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THE POLITICAL ECONOMY OF JEAN-BAPTISTE SAY'S REPUBLICANISM

Richard Whatmore* **

Abstract: Orthodoxy maintains that Jean-Baptiste Say was a liberal political economist and the French disciple of Adam Smith. This article seeks to question such an interpretation through an examination of Say's early writings, and especially the first edition of his famous *Traité d'économie politique* (Paris, 1803). It is shown that Say was a passionate republican in the 1790s, but a republican of a particular kind. Through the influence of the radical Genevan exile Etienne Clavière, Say became convinced that only a republican constitution would protect the gains of the Revolution. Furthermore, the foundation of a successful republic lay in the pursuit of specific virtuous manners, and in particular independence, equality, frugality and industriousness. Although in 1803 Say turned against supporters of republican constitutions he continued to demand the reformation of manners. His ultimate vision was a science of political economy which would foster republican manners, by instructing both legislators and the general populace.

I

At the time of his death in November 1832, Jean-Baptiste Say's fame as a political economist spanned the continents of Europe and America. His popular summary of the new science, the *Traité d'économie politique*, had seen five editions since 1803. The aim of regaining pre-eminence in the subject from the British, had, as far as the French reading public were concerned, been successfully accomplished with the publication of the *Cours complet d'économie politique* in 1828.¹ A school of disciples was inspired to publish and promote

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¹ *Revue mensuelle d'économie politique*, ed. Théodore Fix (4 vols., Paris, 1833–7), Vol. I, p. 131: 'Si l'économie politique doit beaucoup à Adam Smith, les hommes qui cultivent cette science doivent au moins autant à J-B Say: ces deux noms sont inséparables, toutes les fois que l'on considère l'économie politique sous le rapport chrysologique, le premier a fondé la science, le second l'a régularisée en y portant de la méthode et de l'ordre, en y introduisant cette clarté et cette lucidité sous lesquelles les sciences ne peuvent être que le partage d'un petit nombre d'esprits privilégiés.'

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Say's writings and ideas up to the revolution of 1848.² From the time of his appointment to a Chair of 'Économie industrielle' in 1819, at the *Conservatoire des Arts et Métiers*, he was undoubtedly the foremost expositor of political economy in France.

This contemporary assessment rested upon the belief that Say had rescued the science from the ambiguities of Smith's *Wealth of Nations* and, more importantly, from embroilment in the political and moral controversies of the Revolution. Say's successor at the *Conservatoire des Arts et Métiers*, Jérôme-Adolphe Blanqui, made this clear in 1839. In the influential *Histoire de l'Économie politique*, Blanqui judged the 1790s to have been a disaster for political economy because it had been infected by the moral claims of the revolutionaries. According to Blanqui, Say had cut the gordian knot of confused republican theories in 1803 with the publication of the *Traité*, which permanently distinguished political economy from controversies about morals and politics. As Blanqui put it, Say 'proved that his study was as valuable to monarchies as it was to republics'.³ The book had achieved this difficult task by grounding the subject upon objective facts, and by adhering to the system of liberty which emerged from their scrutiny. Blanqui's view was supported by Say's son Horace in 1841, who argued that his father had been converted to 'the cause of liberty' on his first reading of the *Wealth of Nations* in 1789. This claim was intended to ensure that Say remained unconnected with, and uncontaminated by, the radical republican ideas of the 1790s.⁴ Modern economists have concluded from such evidence that the *Traité* introduced Smith's liberal ideas into French circles.⁵ Modern historians have labelled this approach 'individualist' by claiming that Say and Smith justified the liberty of each individual to pursue their own conception of well-being and, in consequence, supported minimal government; their fundamental claim having been that because of the operation of the hidden hand a large commercial society could flourish solely

² *Mélanges et Correspondance de Jean-Baptiste Say*, ed. Charles Comte (Paris, 1833); *Traité d'économie politique*, ed. Horace Say (Paris, 6th edn., 1838); *Oeuvres diverses de Jean-Baptiste Say*, ed. Charles Comte, Eugène Daire, Horace Say (Paris, 1848); Pierre Rossi, *Cours d'économie politique* (Paris, 1841).

³ J.-A. Blanqui, *Histoire de l'Économie politique en Europe depuis les anciens jusqu'à nos jours* (2 vols., Paris, 4th edn., 1860), Vol. II, p. 182.

⁴ 'Notice sur la vie et les ouvrages de Jean-Baptiste Say', *Oeuvres diverses de Jean-Baptiste Say*, pp. iii–iv.

⁵ Joseph Schumpeter, *A History of Economic Analysis* (Oxford, 1954), pp. 491–2; Thomas Sowell, *Say's Law: An Historical Analysis* (Princeton, 1972); Thomas Sowell, *Classical Economics Reconsidered* (Princeton, 1974); Mark Blaug, *Economic Theory in Retrospect* (Cambridge, 1988); William Baumol, 'Say's (at least) Eight Laws, or What Say and James Mill May Really Have Meant', *Economica*, XIX (1952), pp. 355–76; William Thwait, 'Early Formulators of "Say's" Law of Markets', *Quarterly Review of Economics and Business*, 47 (1980), pp. 467–9; E. Teilhac, *L'oeuvre économique de Jean-Baptiste Say* (Paris, 1927).

with a self-interested populace.⁶ The *Traité* certainly contained passages which appear to support such interpretations.⁷

This article seeks to begin the process of challenging this conventional wisdom. If Say's early life and writings are examined it becomes clear that he was an active revolutionary throughout the 1790s and an ardent republican from 1794. It is the claim of this paper that the distinctive republicanism which Say adopted and espoused in the late 1790s continued to determine the aims, and much of the content, of his political economy, and especially the *Traité* of 1803. The next section briefly examines the republicanism of his early life and writings. The following two sections show that, although Say changed his ideas after the failure of the Consulate, a commitment to republican ideas and values continued to characterize his political economy. A final section briefly underlines the continued importance of the republican perspective to Say's later works.

