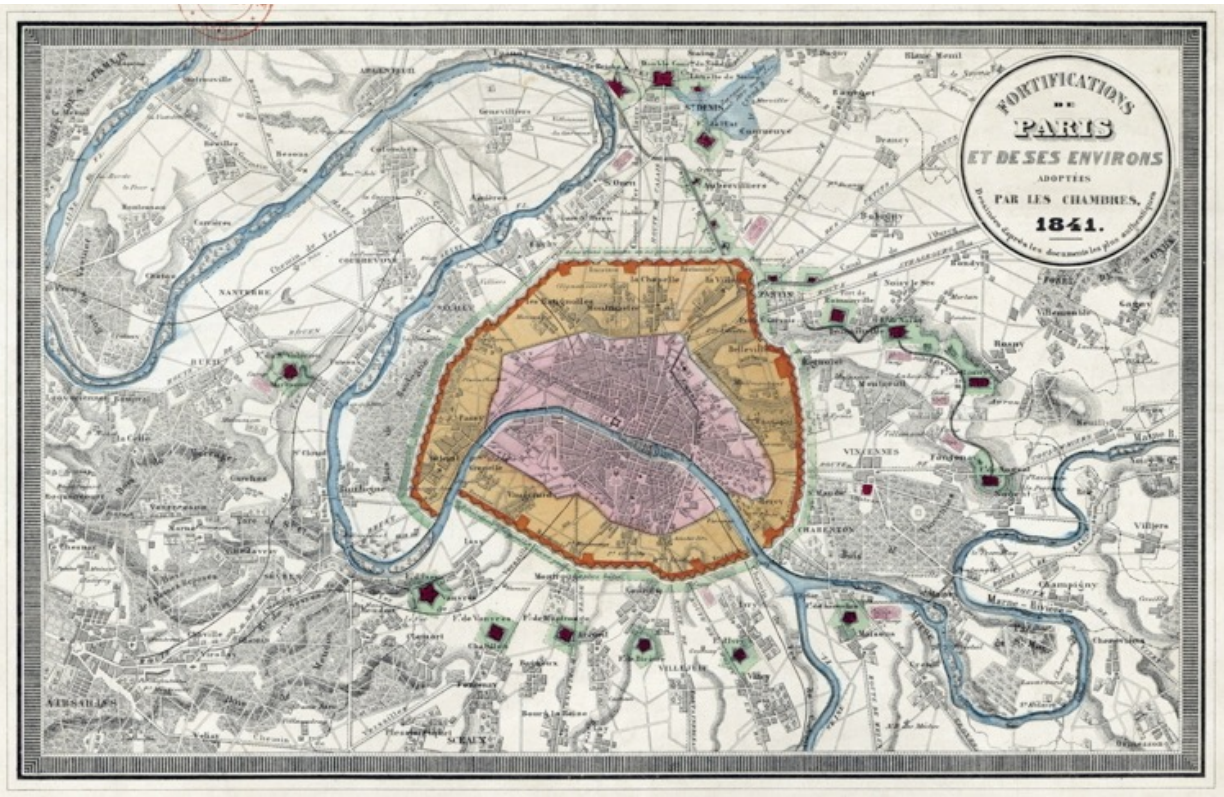
The Struggle against Protectionism, Socialism, and the Bureaucratic State: The Economic Thought of Gustave de Molinari, 1845-1855

by David M. Hart



"The Fortifications of Paris and its Environs as adopted by the Chambers" (1841)
The pink area is the old part of the city which is surrounded by a customs wall with entry gates which was build in the 1780s to help the Farmers General collect taxes. The orange area is enclosed by a new wall of fortifications which surrounded the city and was build between 1841-44 and had a circumference of ?? miles/km. The outer ring of red and green shapes are a series of 14 stand-alone forts and barracks which also surrounded the city.

