necessities claimed to be inherent in the small states, to which Galiani devoted such space, are only an illusion : it is, indeed a mistake

to suppose that a small state can resist its imposing neighbours with the help of its public granary, when its military strength certainly does not have the weight to do so; formulated in this way, this question is therefore no longer a matter of economic theory.¹⁰² Second, however, and more fundamentally for what concerns us here, because Turgot advanced the idea that, in the natural order, the sizes of the different states would not differ perceptibly from each other: every danger of inequality, every pretension to superiority being thus removed.¹⁰³

Science and art

In adopting this methodology, Turgot was perfectly aware of the important distinction that must be made between theoretical developments and the definition of an economic policy in a given context. Economic theory is not applicable directly without mediation. It is much easier ‘to see the good in the theory than to conform to it in practice’, Turgot confessed to Dupont. In theoretical reasoning, ‘things are arranged as they should be’; in practice, however, ‘one depends upon a thousand external circumstances that can be infinitely complicated, that give rise to difficulties and even impossibilities relating to matters that one would like most. Reason combats reason; even duties combat duties’ (14 July 1772, III : 562).¹⁰⁴

Here again, the position is not new. Did not Turgot, in the letter already cited to Madame de Graffigny (1751), while complaining about serious incon-

102. This can be deduced from Turgot’s commentary on notes from Gournay (Turgot 1753-1754 : 373).

103. To Price, 22 March 1778, V : 537. ‘The supposed interests of possessing more or less territory vanish through the principle that the territory does not belong to the nations, but to the individuals owning the land; the question of knowing if a given district or a given village must belong to a particular province or state must not be decided by the supposed interest of this province or state, but by that of the inhabitants of the district or village, coming together for affairs and business at the place where it is easiest for them to go. This interest can be measured by the length of the path that a man must make from his residence in order to deal with more important affairs, without too much harm to his day-to-day affairs; this can serve as a natural and physical measurement of the extent of the jurisdiction of these states, and can establish among all of them an equilibrium of extent and strength that removes any danger of inequality or superiority’ (ibid.).

104. ‘I know very well that buying and selling always go together in the long run; but be careful here, for this proposition, which is obvious in principle, is subject to limitations in fact. Everything tends to the level, but nothing is in fact level, not even the sea’ (20 February 1766, II : 510).

veniences induced, in morality and metaphysics, by the distance from nature, criticize ‘these general ideas of which men are the dupes, which are true because they have come from nature, but which are embraced with a rigidity that makes them false, because we stop combining them with circumstance’ (I : 246). In his ‘Éloge de Vincent de Gournay’, he is just as clear. Contrary to the unjust accusations to which he had been subjected, Gournay was perfectly aware of the care that must be taken in putting a policy of reform to work ; ‘he knew the extent to which all changes must be prepared, and the way in which shocks that are too sudden are dangerous’. However, he simply thought — and Turgot agreed with him — ‘that the caution should be in the action and not in speculation’ (1759, I : 621 ; cf. also *ibid.* : 601).

The conclusion is therefore clear. Inasmuch as theoretical reasoning must be clear and unambiguous, so too a reform program must be prudent. On this point, Turgot’s conception is not very far from that of Galiani and Necker, for the formulation of a general policy makes it necessary to take history and the complexity of the society for which it is formulated into account. It is symptomatic that Turgot makes this old theme his own. It is remarkable as well to note the kinship between certain ideas developed here and those he expressed on the sectarian spirit ; like the impression of holding a simple and definitive truth, a systematic plan for legislation can be conceived — and especially implemented — only in nascent, still unenlightened societies. ‘[T]o be a systematic legislator, it is necessary to be able to flatter oneself that one has foreseen everything, and such confidence can be found only in very ignorant minds’ (1751c, I : 330). To a more evolved nation, one cannot give, as Solon said, ‘the best laws, but only the best that they can bear’ (1751b, I : 326).

It is necessary, therefore, to treat certain mentalities and interests cautiously, in order not to create direct shocks in the immediate future. Two examples can be found in Turgot, both dealing with taxation and showing, incidentally, the second — if not secondary — characteristic that, unlike many of his Physiocratic friends, he attributed to this field in relation to free trade. This is why he proposed gradual reforms that would establish directly neither the single territorial tax nor an exact imputation of the public spending to

those to whom it profits.¹⁰⁵ Once he had come to power, the general reform of taxation was not one of his priorities.

The other example is that of the exemptions benefiting the privileged orders. There again, nothing was pressing. While it was necessary to destroy the most recent and unjust abuses (such as the ‘*corvée des chemins*’) and, of course, not to increase the number of privileges, suppressing others was not the most urgent task for reform, for ‘prejudices and former possessions must be handled with caution’ (1776b : 192). ‘I know as well as any other that one must not always do the best possible; while one must not give up correcting the flaws of an old constitution, it is necessary to work slowly, recognizing the extent to which public opinion and the course of events make changes possible’ (ibid. : 184).¹⁰⁶

On this point, as on many others, the lesson was understood perfectly by Turgot’s disciple, Condorcet.¹⁰⁷ It is remarkable to see how the theme of the relation between theory and practice runs almost constantly throughout his writings, and how a formula summarizes the point perfectly : ‘It is not enough to do good; it must be done well’.¹⁰⁸ This also illustrates well the apparently obvious idea that ‘the truths of theory are necessarily modified in practice’ (1795 : 186). The objective of the policy is indicated by theory, but the way to attain it depends each time on the particular circumstances of the cases studied. ‘The general principles of political economy are proven rigorously and are subject to no real exception. If they cannot be followed in practice, by extending their consequences to all particular cases, it is mainly because the

105. To Terray, 9 November 1772, III : 558-559 : ‘for what concerns the principles to be followed in establishing taxation, the ideas are, in general, not fixed well enough for such a considerable change to be proposed. In the meantime, and since it is necessary that there be city toll duties, it is necessary at least that these duties be established in a way that involves the fewest inconveniences’; cf. also the letter to Hume, 7 September 1766, II : 503.