II

In 1789 Say was secretary to the Genevan radical and financier Etienne Clavière, the patron of Brissot and Mirabeau, and a founder member of the *Société des Amis des Noirs*.⁸ Clavière, perhaps more than any other major writer at this time, had a powerful faith in the applicability of the institutions of small republics, such as Geneva, to large monarchies like France. As such, he was an

⁶ Cheryl Welch, *Liberty and Utility. The French Idéologues and the Transformation of Liberalism* (New York, 1984); Ellen Frankel Paul, *Moral Revolution and Economic Science* (London, 1979); Martin Staum, 'The Institute Economists: From Physiocracy to Entrepreneurial Capitalism', *The History of Political Economy*, 19 (1987), pp. 525–50. Evelyn Forget, 'J-B Say and Adam Smith: An Essay in the Transmission of Ideas', *Canadian Journal of Economics*, XXVI (1993), pp. 121–33. The interpretations of recent French historians are, of course, very different. See in particular the excellent work of Phillippe Steiner: 'Comment stabiliser l'ordre social moderne? Jean-Baptiste Say, l'économie politique, et la Révolution', *La Pensée économique pendant la Révolution française, 1789–1799*, ed. G. Faccarello and P. Steiner (Grenoble, 1991); 'Quels principes pour l'économie politique? Charles Ganilh, Germain Garnier, Jean-Baptiste Say, et la critique de la physiocratie', *La Diffusion internationale de la Physiocratie: 18–19e siècles*, ed. B. Delmas, T. Delmas, P. Steiner (Grenoble, 1995); 'Politique et économie politique chez Jean-Baptiste Say', *Revue française d'histoire des idées politiques*, 5 (1997), pp. 23–50; *Sociologie de la connaissance économique* (Paris, 1998), especially Chs. 3–4.

⁷ *Traité d'économie politique, ou simple exposition de la manière dont se forment, se distribuent et se consomment les richesses* (2 vols., Paris 1803) (hereafter *TE*), Vol. I, pp. 435–6; also p. 460.

⁸ On Clavière's life see E. Chapuisat, *Figures et Choses d'Autrefois* (Paris, 1920), pp. 10–155. On Clavière's relationship with Brissot see Robert Darnton, *Trends in Radical Propaganda on the Eve of the French Revolution (1782–1788)* (unpublished D.Phil., Oxford, 1964), especially pp. 197–226. For a useful synopsis see Darnton's 'L'idéologie à la Bourse', in *Gens de lettres Gens du livre* (Paris, 1992), pp. 85–98.

influential advocate of a constitution in which the monarch was chief magistrate and wholly dependent upon a legislature of representatives, elected from a broad base of male citizens. Clavière passionately believed that such popular ‘republics’ could only survive if the manners of the populace were both patriotic and virtuous; otherwise political violence and corruption would ruin the state.⁹ He popularized these ideas through the influential journal *Courier de Provence* between 1789 and 1791, under the aegis of Mirabeau.¹⁰ In the early days of the Revolution Say was promoted to a position on the staff of this journal. There can be no doubt that Say wholeheartedly welcomed the Revolution. His first published writing, *De la liberté de la presse*, appeared late in 1789 and underlined his commitment to the newly-won liberty of the French people. However, he was not yet a republican of Clavière’s ilk because he placed his faith in the benevolent monarch, Louis XVI, whom he expected to accept the new constitution and thereby become the foremost defender of civil liberty.

Say continued to serve Clavière during the next turbulent year of political upheaval, and must have been aware of Clavière’s campaign to found the *assignats* as a means to foster virtuous manners among the lower orders of the French nation.¹¹ He left Clavière before his fall from power as Minister of Public Contributions in the Girondin ministries of 1792, by joining the revolutionary army sent to Champagne. When he returned, Clavière had committed suicide while awaiting the guillotine, and the radical Jacobins held the reins of power. Furthermore, France had become a popular republic in September 1792. For the majority of revolutionaries this meant three things. First, that the constitution was popular, in the sense that it comprised elected representatives

⁹ Clavière’s role in Brissot’s works is not widely known, despite Brissot’s acknowledgement that Clavière was his intellectual mentor (and financial patron) in the late 1780s, being, as he recalled: ‘un fonds inépuisable d’idées neuves, d’idées grandes et propres à captiver les esprits le talent de les exprimer lui manquait. Il ignorait l’art de l’analyse; point d’ordre dans ses idées, point de clarté dans son style. Il pensait supérieurement, il fallait qu’un autre écrivît pour lui. C’était une mine intarissable de diamants bruts: il fallait un metteur en vie.’ (Brissot, *Mémoires, 1754–1793*, ed. Claude Perroud (2 vols., Paris, 1910), Vol. II, pp. 28–9). It is likely that Clavière’s ideas were dominant in at least three works published under Brissot’s name: *Point de Banqueroute* (London, 1787); *Observations d’un Républicain Sur les diverses systèmes d’Administrations provinciales* (Lausanne, 1788); *De la France et des États-Unis, ou de l’importance de la révolution de l’Amérique pour le bonheur de la France* (Paris, 1788; republished under Clavière and Brissot’s names in 1791).

¹⁰ J. Bénétruy, *L’Atelier de Mirabeau: Quatre Proscrits Genevois dans la tourmente révolutionnaire* (Paris, 1962).