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Abstract

In the late-1840s in Paris there was an extraordinary group of economists who had gathered around the Guillaumin publishing firm to explore and promote free market ideas. One of these was the young Belgian economic journalist Gustave de Molinari (1819-1912) who was just starting out on his career which would lead him to eventually becoming one of the most important and prolific free market economists in Europe in the 19th century. In this paper I explore the first ten years of Molinari's career as an economic journalist, author of a book on labor issues and slavery, and on the history of tariffs, a free trade activist, editor of classics of 18th century economic thought, lecturer on economics at the *Athénée royal*, activist in the 1848 Revolution, prolific author of articles in the *Journal des Économistes*, author of *Les Soirées de la rue Saint-Lazare* (Conversations on Saint Lazarus Street), contributor to the *Dictionnaire de l'Économie politique*, and, after going into self-imposed exile to Brussels after the coup d'état of Louis Napoleon in December 1851, professor of economics at the *Musée royal de l'industrie belge*, author of a treatise on economics, owner-editor of a newsletter *L'Économiste belge*, author of a book on the class analysis of Bonapartist despotism, and another popular book of "conversations" about free trade.

In the middle of this very hectic period of his life Molinari published a book for Guillaumin as part of their anti-socialist campaign after the February 1848 Revolution saw socialists seize power and attempt to implement some of their ideas, especially that of the "right to a job," paid for at taxpayer expense, as part of the National Workshops program run by Louis Blanc. Within the new Constituent Assembly politicians like Frédéric Bastiat fought to terminate the National Workshops program and keep the "right to a job" clause out of the new constitution. Outside the Assembly the economists wrote scores of books and pamphlets to intellectually defeat socialist ideas at both the popular and the academic level. Molinari's book was designed to appeal to educated readers and consisted of a collection of 12 "evenings" or "soirées" at which "a Conservative," "a Socialist," and "an Economist" debated important political and economic

issues. In these conversations, the economist (Molinari) exposes the folly of both the conservative (who supported tariffs, subsidies, and limited voting rights) and the socialist (who supported government regulation of the economy, the right to a job for all workers, and the end to the "injustice" of profit, interest, and rent).

Molinari begins by arguing that society is governed by natural, immutable and absolute laws which cannot be ignored either by conservatives or socialists, and that the foundation for a peaceful and prosperous society is the right to private property. He then proceeds to explain the free market position on a host of topics to his skeptical audience. Some of the more controversial topics Molinari discusses include the following: intellectual property, eminent domain laws, public goods such as roads, rivers, and canals, inheritance laws, the ban on forming trade unions, free trade, the state monopoly of money, the post office, state subsidies to theaters and libraries, subsidies to religious groups, public education, free banking, government regulated industries, marriage and population growth, the private provision of police and defense, and the nature of rent. On all these issues, Molinari shows himself to be a radical supporter of laissez-faire economic policies.

For modern Austrian economists, what is most interesting about Molinari's work from this period are the following:

- he believed that once freed from government regulations entrepreneurs would spring up in every industry to supply goods and services to customers
- he offers private and voluntary solutions to the problem of the provision of all so-called "public goods", from the water supply to police services
- he seems to have inspired Rothbard to come up with his own theory of "anarcho-capitalism" in the 1950s and 1960s when he was writing MES and P&M

For modern libertarians, his book may well be the first ever one volume overview of the classical liberal position - much like an 1849 version of Rothbard's own *For a New Liberty* (1973).

INTRODUCTION

Opening quote: "the moment was not well chosen"

Il croyait fermement à un avenir de liberté et de paix, mais est-il bien nécessaire de dire que le moment était mal choisi pour plaider la cause de la liberté et de la paix?	He firmly believed in a future of liberty and peace, but is it even necessary to say that the moment was not well chosen to plead the cause of liberty and peace?