106. ‘It is always necessary to prefer the gentlest means in order to reach the proposed goal’ (to the minister of war, 8 January 1773, III : 606).

107. Condorcet’s summary of Turgot’s method reflects his own : ‘When reforming laws, one must avoid : (1) anything that can disturb the public peace; (2) anything that would produce shocks that are too great for a large number of citizens; (3) anything that collides directly with generally held prejudices and uses. Sometimes a law cannot produce all the good that it promises, or even cannot be executed, for opinion will rise up strongly against it; it is necessary then to begin by changing the opinion’ (1786a : 212).

108. 1779 : 373; in French the formula is more striking : ‘Il ne suffit pas de faire le bien, il faut le bien faire’.

majority of men allow themselves to be guided by prejudices contrary to these principles' (Condorcet, 1786b ; cf. also, for example, 1786a : 181). In order not to disturb the social order needlessly, and for changes, even the most important, to be accomplished with the fewest shocks possible and to be assured of success, it is necessary to 'imitate a wise architect who, when obliged to destroy a building, and knowing how its parts are connected, demolishes it in such a way that its fall not be dangerous' (1779 : 373).

In other terms, which are still more striking and full of meaning from the pen of a permanent, indisputable, and relentless defender of the morality of the Enlightenment and of justice : 'It is always useful to understand one's rights, but it is not always wise to make the most of them, and not every way of making the most of them is legitimate' (ibid. : 378) — a formula that must not be misunderstood. Many concrete examples illustrate this topic. One might, for instance, refer to the writings on taxes (Condorcet 1790, 1793). In this context, however, the most striking case is undoubtedly Condorcet's pamphlet against slavery (1781).

This attitude culminates, in Condorcet, in the distinction between 'science' and 'art', which was made clearly for the first time in the prospectus of the *Journal d'instruction sociale* (1793a), and which is present as well in the preparatory texts for the *Esquisse d'un tableau historique des progrès de l'esprit humain* (B.N. MS, N. a. fr. 4586, ff. 55-62).¹⁰⁹

All sciences have a practical part. From each of them, there results an art whose rules are a consequence of the science's principles. This art has the goal of combining and choosing the means of executing surely what the principles have made us recognize as true, correct, and useful. Thus ... the art of administering has the science of public economy as its basis. (1793a : 606)

9 The economics of the transition period

Even if these considerations are important, they must not, however, endanger the central points of the desired economic and social change. In order not to become trapped in compromise, the transition policy requires a minimal

109. I owe the latter reference to Pierre Crépel. The manuscript is to be published in a critical edition of the *Tableau*, the main part of which is formed by the *Esquisse*.

number of clear reforms — and this emphasis is very unlike that of Galiani and Necker. This boldness, as measured as it may be, and as difficult as it often is to achieve,¹¹⁰ concerns the ‘hard kernel’ without which the word ‘reform’ loses its meaning : free trade. It is for want of being sufficiently coherent in this field, Turgot affirms, that the measures of 1763 and 1764 had only an extremely limited effectiveness.¹¹¹

In an important series of letters to Terray on the grain trade (30 October - 2 December 1770) we find Turgot’s essential ideas on the economic mechanisms of the transition period. Given the composition date and the subjects discussed, it is possible to consider these letters as an answer, on a completely different level from Morellet’s, to Galiani’s arguments in his *Dialogues*, arguments that Turgot could legitimately believe that the new Contrôleur général had made his own.

Contrary to some advocates of free trade, and especially to Boisguilbert’s insistent statements that ‘it takes only a moment to put things in their natural order and the kingdom in a state of full prosperity’, Turgot emphasized that the passage to an economy of free competition and the benefits that are supposed to result from it cannot be produced from one day to the next. ‘This revolution may be slow’ (1770 : 311), he specifies in guise of a warning, and certain adjustments will be made ‘only slowly and by degrees’ (ibid. : 340). The theme is taken up again several pages further on :

it is important not to be mistaken in advance about what can be expected from free trade. It has been said a hundred times . . . that this freedom would be an assured remedy against the frequency of scarcity ; but it has not been said . . . that it must produce this effect during the first years of its establishment. It is therefore necessary not to ask of freedom what it has not promised . . . One day, it must ensure the subsistence of the people, in spite of the inequalities of

110. ‘A prodigious wisdom and an address no less great are necessary in order for any specific decisions which all seem involved and mastered by special circumstances, not to be, nevertheless, in disagreement either with the fundamental principles nor with the general plan’ (1751b : 326-327).

111. 1770 : 271 ; 1776a : 154, 155, and 156. ‘The truth is that this freedom had not really been established at all, since obstacles to trade still persisted, obstacles strong enough to turn the merchants away from forming speculations for provisioning the interior of the kingdom ; trade was separated from the cities that, by their location and size, were naturally intended to become its center ; finally, it remained forbidden in the capital and in a district of twenty leagues in diameter around the capital’ (1776 : 155).

the soil and the seasons; but this debt must be required of it only when it falls due. (ibid. : 347-348)

The reason for these delays in achieving the positive effects of free trade is simple : these effects must themselves be born and developed during a period of economic transition, the length of which depend on particular circumstances.