¹¹ See Clavière, *Réponse au Mémoire du M. Necker, concernant les assignats, et à d’autres objections contre une création qui les porte à deux milliards* (Paris, 1790); Clavière, *Coupons d’Assignats. Pétition proposée aux quarante-huit Sections de Paris* (Paris, 1790); Clavière, *Observations sommaires sur le projet d’une refonte générale des Monnoies* (Paris, 1790).

of the people in all the offices of the state wielding political power. Second, that all the officials of government would administer the state in the interests of the people, and above all for their safety. Most revolutionaries believed that this entailed the armed defence of the civil liberties won in 1789 against the monarchies of Europe who were intent on subverting them and restoring the Old Regime of hierarchy and privilege. Third, that republicanism was a mode of living, entailing patriotism and the fulfilment of essential civic duties, from the defence of the state to the succour of fellow citizens. The problem was that few writers or politicians agreed on the nature of the institutions most suited to France, on the laws which best ensured the safety of the people, and on the manners which best expressed republican virtues. There was therefore a spectrum of republican argument disputing every aspect of the revolutionary vision of 1792, from Saint-Just to Sièyes and Condorcet.

The first evidence of Say's republicanism can be found in his edition of Benjamin Franklin's popular moral philosophy, from the *Pennsylvania Almanac* articles, entitled *Poor Richard Saunders*, which had appeared in London as *The Way to Wealth or Poor Richard Improved*. Say adopted the title *La Science du Bonhomme Richard*, and added a brief sketch of Franklin's life.¹² In this he claimed that the revolution in America, and particularly its republican constitution, had inspired the French to follow them and restore their liberty. He was even more interested in Franklin's life as a model for republican manners. According to Say, Franklin had discovered that 'constant happiness (*bonheur constant*)' could only be maintained by the adoption of 'the simplicity of ancient morals'.¹³ This entailed a life of frugality and industriousness, dedicated to the public good, in the secure belief that this was the surest means to self-help as well as the interest of the republic. There was no better proof of this than Franklin's rise from candle-maker to foreign ambassador:

Franklin, a candle-maker, who had been an apprentice printer in Philadelphia, without home or privileged origin, ate a morsel of dry bread in the street while seeking employment. This important example is one of the greatest triumphs of Equality; it is one which has opened our eyes, and prepared the establishment of our august Republic.¹⁴

As to the means by which a government might encourage such manners Say was silent, with one important exception. He signified his support for Clavière's policy of using paper money for the reformation of popular manners by praising the related American scheme.¹⁵ The aspect of republican ideas which clearly

¹² *La Science du Bonhomme Richard de Benjamin Franklin Précédée d'un abrégé de la VIE DE FRANKLIN, et suite de son INTERROGATOIRE devant la Chambre des Communes*, Imprimerie des Sciences et Arts (Paris, 1794), Year 2.

¹³ *Ibid.*, p. lx.

¹⁴ *Ibid.*, p. lxi.

¹⁵ *Ibid.*, p. xliiii: 'Il fut question à cette époque d'augmenter la masse du papier-monnaie; mesure convenable en général dans toute société naissante, et qui cherche à

fascinated Say was identical with Clavière's: the problem of manners in a nascent republic in which monarchy, privilege and egoism were entrenched. He was able to explore this major theme of revolutionary politics further through his work as a journalist for *La Décade*, the influential journal which Say founded with Andrieux and Ginguéné in April 1794. During the next three years Say's main interest was theatrical culture, and the means by which it influenced civic morals.¹⁶ He also translated Helen-Maria Williams' study of Swiss manners, which he recommended to all progressive thinkers.¹⁷

One work, however, stands above all of Say's literary enterprises during these years, the *Olbie, ou Essai sur les moyens de réformer les mœurs d'une nation* of 1798. This reveals Say's engagement with the principal problem facing the Directory: how to prevent a recurrence of the violence of the Terror. His response was to utilize projects, inspired by Rousseau's *Emile* in particular, to make the manners of the general populace and government more virtuous. Say wrote that France was singularly fortunate in having an enlightened culture of 'good books'. These had to be fostered and popularized, to be used against the 'bad morals' which could be traced to the monarchical system of the Old Regime, and which had been responsible for forcing the Revolution off course. The most innovative idea of *Olbie* was that a specifically republican political economy had to be formulated. This justified legislative intervention in the lives of citizens by means of coercive laws, civic rituals and public instruction, in order to promote the republican manners of industriousness, equality, independence, frugality and fraternity. Individuals had to be enlightened by the legislator to live by these manners, which represented their 'real' interests. Happiness would clearly be found in the practice of civic duties within the framework of a moral community. This in turn depended upon a 'wise distribution of general wealth'. The optimal distribution of wealth for moral virtue could only be: 'The fruit of a good system of political economy; an important science, the most important of all, if morals and the happiness of men merit being regarded as the most dignified aims of their quest.'¹⁸ *Olbie* was published

s'étendre, parce qu'elle multiplie les ressources, et donne au crédit de l'état une circulation aussi facile que celle de l'argent. Franklin entreprit la défense de ce projet.'

¹⁶ See, for example, Say in the guise of 'Boniface Veridick à Polyscope sur son projet de théâtre pour le peuple', in *La Décade philosophique, littéraire et politique, par une société de Républicains* (after 1800 par une Société des Gens de Lettres), ed. P.-L. Ginguéné, J.-B. Say, F.G.J.S. Andrieux, A. Pineux Duval, J. Le Breton (42 vols., Paris, 1794–1807), 10 Germinal year IV, pp. 38–44.