[Source: Molinari obit of J. Garnier, JDE 1881, p. 10.][1]

This paper is part of a larger work which explores the thought and activities of two of the leading lights among the French economists during this period, Frédéric Bastiat (1801-1850) and

[1] Molinari, Obituary of Joseph Garnier, JDE, Sér. 4, T. 16, No. 46, October 1881, pp. 5-13. Quote p. 10. Although he was referring to the life of his friend Joseph Garnier in the obituary his comments applied equally to himself, which may have been his intention.

Gustave de Molinari (1819-1912).[2] I am working on a large translation and editing project for Liberty Fund which will bring more of their important work to the attention of English readers.[3] Here, I will focus on the early work of Molinari which he did in Paris during the 1840s and early 1850s before he went into voluntary exile in Belgium after the self-styled "Prince-President" Louis Napoléon seized power in a coup d'état on 2 December 1851. Molinari refused to live under Napoléon's authoritarian régime which had cracked down severely on freedom of speech and association after four years of upheaval caused by the 1848 Revolution and the Second Republic, and which promised to introduce a new form of highly regulated bureaucratic "socialism from above".

In particular, I will focus on three works: the book he wrote in the middle of this period, *Les Soirées* in 1849, where many of his ideas were developed or came together in a coherent form for the first time; the *Dictionnaire de l'Économie politique* (1852) on which he worked as an assistant editor, and his economic treatise *Cours d'économie politique* which was published in 1855 after he moved to Brussels in December 1851.

The very long life of Gustave de Molinari can be divided into the following main segments (see the Appendix for more details):

- 1819-1840: childhood and youth spent in Liège
- 1840-1851: journalist, free trade activist, and economist in Paris
- 1852-1867: academic economist, free market lobbyist, and journalist in Brussels
- 1867-1881: returns to journalism in Paris as editor of the J*ournal des débats*
- 1881-1909: editor of the *Journal des Économistes*, very prolific period in his life; writes on economics and historical sociology and his travels
- 1909- 1912: "retirement"

In this paper I will be focusing on the period 1845 to 1855 (when Molinari was between 26 and 36 years old) which spans the second and third periods when he lived and worked in Paris and then the first couple of years of his exile in Brussels. During that decade he wrote a number of important books and articles which show his developing sophistication as an economic and social theorist as well as his radical libertarian ideas. They are:

- *Études économiques. L'Organisation de la liberté industrielle et l'abolition de l'esclavage* (Economic Studies on the Organization of Industrial Liberty and the Abolition of Slavery) (1846)
- *Histoire du tarif* (The History of Tariffs) (1847)
- two volumes of the *Collection des Principaux économistes* on 18th century economic thought (1847-48)
- the article "De la production de la sécurité" (The Production of Security) JDE, Feb. 1849 and *Les Soirées de la rue Saint-Lazare* (Evenings on Saint Lazarus Street (1849)

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[2] The first biography of Molinari only appeared in 2012: Gérard Minart, *Gustave de Molinari (1819-1912): Pour un gouvernement à bon marché dans un milieu libre* (Paris: Éditions de l'Institut Charles Coquelin, 2012). A shorter biographical sketch is by David M. Hart, "Molinari, Gustave de (1819-1912)," *The Encyclopedia of Libertarianism*, eds. Ronald Hamowy et al. (Los Angeles: Sage, 2008), pp. 336-37. And the older obituary by Yves Guyot, "M. G. de Molinari," JDE, Sér. 6. T. 33. Février 1912, pp. 177-96. On his political thought see, David M. Hart, "Gustave de Molinari and the Anti-statist Liberal Tradition" *Journal of Libertarian Studies*, in three parts, (Summer 1981), V, no. 3: 263-290; (Fall 1981), V. no. 4: 399-434; (Winter 1982), VI, no. 1: 83-104.

[3] See a summary of the Bastiat Project at the OLL <http://oll.libertyfund.org/pages/bastiat-project-summary> and the draft of Liberty Fund's translation of Molinari's *Les Soirées de la rue Saint-Lazare* (Evenings on Saint Lazarus Street) (1849). <http://oll.libertyfund.org/pages/gdm-soirees>.