But however long it may be the economic logic of the transition remains the same, and rests fundamentally on improving the farmers' lot and on an entire series of fundamental conditions connected to this goal. The reasoning also presupposes a double distinction : first, one that had been traditional since Quesnay's articles in the *Encyclopédie*, the distinction between large-scale and small-scale farming ('grande culture' and 'petite culture'); next, as an answer to Galiani, one between provinces and localities that are near important paths of communication (ports, rivers, and principal roads), and the 'mediterranean' provinces (i.e., those in the kingdom's interior), which are badly served.

The basis of this argument had been developed by Boisguilbert and completed by Quesnay. The climatic risks are not important in the terrible fluctuations of grain prices, fluctuations that, in turn, ruin the buyers (during famines and periods of high prices) and the sellers (in periods of abundance when prices fall). The compartmentalization and segmentation of the market due to regulations are, along with the play of the agents' expectations, at the origin of these phenomena, which can therefore disappear only in a regime of internal and external free competition that stabilizes expectations and prices. Quesnay adds to this an analysis in terms of 'prix communs' (the buyer's 'prix commun' and the seller's 'prix commun')¹¹² and insists on the fact implicit in Boisguilbert that free trade stabilizes the price at the level reached in the world market, which Turgot calls the 'general market' price.¹¹³

Under a regulatory regime land situated in one or the other type of province is not in the same situation : it will therefore not react in the same way to a

112. Recent developments on Quesnay's theory of prices can be found in Vaggi (1987) and Steiner (1994).

113. 'Prix du marché général'. This price, according to Turgot, is 'the ordinary price in the ports in Holland' (1770 : 339), i.e., the price on the world market. Some pages previously (ibid. : 310) Turgot had defined this price a little differently, but in a way that ultimately rejoins the other definition, as the 'prix commun of the capital and the ports'.

policy of liberalization. This is what determines the duration and complexity of the transition process.

The mechanisms of the transition

In the regulated system, all things being equal (particularly the quality of the soil) the land is not exploited in the same way in the different regions of the kingdom. In general, the ‘mediterranean’ provinces are poor and cultivated by sharecroppers (‘*métayers*’) under the system of small-scale farming (‘*petite culture*’), whereas the rich regions are the domain of large-scale farming (‘*grande culture*’) worked by farmers (‘*fermiers*’). ‘Now why, if both are equally fertile, is the cultivation less profitable in the provinces inside the kingdom than in those within reach of the capital and the maritime markets? The obvious reason is that the commodities do not have the same value there’ (1770 : 310).

On average, indeed, and in a system of regulated markets, Turgot affirms, the behaviour of the grain price is not the same in the interior provinces as elsewhere. In the interior, where the circulation of commodities is limited and poor, price fluctuations engender an insufficient level of the seller’s ‘*prix commun*’, which is ‘constantly far lower than the ‘general market’ price; it is therefore not surprising to see that ‘large-scale farming . . . could not be established there’ (*ibid.*; see also *ibid.* : 340).

The situation is different for the other provinces and the large centres of population. Since these provinces are better situated, the circulation of commodities is easier there, in spite of the obstacle of the regulations; and although the seller’s ‘*prix commun*’ is still lower than that of the ‘general market’, it is, nevertheless, higher than in the ‘mediterranean’ regions, and it therefore allows the farmers to remain in activity (*ibid.*). In the big cities, the large consumption is a supplementary support of the price.¹¹⁴ This is the reason why, in short,

114. Cf. *ibid.* : ‘the immense consumption in the capital and the concentration of expenses in this part of the kingdom has always sustained a mean price that is slightly below the general market price for consumers and which has not been low enough for the sellers [Turgot wrote “above” by mistake] in order that the cultivation by the farmer not be able to sustain itself’.

while the places most favoured by easy access, and which are most within reach of supplies, suffer, like the others, from the bad regulations to which they are subjected . . . this misfortune is more frequent and serious for the inhabitants of provinces which are far from the sea and navigable rivers. (ibid. : 343)

If, in addition, the buyer's 'prix commun' is taken into account, matters do not improve : it is slightly lower than the 'general market' price in the provinces using large-scale farming, but the gap is far more perceptible in the 'mediterranean provinces'; 'the inequality of prices is larger and more damaging to the people because of . . . the low price to which the consumers are accustomed' (ibid.).

In this context, the immediate consequences of a liberalization policy differ according to regions. Quesnay affirmed that free trade stabilizes the price of grain at the level reached by the world market, one that is slightly higher than the buyer's 'prix commun' but substantially above the seller's 'prix commun', therefore allowing an optimal management of all the land by the system of large-scale farming. Although Turgot emphasizes the situation's primary and fundamental advantage, he also provides nuances, in terms of the regional disparities that have just been described. For however certain the advantage may be, the speed of its concretization depends on the location.

The provinces with large-scale farming being most directly in contact with the 'general market', the 'general market' price is soon established. Consequently, while awaiting the renewal of leases, farmers realize higher profits than those that served as the basis for previous determinations of farm-rent. Seeing this, they seek to increase their profits still more. With this in mind they convert their surplus profits into capital, and can proceed in two complementary ways, intensive or extensive : invest this capital in the land that they already cultivate or devote it to increasing the area of the land, thus increasing the demand for land to cultivate.