¹⁷ *Nouveau Voyage en Suisse, contenant une peinture de ce pays, de ses Murs et de ses Gouvernemens actuels; Avec quelques traits de comparaison entre les Usages de la Suisse et ceux de Paris moderne; par Hélène-Maria Williams; Traduit de l'anglais, par J-B Say* (Paris, 1798), p. xii: 'Il me suffira de prévenir le lecteur que l'amour de la liberté, celui de l'humanité, de la tolérance religieuse, qui y percent à chaque page, ne sont point dans l'auteur des sentimens nés des circonstances.'

¹⁸ *Olbie*, in *Oeuvres diverses de Jean-Baptiste Say*, p. 588.

in 1800 and revealed Say to be a republican of a peculiar stamp: loyal to the idea of a republican constitution but obsessed with the virtues which ought to flourish in a republican society. It was the role of political economy to inculcate these virtues, and especially industriousness and frugality.

When *Olbie* was reviewed by Say's colleagues on *La Décade* and at the National Institute a problem was immediately identified: Say had not specified the precise nature of the political economy for a republic to pursue.¹⁹ This led Say to begin work on a textbook of republican political economy, which appeared as the *Traité d'économie politique* in two volumes in 1803. The political circumstances surrounding the publication of the *Traité* were very different from those of *Olbie*. In 1799 leading figures in the National Institute, including Sièyes, Rœderer and Cabanis, were blaming the constitution of 1795 for the continued political and economic instabilities. They began to participate in conspiracies to create a new constitution. By 10 November (19 Brumaire) Napoleon Bonaparte had executed, in conjunction with Sièyes, a plan to replace the Directory with a Consular Commission of Napoleon, Sièyes and Roger Ducos. On 13 December 1799 the declaration of a new constitution was accompanied by the election of Napoleon, Cambacérès and Lebrun as consuls, and a new form of government was instituted. Although Say later denied that he played an active role in the Brumaire coup, this was coloured by his subsequent aversion to Napoleon and the need, during the Restoration, to distance himself from the Revolution. Say would almost certainly have come to know Napoleon personally from the soldier's links with the Auteuil salon during the 1790s. In 1798 the existence of a relationship was confirmed by Napoleon's request that Say select a list of books for him to study during the campaign in Egypt; the books accompanied the Army of the Orient in May of that year. One of Say's biographers has claimed that Napoleon's delight with the books selected was responsible for Say's nomination as Tribune by Sièyes in November 1799.²⁰ It is more likely that Say was rewarded for ensuring the support of *La Décade* for the Brumaire coup. The editorials and articles of *La Décade* portrayed the Consulate as a new dawn for republicanism. Guinguené, for example, prophesied a revolution in philosophy concurrent with the Consulate's re-kindling of the revolutionary flame.²¹ However, over the next three years the Consulate became more like a monarchy-seeking empire. While he was writing the *Traité* there can be no doubt that his faith in Napoleon was

¹⁹ *La Décade philosophique*, Vol. XXIV, pp. 263–267, *Rapport fait par Guingéné, sur le Prix de Morale qui devait être distribué dans la séance publique du 15 nivôse, an 6*.

²⁰ J. Valynseele, *Les SAYS et leurs alliances* (Paris, 1971), p. 41. In November Say was named secretary to the Commission charged with establishing the Constitution of 1799; he became a Tribune in December.

²¹ *La Décade philosophique*, Vol. XXXI, p. 27, review of J. Chenier's *Discours sur les progrès des connaissances en Europe et de l'enseignement public en France*.

being increasingly undermined. In August 1802, having opposed the censorship practices of the executive, Say followed Benjamin Constant in being expelled from the Tribunate. His fervour for republican government was quietened by these experiences.

That Say changed his opinions between 1798 and 1803 is evident from the Preliminary Discourse of the *Traité*. Say made it immediately clear that he wanted to repudiate one claim which he had considered indisputable in the 1790s: that the successful operation of economic laws was contingent upon the existence of a republican form of government. The *Traité* began with a radical and, to an observer of revolutionary politics, a breathtaking claim: that politics and political economy were distinct subjects with different concerns, laws, and objectives.²² The body of the *Traité* underlined another difference from republican political economy. Say renounced his faith in public instruction as a means of inculcating virtue in the citizenry:

The only important study which does not appear to me to be worthy of being the object of public instruction is the study of morality. Is it necessary to have a master to tell us our duties towards our brothers and sisters, and towards our friends? Morals must everywhere be learned and nowhere be taught. The parents of a child and those who care for it are the teachers of his morals, because they alone can direct his habits. If they badly fulfil this noble task, it is a misfortune without doubt, but who could replace them? I have never seen a civic education (*instruction publique*) that sufficed to make men virtuous, and the only honest men I have ever seen are those who have been brought up with good habits.²³

Such a sentiment repudiated a central thread of *Olbie*. The inference which many of Say's interpreters have drawn from this evidence is that in writing the *Traité* Say turned his back on the republican virtues and concern about the distribution of wealth. This focal question can be addressed by examining the role of republican manners in the first *Traité*.

III

In the Preliminary Discourse Say stated that he was setting himself two central goals in the body of the *Traité*. The first was to reveal to citizens their contribution to the wealth of society. Say's second aim was to assess and specify measures capable of combating the poverty which continued to ravage Europe, and which appeared immune to the wealth generated by commercial societies.²⁴ The condition of Europe, Say persistently asserted, provided certain evidence of the extent of poverty and the dangers it represented for modern states. For Say poverty was a symbol of malign civilization: 'In our Europe, the most idle workers are those whose habits are closest to those of the savage.'²⁵

²² *TE*, Vol. I, p. i.