- 25 principle articles and 4 biographical articles for the *Dictionnaire de l'Économie politique* (1852-53)
- *Les Révolutions et le despotisme envisagés au point de vue des intérêts matériel* (Revolutions and Despotism seen from the perspective of Material Interests) (1852)
- *Cours d'économie politique* (1855, 2nd ed. 1863)
- his second collection of "conversations", *Conservations familières sur le commerce des grains.* (Familiar Conversations about the Grain Trade) (1855).

Some of the key issues and ideas he concerned himself with during this period of intense activity include the following:

- labour issues involving bans on labour organisations, the nature of coerced labour (especially slavery in the colonies), and the idea of labor exchanges which would do for the labour market what stock exchanges were doing for the capital market.
- the history and economics of tariffs and other forms of trade restrictions, and his involvement in Bastiat's French Free Trade Association
- his involvement in the Guillaumin publishing firm's large history of economic thought program for which he edited two large volumes of late 18th century thought with his introductions and annotations.
- his lectures in economic theory at the private *Athénée royal de Paris* which were interrupted by the February Revolution but which he resumed when he became a professor in Brussels in the early 1850s
- his involvement in the Revolution of February 1848 as a journalist, public speaker, and anti-socialist writer
- the book length series of "conversations" between a Socialist, a Conservative, and an Economists - the "Soirées de la rue Saint-Lazare" - in which he provided a concise survey of the classical liberal position (perhaps the first of its type) and explored how all public goods might be privatised, including the "production of security" (i.e police and national defence)
- his large contribution to another important Guillaumin publishing project, the *Dictionary of Political Economy* (1852-53) for which he wrote nearly 30 long articles on things like free trade, tariffs, slavery, colonies, and war
- his class analysis of the causes of the 1848 Revolution and the rise to power of Louis Napoléon, and his general theory of the state

In many respects, this period saw Molinari at his most radical, when he was youthful and full of hope that liberal reforms could be introduced into France, that the ruling elites could be deprived of their power peacefully, and that the ordinary men and women of France would see the virtue of free trace, limited government, and peace. The wreckage of the 1848 Revolution and the rise to power of Louis Napoléon put paid to those hopes so he sought exile in his native Belgium where he became a professor of economics and a free trade and labour exchange advocate for about 16 years. In a two volume collection of his essays and articles from this period of his life which he published in 1861[4] he was still very much a radical libertarian who was proud of his work on labour issues, free trade, the private provision of security, and peace. A good sense of his radicalism and commitment can be found in the moving "Introduction" which he called his "Credo":

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[4] Gustave de Molinari, *Questions d'économie politique et de droit public* (Paris: Guillaumin; Brussels: Lacroix, 1861), 2 vols. "Introduction," pp. v-xxxi.

Nous sommes convaincu que cette industrie (la production la sécurité), qui est la branche essentielle des attributions gouvernementales, est destinée à passer, tôt ou tard, du régime du monopole ou de la communauté forcée au régime de la liberté pure et simple, et que tel sera le « couronnement de l'édifice » du progrès politique et économique. En un mot, nous croyons que tout ce qui est organisation imposée, rapports forcés, doit faire place à l'organisation volontaire, aux rapports libres. (p. xxvii)

We are convinced that this industry (the production of security) which is the essential branch of governmental functions, is destined to pass sooner or later from the régime of monopoly and coerced community to the régime of liberty pure and simple, and that it will be "the crowning achievement" of political and economic progress. In a word, we believe that that everything which is based upon imposed organisation and violent relations must make way to voluntary organisation and free relations. …

Ainsi donc, établir dans toutes les branches de l'activité humaine la liberté, et garantir la propriété qui n'en est que le corollaire; substituer les rapports libres aux rapports forcés, voilà le but que doivent poursuivre les amis du progrès.