In parallel, the profession becomes attractive, and more people enter it ; such, indeed, would be the case if it were only a matter of the sons of these same farmers, who, seeing a change of situation, no longer dream of attaining a different condition to their fathers. Competition, therefore, becomes more intense and pushes the farmers to raise their bid during the discussions for new leases. As time passes, rent increases and, in the long run, the result

of the process is the alignment of the farmers' profit rates with the general rate (probably modified in comparison with the economy's initial equilibrium); the excess profits are cancelled out, the individual lot of the farmers does not improve perceptibly, although, on the other hand, all of agriculture is invigorated and production increases (*ibid.* : 306-307).¹¹⁵

In the poor provinces, the transition process is not fundamentally different, but is much slower. Indeed in this type of region farmers are rare, even non-existent. The raising of prices, on the other hand, makes itself felt more slowly, because of the isolation of these regions and their distance from the 'general market': it takes place just as much there, but gradually, starting in the areas that border the rich provinces.

A double evolution then becomes perceptible. On the one hand, the first effects of a progressive rise of the grain price are felt by the sharecroppers and the landowners, who share the fruits of the cultivation with them. With two consequences: first, the landowners improve their land and want to rent it in order to live better themselves; second, the sharecroppers, finding themselves richer, wish to become farmers in their own right. On the other hand, the transformation of sharecropping farms into farms is accelerated by the competition from enriched farmers who have come from neighbouring provinces seeking land to rent (*ibid.* : 310-312).

This is the way that large-scale farming is extended and small-scale farming retreats, especially from points of contact between rich and poor provinces.

In the provinces closest to those that have farmers, the revolution will be still quicker, because men of this valuable kind cannot fail to become more numerous through the growth of capital from farming; the farmers, progressively pushed by competition, will rush

115. 'If all the provinces resembled . . . provinces managed by farmers', Turgot summarizes, 'the growth of farming would follow the progression I have just indicated. The first profits that the farmers made until the renewal of their leases would be converted into capital; transferred then onto the land, they would give rise to new profits by increasing production. The enriched farmers would seek to extend the size of their land holding; their children would devote themselves to their fathers' trades . . . Everyone would want to obtain farms, and with each of these farmers competing with each other, the price of rent would be raised . . . As the amount of land to be rented would not increase, the raising of the rents would be all the more considerable, and the farmer's remaining profits all the more reduced, to the level, nevertheless, of the interest of capital newly spent in farming; for if the reduction of [profits] [Turgot wrote 'fermages' by mistake] had reached this point once, the surplus capital would flow into other uses, and would be used to revitalize other branches of trade' (*ibid.* : 307-308).

to land that had formerly been used only by sharecroppers. (ibid. : 312)

It is thus also that the establishment of the 'general market' price becomes generalized and stabilized, and that there is a perceptible increase in production throughout the kingdom. The reserve of land constituted by the poor provinces, will, eventually, even if it slows down the realization of the benefits of free trade, nevertheless allow a more durable existence for the excess profits in the rich provinces. The bulk of the farms to be rented in the interior provinces, indeed, diminishes the competition between the farmers who are already established, and somewhat restrains increases in the price of leases (ibid. : 308). Farmers therefore grow richer and, all things being equal, the mass of new capital constituted in agriculture increases .

The question of the grain price

The analysis remains to be completed by examining an important question that has already been considered in part, namely the evolution of grain prices, a point which Galiani, as well as the adversaries of free trade, emphasized : this evolution in fact constitutes an important mechanism in the process of transition to a market economy. Moreover Galiani had depicted the increase of the price of corn in apocalyptic terms and here Turgot marks his disagreement. It is important, nevertheless, to note that, here again, while in some ways repeating Boisguilbert's and Quesnay's analyses of this theme, he also completes the analysis decisively. Certainly he admits that, apart from the costs of transportation, the 'general market' price will become established everywhere after the liberalization of markets. However, to calm the apprehension of readers of the *Dialogues*, he stressed two essential points.

In the first place, according the distinction between the two types of provinces, he qualified the quantitative importance of the increase in the mean price of wheat.

In normal times, this increase is more perceptible in the poor provinces, since it is there that the buyer and seller's 'prix communs' are most distant from the 'general market' price. Since, nevertheless, this rise must also be slower, it creates time for adaptation and allows the process to occur without shocks. 'It takes time for trade to improve ; communications will be established

and trade will increase gradually, and the mean prices [“prix moyens”] will only rise progressively in proportion as all the other advantages of freedom develop’ (ibid. : 340). As for the rich provinces, as we have seen, the ‘prix commun’ of grain was already high for the buyer : the difference is not too perceptible for him, but remains essential for the seller.

Nevertheless, another possibility can also be considered. Because of exceptionally bad climatic circumstances (an unfortunate series of years of scarcity) and the persistent obstacles to free grain trade, the mean price that effectively prevails¹¹⁶ is already high and sometimes even higher than the ‘general market’ price. This phenomenon is more perceptible in the poor regions ; ‘the rise in prices that occurs in the famine years causes the mean price to be not as far below the price in the capital, and even the general market price, as one would imagine’ (ibid. : 340). In such circumstances, consequently, the effective measures of liberalization could only provoke a lowering — or, at the worst, a very weak rise or even a simple maintenance — of the prices : ‘the natural effect of freedom must be to lower the mean price whenever it is higher than the general market price’ (ibid. : 338).