²³ *Ibid.*, Vol. II, p. 438.

²⁴ *Ibid.*, Vol. I, p. xliii.

²⁵ *Ibid.*, Vol. II, pp. 382–3.

In Book I Say's discussion of poverty commenced with the clarification of one of his most firmly held beliefs: that it was only in a society where the citizens were industrious that poverty could ever be remedied. Say repeated Smith's famous claim that because of the industriousness of the moderns the condition of the poorest labourer was superior to that of the greatest king of a savage state: 'Thanks to his industry, the most lowly inhabitant of our towns enjoys an infinity of comforts which a king of savages is obliged to do without.'²⁶ The example Say gave was of the state of Malta which, although built upon the most infertile soil, had yet been able to sustain a large population because of the industrious manners of Maltese citizens. Industrious activity geared to the creation of a useful product could, Say argued, be divided into three functions: the conceptualization of the product by the innovative thinker; the organization of production through the application of this knowledge by the farmer, manufacturer or merchant; and the fashioning of the product by the manual labourer. This categorization of industriousness led Say to the conclusion that a state would never be fully industrious unless its inhabitants thrived in all three branches of production. Say underlined his conviction that if the imaginative classes, the thinkers and the writers, were neglected because they were considered to be unproductive, then the creation of national wealth would be impeded:

Everywhere industry comprises theory, application and execution. It is only so far as a nation excels in all three kinds of operation that it is truly industrious (*industrieuse*). If it is unskilled in one or another, it cannot produce goods which result from all three. Therefore one realises the utility of sciences which at first glance appear destined to assuage only a useless curiosity.²⁷

Say's next action was to specify the most important of all the actions of the industrious citizen, and the key to the creation of a prosperous society: the use of industry to create productive capital (*capital productif*). Productive capital, from simple tools to complex machines and the infrastructure of production, was, Say argued, the stimulus to further industry and the source of ever-cheaper subsistence goods for the mass of the population. The sign of the successful capitalization of the economy was reduction in the ratio of tangible productive capital to that embodied in circulating metal moneys:

What is true of one individual, of two, of three or four, is true of society as a whole. The capital of a nation consists of the capitals of all individuals, and the more a nation is industrious and prosperous, the more its capital in money is small relative to the sum-total of all its capitals.²⁸

²⁶ *Ibid.*, Vol. I, p. 10.

²⁷ *Ibid.*, p. 8.

²⁸ *Ibid.*, p. 15.

The wealth of every state was limited only by the extent of its capital. For example, Geneva produced only enough agricultural products to satisfy a tenth of its population, but its citizens lived in abundance by virtue of their use of capital. The problems of state size and the limits upon natural resources, Say maintained, could be overcome by increasing the amount of productive capital in an economy. To this end it was vital that each individual recognize his contribution to the wealth of society through industrious activity:

Thus the labour of the scholar, who experiments and writes books, is productive; that of the entrepreneur is productive, although he does not put his hand directly to labour. Finally, the toil of the worker, from the day-labourer who digs the land to the sailor who mans a ship, is also productive.²⁹

The direct relationship between economic welfare and capital was proved, Say was sure, by the recent case of Egypt, which had faced economic paralysis when the import of capital from France had been suspended by the British navy. Say repeated his argument at the beginning of Book IV, adding that an industrious citizenry was a prerequisite for the property created by the labours of the different members of society to be respected. If labour of any sort was not rewarded, and not deemed sacred by society, then the productive capacity of the state was in jeopardy:

The qualities which I call industrious (*industrielles*), and which are the product of the skills and talents of the industrious man, are as sacred as any other. They are the fruit, as we have seen in Book I (ch. 43), of a labour of variable duration and of an accumulated capital; an origin which is common to many mobile forms of property. It is by means of this labour and these advances that a man acquires the means to produce what we call industry (*industrie*). His right to this property has the same basis as the right of the owner of capital to his capital; and the fruits owed to him in return are like the interest on capital to the capitalist. Thus a country where industrious talents (*talents industriels*), as with land and capital, are not guaranteed from all forms of attack, is a country where properties are not entirely secure.³⁰

Say's claim that an industrious citizenry creating capital goods was the source of wealth was directly related to his formulation of what has become known as 'Say's Law'. The fervour of his belief in industrious labour, and the greater production that he believed would be its consequence, led Say to ponder the effects of the ever-increasing creation of useful goods. The question was whether this would lead to gluts, unemployment and wasted labour. Say concluded that industrious manners were no danger to a state because they stimulated the demand for goods by an amount equal to any increase in production. It was crucial for Say to prove that the physiocrats were wholly mistaken in taking increased consumption to be the motor of a productive economy. Say

²⁹ *Ibid.*, p. 38.

³⁰ *Ibid.*, Vol. II, p. 148.

argued that production ultimately determined future economic welfare. This was the essential message of one of the most famous passages of the *Traité*:

The *extent of the demand for the means of production in general* does not depend, as too many people have imagined, on the *extent of consumption*. Consumption is not a cause: it is an effect. To consume, it is necessary to buy; now, you can only buy with what you have produced. Is the quantity of products demanded therefore determined by the quantity of products generated? Without any doubt; everyone can as he wishes consume what he has produced; or with his produce buy another product. The demand for products in general is therefore always equal to the sum of products.³¹

IV

The second part of Book I of the *Traité* sought to place frugality beside industriousness as the founding virtues of a modern society:

As the industry (*industrie*) of a nation always expands in proportion with its productive capital, the more productive capital there is, and the more there are people who can earn a living, that is to say, contribute to production and consume their part of the product they have created, all savings, and every accumulation of capital, yields an annual gain, not only for those who collect interest from it, but for all the people whose industry is put in motion by this portion of capital.³²