Thus, to establish liberty in all the branches of human activity, and to guarantee property which is only its corollary; to replace violent relations with free relations, this is the goal which the friends of progress must pursue.

Ce but, ils doivent encore s'en tenir pour l'atteindre à *la persuasion* et à *l'exemple*, comme aux moyens les plus efficaces et les plus économiques, dans l'état actuel de la civilisation, de réaliser le *progrès au meilleur marché possible*.

Still, they must resolve to pursue this goal by means of *persuasion* and *example*, as the most efficient and economical means, in the present state of civilisation, of realising *progress at the best price possible*.

Nous ne nous dissimulons pas, au surplus, tout ce que les travaux que nous réunissons aujourd'hui présentent d'incomplet et d'insuffisant. Plusieurs démonstrations, et en particulier celles qui concernent la liberté des cultes et la liberté de gouvernement sont à peine ébauchées, d'autres manquent tout à fait. Nous espérons toutefois que la grandeur et l'harmonie du système dont nous avons esquissé les principaux traits éclateront aux regards, malgré ces lacunes de nos démonstrations, et nous nous croirons suffisamment récompensé de nos peines si nous sommes parvenu à recruter quelques prosélytes de plus à la cause à laquelle nous avons voué notre vie, et dont le *Credo* peut se résumer en ces mots : *la Liberté et la Paix*. (p. xxxi)

Furthermore, we do not hide the fact that the works which we have gathered here today are incomplete and inadequate. Several of them, in particular those concerning the freedom of religion and the free of government are scarcely more than sketches. Others lack substance. Nevertheless we hope that the grandeur and harmony of the system whose principal features we have sketched out will sparkle before your eyes, in spite of the gaps in our presentation, and we will consider ourself to be sufficiently compensated for our troubles if we manage to recruit some more proselytes to the cause to which we have devoted our life, and whose *Credo* can be summarised in these words: *Liberty* and *Peace*.

[Source:][5]

When he was about 50 years old (the late 1860s) he decided to give up teaching and agitating for reform in Brussels, return to Paris and take up journalism again. It is not clear why he did this

[5] Molinari, *Questions d'économie politique,* pp. xxvii and xxxi.

- perhaps it was the death of his wife, perhaps his attempts to set up a labour exchange in Brussels had reached a dead end, perhaps he saw some new opportunities for a liberal journalist like him now that Napoléon III was liberalising his regime after nearly two decades of tight control, or perhaps he had given up his hopes of making an impression within academia. We do not know his reasons. He returned to Paris on the eve of yet another violent revolution, that of the Paris Commune of 1871, with its attendant socialist groups agitating for reforms, which he witnessed first hand and wrote about. But, that is another story.

THE "RADICAL LIBERAL MOMENT" IN PARIS IN THE LATE 1840S: FRÉDÉRIC BASTIAT, CHARLES COQUELIN, AND GUSTAVE DE MOLINARI

These were very important, formative years in the development of Molinari's thought in particular, but also for French classical liberalism in general. With the moral and financial support of the Guillaumin publishing firm political economy had thrived in Paris during the 1840s and Molinari had played an increasingly important role in that movement. Gilbert-Urbain Guillaumin (1801-1864) and his supporters (Horace Say, Casimir Cheuvreux, and the Duc d' Harcourt) founded the Political Economy Society in 1842 which held monthly meetings, the *Journal des Économistes* in 1841 which appeared monthly and provided a forum for discussion of economic ideas, and the book publishing wing of Guillaumin which published the monographs written by the economists but also undertook expensive projects such as encyclopedias and dictionaries of commerce and economics, and large scholarly collections of classics of economic thought. The audience "le reseau Guillaumin" (the Guillaumin network)[6] reached were the intellectual and political élites (what Bastiat referred to as "la classe électorale", the small minority of tax payers who were allowed to vote under the July Monarchy of Louis Philippe) who ruled France with the intention of trying to influence their thinking in a more liberal and free market direction in the hope that this would influence government policy. As there were only two or three chairs of political economy in France at that time (the prestigious *Collège de France* (Michel Chevalier held this chair from 1841), the *Conservatoire national des arts et métiers*, and the engineering school the *École des Ponts et Chaussées* (which only began teaching economics in 1846)),[7] the opportunities for academic work within the state universities were very limited. This forced the French political economists to work outside the university system such as lecturing at the private *Athénée royal de Paris*, writing for the quality journals (such as the *Journal des Débats* and the *Revue des*