This was in fact the situation of the ‘mediterranean’ provinces at the beginning of the 1770s. Turgot could therefore be reassuring on the subject of the announced and expected ‘revolution’ in grain prices : this revolution, he affirmed, ‘has already occurred’. ‘In truth’, he adds,

if it is a good, one owes it, in part, to a great evil. It is to be presumed, as I already said first, that following the ordinary course of events, it would have been slower. But the circumstances, after the re-establishment of freedom,¹¹⁷ brought five out of six bad years, and grain rose to a very high price in the kingdom, and to an excessive price in some of the provinces. The forcing up of the price, far from being an effect of freedom, must, on the contrary, be attributed to the facts both that that freedom, from the time it was established, had been restricted and combatted, and that it had not been established long enough yet for trade to rise . . . Whatever it be, the people have been accustomed to an excessive price for several years ; thus there will be at least the advantage that, with

116. Turgot reasons here in terms of the effective mean prices, and no longer in terms of ‘prix communs’ : an exceptional series of similar years, indeed, make the concept of ‘prix commun’ less operative for examining a concrete situation.

117. In 1763-1764.

the return of abundance, grain will not fall to the price that it had held before freedom, but to one approaching what freedom would have given it : the people, who will experience a quite perceptible relief, will not dream of complaining about a rise in price, which will be perceived as such only when compared with an already forgotten period. (ibid. : 341-342)

In these reflections, Turgot responds in advance to the criticisms that would be made of him for having — as minister — immediately re-established free domestic grain trade, during a period of bad harvests, instead of having had the patience to wait for better times.

By the same stroke, also — and this fundamental point seems to have been neglected — he states that all periods are equally valid for instituting large-scale reforms, provided that one maintains one's course and takes appropriate measures (see below). Both advantages and disadvantages are indeed just as present in a situation of repeated good harvests, as in a situation of persistent poverty : only their nature changes, and it is precisely the good administrator's task to adapt his policy to it.

Aside from the preceding considerations, another more fundamental reason allows the transition period to be considered calmly. Turgot affirms that the rise in the price of grain, which was denounced so vigorously by the adversaries of free trade, as well as by the 'moderates', could not last. In his opinion, this increase could only be produced at the beginning of the adjustment period. Next, he announces, under free trade the mean price must go down, simply because the 'general market' price must decrease. In the case of France, Turgot refuses what we designate today as the 'small country' hypothesis and thinks, in a manner that was reasonable for his time, that free trade would provoke a noticeable increase in French agricultural production, a perceptible induced growth in grain supply on the international market, and therefore a lowering of the price on the 'general market.'

The increase of cultivation in France, its increase in production, its export, its decreased import, in a word, its supply in the general market, will be too considerable for the price not to be lowered. It is an additional competitor in the general providing for needs, one whose supply will, without any doubt, be strong enough to influence the market price. (ibid. : 339)

In any case, Turgot specifies, it is necessary to compare the evolution of prices with the immense and essential advantages linked to their regulariza-

tion. Although there is no doubt that the price in the ‘general market’ will ultimately be lowered, the advantage of its decrease is almost nil compared to its stabilization (*ibid.*).

10 The necessary conditions for the success of the transition to the market economy

The play of mechanisms that has just been described and which, in the long run, ensures the transition’s success, is not, however, certain : it depends on the realisation of a series of conditions, some of which have already appeared in outline.¹¹⁸

The merchants’ freedom and security

A first condition lies in ensuring the merchants’ freedom and security so that possessors of capital can adopt this profession without fear and grain can circulate smoothly, thus unifying the national space and creating a bridge between good and bad years.

Do we believe that, by hindering trade through degrading difficulties, by intimidating warehousing, by announcing that one regards grain to be less sacred as property than any other asset, by submitting it to the will and the ignorant or interested inspection of a crowd of judges or subordinate administrators, we will ensure that more of it will be warehoused? If there were people who still entered this trade, doubtless they would count these new risks and their shame among their costs, and they would make the consumers pay for them. There will not, however, be any of them, for to carry out this trade in such a way as to fill the needs of a suffering people, there must be huge advances, large capital, and rich and accredited merchants; now, the latter are not made to record to a registry of police; they do not put their fortune at the mercy of a judge, or even of the government. (1770 : 323)

It is therefore necessary to break with decades of temporization and suspicion. This condition is not achieved automatically : first because the harass-

118. I am neglecting certain aspects, which were however approached polemically by Galiani : the question of the necessary reciprocity of concessions in international trade, for example. Turgot was conscious of this necessity, as certain passages from a letter to the comte de Saint-Germain, the then minister of war, show (November 1775, IV : 483-485).

ments of which the merchants are victims in a system of regulation wound and even destroy their respectability; and next because their security and freedom depend crucially on the government's authority and the credibility of its policy, not only toward the 'people', but also toward the merchants themselves.

Once in government, Turgot immediately dealt with the lot of the merchants, on whom he saw that his policy depended. He was also careful, starting with the 'Arrêt du Conseil' of 13 September 1774, to multiply his interventions with the provincial authorities and the *chambres de commerce*, in order, without losing time, to get rid of the old regulatory reflexes, to explain the new orientation and to make sure that no one — neither the 'people' nor the *intendants*, the *procureurs généraux*, and the judges — disturbed it.¹¹⁹

Nominal and real wages

The accomplishment of a second condition is of just as much primary importance for the success of the transition: it is necessary that, everywhere, changes in nominal wages follow those of the price of corn. In approaching this question in his *Lettres* to Terray, Turgot intended to answer not only Galiani's criticisms, but also those of everyone who refused the transition to a market economy in the name of the survival of the 'people'.