One of the reasons why Smith was such a great political economist, in Say's eyes, was his recognition of the fundamental importance of frugality to the prosperity of modern societies. He was the patron saint of frugality because he had proved that frugality and industriousness were sister virtues:

Thus the celebrated Adam Smith compares a frugal man who augments his productive funds and a prodigal who wastes part of his capital, with the dishonest administrator who squanders the funds of a religious foundation, and leaves without resources, not only those whose survival depended upon it, but all those who would have done so in future. He does not hesitate to name the dissipater a public menace and any frugal and sober man a benefactor of society.³³

Smith's chief error, Say argued, was to have placed the virtue of frugality above that of industriousness in his explanation of the wealth of nations. He ought rather to have recognized that the operation of each of these virtues was essential to the prosperity of every state:

Smith also believed that the wealth of the moderns is rather due to the extent of their savings than to any growth of production. I know full well that certain exceptional destructions are no longer seen as they once were, but one must pay attention to the small number of people to whom such profusions were

³¹ *Ibid.*, p. 175.

³² *Ibid.*, Vol. I, p. 95.

³³ *Ibid.*, pp. 96 f.

permitted, and take the trouble to consider how much the benefits of a more abundant and varied consumption have become more widespread, especially among the middle class (*classe mitoyenne*) of society; one will find, it seems to me, that the consumptions and savings have accrued simultaneously; this is not contradictory; how many entrepreneurs in all kinds of industry produce enough in prosperous times to augment at the same time their spending and their saving! What is true of a particular enterprise can be true of the majority of enterprises in a nation.³⁴

According to Say, the frugality and industriousness of the general population of France in the seventeenth century explained the increase in the wealth of the state in spite of the dissipations of the court in the later years of the reign of Louis XIV. The proof of this was that after the death of Colbert saving and industrious activity were depressed while the court continued its frivolous consumption; the result was the rapid decline of the French economy in the early eighteenth century. In the long fourteenth chapter of Book I Say was concerned to underline the importance of frugality to modern citizens. Throughout the chapter he stressed an identical maxim: industrious activity coupled with frugality was responsible for the productive powers of modern societies:

The art of saving is due to the progress of industry, which on one hand has discovered a great number of efficient methods, and which, on the other, has everywhere demanded capital and offered to capitalists, small and large, better conditions and more secure opportunities.³⁵

Say returned to the theme of manners in the nineteenth chapter of the *Traité*, in which he sought to explain the superiority of Britain's capacity to produce goods. The 'genius' of the British people, Say argued, was to be frugal and simple in their tastes, and flexible and active in their labours. Such qualities had led them to apply the inventions of other nations, such as those of the French chemists Berthollet and Laplace, with a speed and efficiency which could not be matched by the scientists' mother country. British manners ensured a vast domestic market for commonly-used products, the demand for which ensured the success of new products aimed at improving the conditions of the mass of the population. In contrast, the diversity of French tastes and the inferior activity of the French populace inhibited French emulation.³⁶ The success of Britain's strategy of undercutting the prices of French goods in international markets, while maintaining a higher standard of living for the general populace, was due, Say held, to the domestic market secured by the manners of the British people.³⁷

For the labouring poor the optimal means to the betterment of their condition was to save and to toil. The genius of Benjamin Franklin had been to recognize and act upon this truth, not only by being a living model of the advantages of an industrious life, but also by preaching the benefits of saving and frugality,

³⁴ *Ibid.*, p. 99.

³⁵ *Ibid.*, p. 103.

³⁶ *Ibid.*, pp. 131–7.

³⁷ *Ibid.*, Vol. II, pp. 95–6.

and acting upon this maxim by lending his own money to lowly but industrious labourers.³⁸ One of the most important inventions of the modern world was therefore the savings bank, which offered to the poor a means to better their condition by honest and regular toil, with the ultimate rewards of economic security in old age, the improvement of the wealth of a family, or the opportunity to invest in productive capital.

V

It was in the final book of the *Traité* that Say most explicitly described the model citizen and the practices which individuals and nations seeking to ameliorate poverty ought to pursue. Book V also responded to what Say recognized to be a common critique of his justification of industrious and frugal manners. First, that such manners countered equality by increasing the wealth and power of the rich while keeping the mass of the people imprisoned by poverty and dependent upon a minimal subsistence. Secondly, that industrious manners, in promoting the division of labour, would create a society of individuals dependent upon, and brutalized by, the introduction of machines by entrepreneurs. Thirdly, that in practice self-interested actions were never frugal and industrious. Rather, they were egoistic and self-indulgent, favouring pleasure and idleness rather than moderation and self-control. Advocates of this pessimistic view argued that the warlike and idle characteristics of human nature necessitated the dependence of the poor upon the rich. It was the only means of achieving social order.

Say ascribed the first of these arguments to the physiocrats, the second to 'popular prejudices', and the third to advocates of the control of trade by a mercantile state. He collected these disparate ideas together, and condemned them for justifying the poverty, the immorality and the violence which continued to characterize societies which were commercialized. Say sought to undermine such pessimistic assessments of the consequences of industriousness and frugality. He first acknowledged the depth of the problems facing Europe. The division of labour, he made clear in the first book, was far from being an unequivocal boon to the modern world. Rather, it could be a force for the degeneration (*dégénérescence*) and degradation of the moral and economic health of the mass of the populace:

A man who, throughout his life, has undertaken one single task can be sure of executing it better and more quickly than another man; but, at the same time, he becomes less capable of any other task, be it physical or moral. His other abilities fade away, and this results in the degeneration of the man considered as an individual. It is a sad epitaph to have only ever made the eighteenth part of a pin.³⁹

³⁸ *Ibid.*, p. 182.