[6] A term used by Minart, p. 56.

[7] Martin S. Staum, "French lecturers in political economy, 1815-1848: Varieties of liberalism," *History of Political Economy*, Spring 1998, 30, 1, pp. 95-120.

Deux mondes), writing books for a more general market of readers, or getting appointed to the non-teaching *Academy of Moral and Political Sciences*.[8]

The second half of the 1840s was a special period in the history of libertarianism, even a "classical liberal moment" (to adapt Pocock's idea of the "Machiavellian moment"),[9] with the appearance of a trilogy of works which took liberal theory into radically new directions. These were Charles Coquelin (1802-1852) with his work on free banking,[10] Frédéric Bastiat (1801-1850) with his work on subjective value theory and the theory of human action ("Crusoe economics"),[11] and Molinari's work on the privatisation of all public goods, in particular the competitive provision of police and defence services ("the production of security").[12]

These same three innovative theorists were also friends and colleagues[13] and shared a willingness to become involved in "activism", that is an attempt to put into practice their theoretical ideas by taking them "to the street". The first example of this came in July 1846 with the formation of the French Free Trade Association all three of whom were involved in its leadership (as "secretaries), authors of articles for its newspaper *Le Libre-Échange*,[14] and speakers at its large public meetings. The second example comes from the first month or so of the

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[8] The Académie des sciences morales et politiques (the Academy of Moral and Political Sciences) is one of the 5 academies of the Institute of France. It was founded in 1795 to promote the study of the humanities, was shut down by Napoleon in 1803, and revived by François Guizot in 1832. There are 50 members of the Academy who are elected by their peers. There are also additional "corresponding" members. Bastiat was elected a Corresponding Member (section on Political Economy) on 24 Jan. 1846. Molinari was made a Corresponding Member in 1874. In 1832 there were 5 sections: philosophy, moral science, law and jurisprudence, political economy, and history. Many of the Economists and other classical liberals were members of the Academy, such as the following (with the year they were elected): Charles Dunoyer (1832); Joseph Droz (1832); Charles Comte (1832); Pellegrino Rossi (1836); Alexis de Tocqueville (1838); Hippolyte Passy (1838); Adolphe Blanqui (1838); Gustave de Beaumont (1841); Léon Faucher (1849); Louis Reybaud (1850); Michel Chevalier (1851); Louis Wolowski (1855); Horace Say (1857); Augustin-Charles Renouard (1861); Henri Baudrillart (1866); Joseph Garnier (1873); Frédéric Passy (1877); Léon Say (1881). See, the Academy of Moral and Political Sciences website <http://www.asmp.fr/sommaire.htm>.

9 J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton University Press, 1975), "Introduction," pp. vii-ix.

10 Charles Coquelin, Du Crédit et des Banques (Paris: Guillaumin, 1848, 1st edition). On Coquelin: Philippe Nataf, "La vie et l'oeuvre de Charles Coquelin (1802-1852)," in Histoire du libéralisme en Europe, eds. Philippe Nemo and Jean Petitot (Pais: Presses Universitaires de France, 2006), pp.511-30.