Turgot immediately reaffirmed the inevitable adjustment of the nominal wages on the grain price and argued that this change could occur without any lengthy delay, which would be detrimental to the wage-earners. 'A similar increase [in the grain price] is not strong enough to put the people in distress and to prevent them from waiting without trouble for wages to be brought up to this level' (1770 : 341). The process appeared to him to be without problem for the rich provinces, where in a regulated system the buyer's common price is not very far from the 'general market' price, and where, the wage adjustment is therefore already established. But the different case of the poor provinces

119. See, in particular, the circular notifying the *intendants* of the 'Arrêt du Conseil', 19 September 1774, IV : 210-211; the circular to the *Procureurs généraux*, 19 September 1774, IV : 212-213; the circular to the Presidents of the *Chambres de commerce*, 19 September 1774, IV : 214-215; the letter to Bethmann, Imperial Consul and merchant in Bordeaux, 31 October 1774, IV : 227-228; the 'Arrêt du Conseil', 24 April 1775, ordering subsidies on importing by sea, IV : 407-408; or again the circular to the *Intendants*, 28 April 1775, IV : 411.

also did not overly disturb Turgot ; he believed that the change would also end up occurring smoothly. The wage-earners from these provinces have nothing to fear. ‘There can be doubt about their situation only for the passing moment. Now, in the natural course of things, this passage must be very smooth and tolerable’ (ibid., 340). Why does he show such confidence ? Two factors noted above are in play here.

In the first place, as we have seen, at the time when Turgot was writing, the price of corn was not as far below the normal market price as it was ordinarily, because of the repeated periods of scarcity. Since the ‘revolution’ in prices had already taken place because of a series of bad harvests and the continued impediments to free trade, wages would have to follow. The people, Turgot repeated, would therefore not suffer ; ‘the revolution has been accomplished no less in relation to the increase of the price of wages than in relation to that of the grain price’ (ibid. : 342).

In the second place the slowness of the change in the ‘mediterranean’ provinces’ price system allows a smooth evolution, which the functioning of the labour market in these provinces would reinforce. This market is connected with that of the wealthy regions through seasonal migration. If the grain price rise, what would happen if the employers from poor regions refused a rise of nominal wages ? The migratory flux would increase. The workers would leave these provinces and seek employment in the wealthy neighboring provinces, thereby provoking the raising of wages in the ‘mediterranean’ provinces, and this raise would be facilitated by the new wealth of both the owners and sharecroppers. ‘If, therefore, wages were not in common proportion with the value of subsistences, the number of workers would diminish, and the landowners [sic] would be forced to pay them more in order to keep them : they would resist this necessary increase all the less since the growth of their incomes, doubly founded upon the equalization and the raising of the price, would allow them both to get the laborers to work more and to pay them better’ (III : 341). One might suppose therefore that the processes would be all the more rapid when the region was on the border between rich and poor provinces.

Turgot recognized however that the picture could sometimes include shadows. A disturbing effect could thwart the evolution, namely the possible maintenance of a real — and therefore monetary — wage specific to the ‘mediter-

anean' provinces, different from the one prevailing in the rich provinces. This is why the transition also required a generalization of a single type of labour consumption throughout the territory, a consumption founded on corn (which could be called the 'real wage of abundance'). In the poor interior provinces, indeed, the grain price could well be stabilized at the level of the 'general market' price; this would not shelter the population from scarcity as long as their real wage was composed principally not of grain, but of 'chestnuts, rapes, and of a bad black wheat gruel', and as long as 'their [monetary] wages and their means of subsistence are regulated, in large part, by the price of these wretched commodities' (ibid. : 346). Each time a bad harvest occurred in this domain, a famine was unavoidable because the trade of these commodities was non-existent ('considering their low value and the difficulty of transporting them') and the monetary wages do not allow workers to subsist on grain, especially when the latter is expensive.

For then the void cannot but be replaced by grain, because chestnuts and black wheat cannot be found to import, and because the value of these commodities could not pay back the transportation costs. Grain is always expensive since it must be transported from a distance; consequently, the subsistence foods are necessarily at a price excessively above the means of a people for whom grain, even at a low price, is a kind of luxury that they are not in a condition to obtain. (ibid. : 346-347)

In such circumstances, free trade could, therefore, see its benefits realized fully only after the population concerned had modified its habits of consumption. 'Now it takes time to reach this goal' (ibid. : 346).

The question of the poor is linked to that of wages. How can they be aided while avoiding a fall back into the rut of interventionism on the grain market, a fall that would disrupt the progress of the liberalization policy? The orders given to the intendants in 1774 specified the steps to be taken. 'Public works' are to be multiplied by setting up 'charity workshops . . . in places where famine has made itself felt most strongly' and if the gravity of the situation requires it, subsidies will be given 'to all the merchants who have introduced, in places outside the reach of ordinary trade, grain that has come from abroad, and the

good quality of which has been ascertained'.¹²⁰ The measures taken in the spring of 1775 were similar.¹²¹

The liberalization of trade in the other branches of activity

A third condition was important for the success of the transition. Although the liberalization of the grain market was necessary, it might prove to be insufficient. Free trade must also be established in all other sectors — not to speak of the abolition of every obstacle (tolls and other taxes, for example) which impede the circulation of commodities and raise their prices : these were constant preoccupations up to the six edicts of March 1776.¹²² Freedom of labour, i.e., above all the abolition of the 'jurandes', must come to reinforce the general movement of deregulation. The competition that must then be established in the different trades would provoke, Turgot foresaw, a decrease in the price of goods, especially bread ; in the cities, this decrease would counterbalance the possible increase in prices during the transitional period and soften or even improve the lot of wage-earners. 'I shall not finish without pointing out to you', Turgot insisted, placing himself on his adversary's ground, 'that if it were true that freedom would produce an increase in the grain price, and that this increase would be entirely at the consumer's expense, it would still provide a gain for these consumers, by lowering the price of bread more than they could lose by the increase in the grain price' (1770 : 349).¹²³ The trades communities, he repeated in 1776, are a powerful obstacle to the lowering of the prices of 'commodities necessary to the people's subsistence'. 'Since the price of grain varies from 20 to 26 pounds per 'setier' today, and the largest

120. 19 September 1774, IV : 212 ; cf. the circular to the Procureurs généraux, same date, *ibid.* : 213-214.