³⁹ *Ibid.*, Vol. I, p. 78.

The consequences of the overzealous introduction of the division of labour, Say argued, could be seen all too clearly in the experiences of England, where the wages of labour had fallen drastically with mechanization. The response of local communities had been to supplement the income of the poor by taxing the entrepreneurs who paid the poor rate. The tragedy was that such benevolence could not address the fundamental cause of impoverishment: the lack of capital and production to employ labour at reasonable levels of subsistence. Taxing the organizers of wealth creation further limited the production of goods and was therefore self-defeating. In the last analysis well-intentioned benevolence did even more damage to the common labourer than the harshest conditions of employment:

In the labouring class (*la classe ouvrière*), this incapacity for more than one employment renders the condition of the workers more harsh, more dull, and less lucrative. They are less able to demand an equitable part of the total value of the product. The worker who carries in his arms a complete trade can go anywhere to exercise his trade and find the means to subsist; the other is only an accessory who, separated from his fellow-workers, has neither capacity nor independence, and finds himself forced to accept whatever law is imposed upon him. It is in England that this misfortune has particularly been felt, first of all because the laws of this country are obstructive, but also because the division of labour has been pushed further there than elsewhere. One reads in the reports of the Charitable Societies of this country that in certain counties a day-labourer with a family can no longer subsist from his work. The entrepreneur, and the government which taxes the entrepreneur, take in general in England too large a proportion of the mass of products of society: this then obliges them to return considerable amounts to the labouring class in the form of relief, which is for many reasons a bad distribution of the annual product.⁴⁰

Such passages were a damning indictment of commercialization. Yet Say's response to these problems was not to condemn modern societies but to posit a very different vision of an economically healthy nation. Say argued that it was possible to combine an industrious society with the ever-greater creation of capital by savings to produce a society of greater equality, containing more independent citizens and, above all, a more moral and happy populace. Once laws such as primogeniture had been abolished, Say believed that industrious activity would generate enough wealth to ensure that the lowly labourer could enjoy the benefits of modern productivity. As in *Olbie* Say used the term 'ease (*aisance*)' to describe the economic conditions of the realization of his ideal of a society of responsible and educated artisans:

Comfort permits leisure, and leisure is always filled with activities other than habitual work. The worker (*manouvrier*) could thus give time to education

⁴⁰ *Ibid.*, pp. 80–1.

and to the pleasures of understanding; for the same reason the man of letters often does things foreign to his state — he cultivates his garden, exercises his body, and seeks distraction in the study of art. It is not rare to see, in rich factories (*les manufactures riches*), lowly workers in possession of a library of ten or twelve books. If a means could be found to expel from the worker's library irrelevancies and stupidities, and introduce one or two good works concerning the skills of the worker, or the arts which more directly affect him, such as those to maintain health, and the education of children, who can doubt the immense influence these ten or twelve volumes would exercise upon the moral faculties of a nation.⁴¹

Say argued that the culture he was defending had become a practical possibility for nation states only in the modern world. Commerce, he argued in Book I, had created a new class of people who did not own land or property, but who were unlike the plebs of the cities of ancient republics. He argued that the latter had been mercenaries in thrall to demagogic emperors such as Augustus and Nero, and wholly dependent upon crusts from the tables of the patrician class which owned the land and subsidized the army. In contrast, the new class of citizens without land were free labourers who directly exchanged their labour to meet their basic needs and could thereby remain beyond the control of the more wealthy classes above them. The great advantage which the modern citizen had over his ancient forebear was that he could realize his aspirations to independence and social mobility by the simple practice of frugality and industriousness. The lesson was that happiness and economic security in commercial societies were to be found not in serving the great, or in military service to the state, but in the practice of manners which generated this independence. This was what Say meant in his chapter identifying 'l'indépendance née chez les modernes des revenus industriels':

the revenues of industry have benefited, for the moderns, a numerous class in any society: those who possess neither land nor capital whatever our forms of government, every man who has an industrious skill (*talent industriel*) is independent. The nobility in each state are no longer the richest, because they no longer have the same powers as the chiefs of ancient nations. The latter, after having conquered a country, divided the land, the mobile property and even the inhabitants: but one can no longer destroy the peoples by such means; governments can be changed and nothing more. Admittedly, the new government draws tributes from a country it has conquered; but, after some time, these tributes hardly cover the costs of administration and the defence of the conquered country, which are much greater than before. In a parallel case, the masses of the nation find that there is little advantage to be found in serving the nobility, and that there is a lot to be found in serving the public, that is to say, to draw on a part of its industry. Henceforth, no more clientage; the poorest citizen can do without a patron; he puts himself under the

⁴¹ *Ibid.*, pp. 81–2 n.

protection of his talent in order to subsist, and the governments draw from the people the assistance that they formerly provided. Thus modern nations can exist by the same means when their governments are overturned.⁴²

VI

In 1803 Say repudiated the legislative inculcation of manners through moral catechisms. He also broke with the past in arguing that a republican constitution was no longer essential to foster industrious manners. However, Say adhered to the republicanism of *Olbie* in three respects. First, he continued to believe that inequality was the greatest threat to the peace and prosperity of modern societies. Second, that poverty and luxury could not be alleviated without consideration of the cultural influences upon the distribution of wealth. Third, a society of independent citizens had to be created whose mode of life was characterized by industriousness and frugality. This would stimulate the production of capital and grant to all toiling citizens an adequate, but not excessive, level of income. His vision was articulated in greatest detail towards the end of Book V, in which Say summed up his view of manners. He attacked the evils of luxury, advocated moderation in everyday passions, and argued that all citizens should aspire to become independent:

What leads a nation into luxury or restrains it within the limits of moderation? Its customs. The rich man satisfies his needs as he pleases: the manners of his country, of the class to which he belongs, ensure this in turn. There is only a very small number of men, reasonably firm of spirit, and with a fairly independent fortune, who can act according to their principles, and who only have models in their own conduct. From this comes the prodigious influence of manners upon the wealth and happiness of societies. I say happiness, because the sad satisfaction that luxury grants to the affluent does not match the ill that it does to society. Those who seek happiness in ostentation know well that it cannot be found there. It is not necessary to have much philosophy to understand that once the reasonable needs (*besoins raisonnables*) of life are satisfied, one can find happiness in the moderate exercise of the faculties of our body and of our spirit, and in the sentiments of our soul.⁴³

Say's emphasis on 'self-interest' as the driving force of modern society, and his focus on the wealth of the individual, must be understood as a product of his view of virtuous manners. Say did not associate self-interest with egoism or slavery to the passions. Rather, he was attempting to construct a picture of a culture in which perceived interests were informed, independent and the product of reflection. Interests were not to be influenced by lust for excessive wealth, and he envisaged them as being immune from the pressure of poverty. When Say used the term 'self-interest' in the *Traité*, he was clearly referring to

⁴² *Ibid.*, pp. 262–4.

⁴³ *Ibid.*, Vol. II, p. 381.

what he had called in *Olbie* 'enlightened self-interest' (*intérêt bien entendu*). He argued that this kind of individual self-interest could be trusted to operate in the interest of society as a whole. It was more effective than direct government action because individuals were more independent and better informed than politicians. He also claimed that the kind of self-interest he was describing would replace the temptations of luxury and all 'superfluous consumptions'. This was far from the idea of self-interest embodied in Smith's notion of the autonomous hidden-hand. Say never abandoned the belief that governments had to encourage scholars, like himself, to reveal the 'real interest' of society to the general populace. It was only within such a culture that personal interest would accord with the interest of society:

It is fortunate that personal interest (*intérêt personnel*) tends continuously to the conservation of the capital of individuals; it can at no time divert capital from a productive employment, without the loss of a proportionate profit. The conservation of capitals belonging to the public is guaranteed only by laws; thus they are much more frequently dissipated; in truth, they are continuously maintained by new taxes upon the income of individuals; nevertheless, capitals formed in this manner are always more widespread than those which would have been created by individuals for themselves with the total of these taxes. It is therefore better that in each nation the capital belonging to the public in common is the least possible; less will be lost and its maintenance will be less onerous.⁴⁴

Fortunately for the public interest (*intérêt social*), personal interest is, in the majority of cases, the first to be warned, and the most affected, by superfluous consumption. Thereby suffering warns our limbs of the injuries against which they need to be protected, and often preserves us from the privations which would result from their loss. If the clumsy consumer were not the first to be punished by the losses which he himself causes, we would see much more frequently cases of factories being established, and speculations being undertaken, which would consume more products than they would create.⁴⁵

Historians of liberalism and classical political economy have all too often ignored the evidence of the first *Traité*, which clearly shows that in demanding the abandonment of economic controls Say was not arguing in favour of a 'hidden-hand' justification of egoism. Furthermore, his defence of industriousness and frugality, his concerns about inequality and his faith in enlightened self-interest, were themes to be found in every edition of the *Traité* to Say's death. In his writings political economy never ceased to be a 'popular science', intended to maintain peace in the state by articulating the interest which enlightened citizens shared. In his inaugural lecture at the *Conservatoire des Arts et Métiers* on 2 December 1820 Say affirmed his faith in the teaching of enlightened self-interest to create citizens who would be useful to society:

⁴⁴ *Ibid.*, Vol. I, p. 96.

⁴⁵ *Ibid.*, Vol. II, p. 345.

While cynical moralists scold men to no avail for paying heed to their own interests, let us show them what their genuine interests (*intérêts bien entendus*) are. You will then find a way to help society through the efforts by which you help yourself! Understand that in cultivating industry (*industrie*), you will be working at the same time for morality and for happiness; for the public good (*bien public*) and for the private good (*le bien particulier*).⁴⁶

At the very end of his academic life, after his appointment to the chair of political economy at the *Collège de France* on 16 March 1831, Say attempted a short summary of his view of the science. Political economy, he proclaimed, ‘penetrates the causes which determine the decline or prosperity of states’; it did this by instructing citizens in Fénélon’s maxim, which advised the pursuit of ‘real’ interest, and was identical with the path to ‘real’ happiness.⁴⁷ In a rare public reference to the Revolution, Say recalled that one of the gravest mistakes of Napoleon had been to close the Moral and Political Science Class of the National Institute. He was delighted that at the end of his life the Moral and Political Science Class of the new Royal Institute had given a prize to his *Cours complet d’économie politique pratique*. Political economy was once again recognized to be a moral and political science for the popular inculcation of republican virtues. Rather than being an economist in any modern sense Say remained what nineteenth-century writers would have called a ‘political moralist’.

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⁴⁶ ‘Discours d’ouverture du cours d’économie industrielle’, *Oeuvres diverses de Jean-Baptiste Say*, pp. 144–5.

⁴⁷ ‘Discours d’ouverture du cours d’économie politique de l’année scolaire 1831–1832’, *Oeuvres diverses de Jean-Baptiste Say*, p. 166: ‘La solidité de l’esprit consiste à vouloir s’instruire exactement de la manière dont se font les choses qui sont le fondement de la vie humaine.’