11 David M. Hart, "Reassessing Frédéric Bastiat as an Economic Theorist". A paper presented to the Free Market Institute, Texas Tech University, Lubbock, TX, October 2, 2015. <http://davidmhart.com/liberty/Papers/DMH_Bastiat-EconomicTheorist21Sept2015.html>. And David M. Hart, "The Economics of Robinson Crusoe from Defoe to Rothbard by way of Bastiat". A Paper given at the Association of Private Enterprise Education, International Conference (April 12–14, 2015). <davidmhart.com/liberty/Papers/Bastiat/DMH_CrusoeEconomics.html>.

[12] Gustave de Molinari, "De la production de la sécurité," JDE, T. 22, no. 95, 15 February 1849, pp. 277-90. Translated as Gustave de Molinari, *The Production of Security*, trans. J. Huston McCulloch, Occasional Papers Series #2 (Richard M. Ebeling, Editor), New York: The Center for Libertarian Studies, May 1977. On Molinari: David M. Hart, "Gustave de Molinari and the Anti-statist Liberal Tradition" *Journal of Libertarian Studies*, in three parts, (Summer 1981), V, no. 3: 263-290; (Fall 1981), V. no. 4: 399-434; (Winter 1982), VI, no. 1: 83-104. S11 was translated as an Appendix to both: Thesis, pp. 120-47; article Part III, pp. 88-102.

13 Although Frédéric Bastiat (1801-1850) and Charles Coquelin (1802-52) were from an older cohort born just after the turn of the century they were close friends and colleagues with the much younger Gustave de Molinari (1819-1912) who was 18 years their younger.

14 A facsimile of the magazine can be found online at David Hart's personal website: <http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/LibreEchange/index.html>.

Revolution in February 1848 when they started a popular newspaper, *La République française*, the day after the revolution broke out and the government collapsed.[15] They wrote for the paper in an attempt to persuade ordinary people not to be swayed by the promises of the socialists who were part of the Provisional Government and had seized control of the Luxembourg Palace to set up the National Workshops program under Louis Blanc. We know from his correspondence that at least Bastiat (although I suspect the younger Molinari as well, though I am not sure about the older Coquelin) was on the streets handing out their newspaper where they witnessed violence first hand.[16] The third example comes from March 1848 when they set up a political club, *Le Club de la liberté du travail* (The Club for the Freedom of Working), one of the hundreds of clubs which sprang up in Paris after the enforcement of the strict censorship laws and bans on political associations collapsed. Their idea was to confront the socialists directly in public debate before large audiences. Coquelin in particular was a gifted pubic speaker, and Bastiat was clever and witty with his ability to combine references to classic French literature to illustrate economic ideas. The Club lasted only a few weeks before they were forced to close because of the intimidation and violence they faced from what Molinari describes as "a band of communist thugs". Later, Molinari regretted the fact that the economists had been too meek in the face of socialist violence and had not stood up to them.[17]

After this phase of free trade and anti-socialist activism came to an end in April 1848 the three temporarily turned to other activities - Coquelin and Molinari returned to more scholarly activities, whilst Bastiat got elected to the Constituent Assembly in April and worked to oppose the socialist policies of the new government from within the Chamber's Finance Committee, of which he was the elected Vice-President. The three men had a second round of revolutionary street activism in June 1848 when they started a another newspaper, *Jacques Bonhomme* (Jack Everyman), which was designed to appeal to ordinary workers on the streets.[18] It lasted for only 4 issues before it was forced to close as a result of the use of troops to put down the riots of the June Days resulting in the deaths of 1,500 and the arrest of thousands. Again, we know from Bastiat's correspondence that he got caught in the crossfire (the army used artillery to destroy the street barricades), witnessed the deaths of several protesters, and tried to organise a cease fire so the injured could be removed from the street barricade.[19]

Following this second bout of street activism they finally gave up and retuned to more intellectual pursuits. Bastiat continued working within the Chamber giving speeches on abolishing the tax on alcohol and salt, balancing the budget, lifting the ban on the formation of

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15 A facsimile of the magazine can be found online at David Hart's personal website: <http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/RepubliqueFrancaise1848/index.html>

16 Bastiat's correspondence can be found in CW1 (2012). See 93. Letter to Marie-Julienne Badbedat (Mme Marsan), 27 February 1848 </titles/2393#lf1573-01_head_119>.