121. 'Even women and children are admitted to all these works, whether in Paris or in the provinces, in order to employ those who are the least accustomed to finding work and earning wages ; since a profit and wages are offered to all the persons in each family, the resources are distributed in proportion to needs' ('Arrêt du Conseil', 24 April 1775, ordering subsidies for importing by sea, IV : 408-409. For developments on this theme, see Turgot 1775a and b, and Joël 1984).

122. See, for example, the 'Arrêt du Conseil' for 22 April 1775, IV : 404-406.

123. 'This is perhaps not to overvalue too greatly the surcharge on the price of bread resulting from all these causes, to evaluate it to the third part of the price that it has for the consumer. Even if it were only a fourth or fifth, it would be enough for their only suspension to allow the consumers to bear, without any harm, an increase in the grain price' (1770 : 351).

part of good wheat is at 24 pounds, the people should have excellent bread at 2 *sous* 2 *deniers* per pound. It is still worth 2 *sous* 9 *deniers*. The same obstacles can be found for the price of meat' (1776a : 160). The abolition of the 'jurandes' and 'the most free competition' of labour were therefore also necessary for the success of the reforms.

A remodelling of the political system

Finally, there was a fourth condition necessary for ensuring a lasting success of the process of transition to a market economy. It referred to an extensive reorganization of the state's administrative apparatus, which implied, when all is said and done, a change of political system, thus confirming Galiani's intuitions — or fears.

It was not that Turgot thought that reform had necessarily found an obstacle in monarchical institutions. On the contrary, he believed that the achievement of certain important reforms could be facilitated by a powerful central authority.¹²⁴ A margin for action therefore existed. As he explained to Condorcet in 1773,

it is necessary to distinguish among degrees of despotism; there are a multitude of despotic abuses in which the princes have no interest at all ... There is no form of government that does not have disadvantages that the governments themselves would like to remedy or abuses that almost all of them propose to reform, at least at another time. One can therefore serve them while treating questions of the public good (III : 639-640)

A change as important as the passage to a market economy, however, is better achieved if it is understood and supported by a good part of the agents involved. These agents must also be in a position to participate in making decisions that concern them (such as the just distribution of taxes) and to advise the government effectively about everything relating to the economic domain. This is why Turgot elaborated an ambitious plan for a system of As-

124. 'From this point of view, monarchies have some great advantages : (1) The monarch has and can have no interest in making bad laws ... (2) He can often act in conformity with the opinion of civilized men, without waiting for it to sway the general opinion, and he must oppose less resistance to the natural order, which tends to make this opinion conform more and more to the truth. (3) Finally, we can hope in this constitution that bad laws will be attacked with less caution, according to a more regular and better devised plan' (Condorcet 1786a : 211-212; see also *ibid.* : 120).

semblées municipales, which, had it been adopted, would certainly have upset the French administrative and political structure.¹²⁵ He hoped to create, at the level of the villages, districts, provinces, and finally the country, a pyramid of assemblies that would deal with the economic and judiciary questions within their jurisdiction, each of them being responsible for designating the members of the immediately higher assembly. The system was elective. The electors were landowners and their voices counted in proportion to the value of their property, according to a certain threshold.¹²⁶ Elections would have to take place, and the assemblies would be held, without any distinction between the three estates of the realm. In parallel, a Council of Public Instruction would have been instituted and a vast educational programme set up : an educational system of which the state would be in charge, and which would have had the function of transforming the subjects into enlightened citizens.

One of the major functions of this pyramid of assemblies, other than making the social body homogeneous on a mainly economic basis, would certainly have been to channel enlightened opinion and make it better understood by the government than would otherwise have been the case with an elusive and unstable ‘public’. As Condorcet notes, it would have formed and expressed the ‘general wish of the nation’; and Turgot would have let the king know ‘that this general wish, about which, with such means, one could not be mistaken, and which would rarely go astray, would be a more certain guide than public opinion, which is an obstacle common to all the absolute governments, the resistance of which is less constant, but also less calm, often as powerful, sometimes harmful, and always dangerous’ (1786a : 123).

125. The *Mémoire sur les municipalités*, which is included in Turgot’s collected works, was in fact composed by Dupont at Turgot’s request. The result was not judged satisfying. ‘I am sorry, my dear Dupont, that you wasted time in writing your views with a superfluous perfection. I only needed an outline. I have thought too much about this matter, for fifteen years, not to have a mass of ideas about which you could not have guessed, and it would have been a lucky chance if we had agreed on everything. It follows from this that the definitive version will probably have to be re-done’ (to Dupont, 23 September 1775, IV : 676). On the vicissitudes of this text, see Schelle’s remarks (in Turgot, IV : 568-574). Since Dupont cannot be considered the most faithful witness, it is also interesting to consult the testimony of Condorcet (1786a) and Véri (1933), which Schelle also uses (IV : 621-628).

126. Below this threshold, landowners could form groups in order to be able to vote; thus they would collectively have had one or more voices, for example, as soon as the addition of their domains had reached or surpassed this threshold.

In this area as well, however, the course that Turgot proposed was very prudent, and all the more gradual since the political stakes were important. The different levels of assemblies would not have been instituted at the same time.¹²⁷ Only the first two grades would have been created at first, in order both to allow them the time to learn how to conduct themselves well, and to allow the work of national education to begin to have effects. Once this had been accomplished, however, it would have been necessary to go further and to institute first the ‘municipal’ provincial assemblies, and then, later on, the general (or national) assembly. At the time of these two final stages, the process would have changed its appearance radically and would have inevitably implied a partial transferral of power from the king to the assemblies.

Turgot, according to the convergent testimonies of Condorcet and Véri, was aware of the problem and divided between his desire to see this transformation accomplished and his fidelity to the king. He explained his position after his disgrace, at the time of Necker’s attempt to institute provincial assemblies.¹²⁸ ‘Whatever restraint one institutes at the beginning’, he declared to Véri,

there is no doubt that with time the assemblies will acquire, by their establishment in each province, and by the possibility that they will communicate with each other, a degree of strength that will certainly alter the monarchical constitution that presently exists. As citizen, I was very comfortable with it ; but acting as the king’s minister, I had scruples about using his confidence to weaken the extent of his authority. It was not that I did not have the design, but I wanted to wait until the king was older, and had the experience and maturity to judge for himself. (in Véri 1933, vol. II : 147)

The ‘Guerre des farines’ in 1775 and his disgrace in the spring of 1776 did not allow Turgot to present his ideas to the king, and this part of the program went unheeded.



127. They would not be instituted everywhere, for only the ‘Pays d’élection’ would have applied the reform. Turgot counted on success there in order to extend the policy to the ‘Pays d’État’ afterwards.

128. Turgot’s partisans accused Necker of taking inspiration from his predecessor, while diluting the reform. One function to be played by the provincial assemblies was at least common to both projects : to capture, educate, and channel ‘public opinion’ (cf. for example, Necker 1781 : 75).

In the great debate about the move to a market economy and, in particular, about the degree of laissez-faire that could or should be accepted in economic matters, it is therefore evident that the various positions are more nuanced and complex than they might first appear, or than an interpretative tradition suggests. More specifically, in between the sometimes extreme prudence of Galiani and especially Necker, and the dogmatism of Quesnay and his main disciples, Turgot engaged in an intermediary position which is in many ways comparable to that of Adam Smith. Among the authors of the time, Turgot is distinctive not only on account of his analytical powers and his conceptual rigour, but also by being the only thinker to put forward in such a detailed manner an argument which attempted to link a long term perspective to the short term evolution of the economy; in other words, he was unique for his thorough reflections about the period of transition. It is also true that he was the only author to assume the two roles of theoretician and statesman.

All the same, the image presented in his demonstration may perhaps seem to us to be all too perfect. Is not the dynamic as he describes it, as excluding any major clashes, based on too unrealistic hypotheses, particularly in relation to the stumbling block of the era, namely the functioning of the labour market? In responding to Galiani, Turgot attempted to come to terms with the adjustment period, arguing that the economic and social costs of the transition would be essentially negligible, at least in so far as the principal social classes were concerned: the individual interests directly linked to the old order could well be sacrificed. He displayed for the first time in its complete form, a type of reasoning which would later achieve success amongst the 'free trade' advocates, reassuring them in their faith in the automatic and optimal nature of market adjustments.

We know that this kind of approach frequently attracted critics. For example, to cite only one of the most well-known: '...this long run is a misleading guide to current affairs. In the long run we are all dead. Economists set themselves too easy, too useless a task if in tempestuous seasons they can only tell us that when the storm is long past the ocean is flat again' (Keynes 1923 : 65). This comment is reminiscent of many of Galiani's remarks. However, the fact was that in the eighteenth century, even more than in the 1920s, no solid alternative schema was proposed, and Turgot's reasoning appears to be by far the most precise and most coherent of those on offer. Ultimately Galiani and Necker

do not have much to say about the functioning of the economy in the short run, especially during periods of great change. Nevertheless they did have the advantage of emphasising a point which was the Achilles' heel of the radical reformers, as Turgot understood perfectly clearly. In the context of the debate about the grain trade, a long-lasting theoretical split was being put in place.

Finally, the debate also emphasised the limits of economic discourse and the theoretical approach as such in the formulation of a social and economic policy. While Galiani and Necker still confused the two levels of theory and practice, Turgot started to make a distinction which at last became clear with Condorcet : the distinction which exists between science and art and which is particularly relevant during a period of transition. The main theoreticians later made use of this distinction either implicitly or explicitly. Smith emphasised the difficulty on several occasions : 'in what manner the natural system of perfect liberty and justice ought gradually to be restored, we must leave to the wisdom of future statesmen and legislators to determine' (1776 : 606).¹²⁹ But an author such as Walras is also equally clear about this issue.¹³⁰ We can only regret that all too often this type of teaching was forgotten.

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129. Cf. *ibid.* : 468 : 'The recovery of a great foreign market will generally more than compensate the transitory inconveniency of paying dearer during a short time for some sorts of goods. To judge whether . . . retaliations are likely to produce such an effect, does not, perhaps, belong so much to the science of a legislator, whose deliberations ought to be governed by general principles which are always the same, as to the skill of that insidious and crafty animal, vulgarly called a statesman or politician, whose councils are directed by the momentary fluctuations of affairs.'

130. 'I am convinced that . . . the functions . . . of theoretician and that of statesman or practician ought to be separated. The man of science . . . deduces an ideal for the organisation of society from pure science ; he has to retain the point of view of the absolute, or of perfection, either of interest or of justice. The role of the statesman is to progressively lead any given society towards the ideal identified by the man of science ; he must place himself in the relative point of view and must seek a compromise between the demands of science and present circumstances . . . Since these two points of view are so very different, their confusion is most troublesome' (Walras 1898 : 410)

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