17 Molinari, Obituary of Joseph Garnier, JDE, Sér. 4, T. 16, No. 46, October 1881, pp. 5-13. Molinari tells a similar story in his obituary of Coquelin with the added detail that the economists chose not to fight back and so let the communists win by not throwing a single punch to defend themselves: Molinari, "[Nécr.] Charles Coquelin," JDE, N(os) 137 et 138. Septembre et Octobre 1852, pp. 167-76. See p. 172.

18 A facsimile of the magazine can be found online at David Hart's personal website: <http://davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/JB/index.html>. The Institute Coppet has republished the journal: *Jacques Bonhomme : L'éphémère journal de F. Bastiat et G. de Molinari*, ed. Benoît Malbranque (Paris: Institut Coppet, 2014). <http://editions.institutcoppet.org/produit/jacques-bonhomme-lephemere-journal-de-f-bastiat-et-g-de-molinari/>.

19 Bastiat's correspondence can be found in CW1 (2012). See 104. Letter to Julie Marsan (Mme Affre), Paris, 29 June 1848 </titles/2393#lf1573-01_label_402>.

trade unions, cutting the size of the armed forces and their budget, and reforming the post office (which imposed a hefty tax on carrying letters).[20] He also wrote a series of over a dozen lengthy pamphlets opposing socialist and interventionist ideas, worked on completing his treatise on economics, the *Economic Harmonies*, and his last work *What is Seen and What is Not Seen* (July 1850) with the famous chapter on "The Broken Window." He died on Christmas eve 1850 before he had finished his magnum opus.

Coquelin worked as the editor (with the considerable assistance of Molinari who might be regarded as the sub-editor) of a new and very large project undertaken by Guillaumin in 1849 to produce a veritable "encyclopedia of political economy" along the lines of Diderot's *Encyclopédie* of the 18th century, called the *Dictionnaire de l'Économie politique* (1852-53).[21] Guillaumin and Coquelin wanted to codify political economy in a format that would make its ideas more "user-friendly" to the politicians and bureaucrats who ran the French state, as well as to the intellectuals who wrote for the serious periodical press. They planned a collection of hundreds of articles on key aspects of economic theory, biographies of key economic thinkers and economic reformers, and extensive annotated bibliographies to encourage further reading. The result was a two volume, 1,854 page, double-columned encyclopedia of political economy which was published in 1852-53. It is unquestionably one of the most important publishing events in the history of mid-century French classical liberal thought and is unequalled in its scope and comprehensiveness. Coquelin wrote 70 major articles and Molinari wrote 24 principle articles (most notably the important articles on "Free Trade", "Tariffs", and "Slavery") and 5 biographical articles. Bastiat had been expected to play an important role in this project as well but his early death prevented his full participation. However, the editor Coquelin took Bastiat's seminal 1848 essay on "The State" and his 1850 essay on "The Law" and adapted them for the key articles on the State and the Law in the DEP, so great was Bastiat's reputation among the economists. Unfortunately, but perhaps not surprisingly given the vrantic pave and heavy workload, Coquelin dropped dead from a heart attack in August 1852 before he had finished work on volume 2.

In addition to his work on the DEP, Molinari continued to write many articles for the JDE as well as working on is own more popular book on political economy which became *Les Soirées* (published Sept. 1849).[22] The brutal crushing of the socialist movement in the streets of Paris during the period of martial law (June to October 1848) and over the following months did not mean an end to the threat of socialism as an idea. This idea lived on in the interventionist ideas of the protectionists, the bureaucrats and politicians who were powerful within Louis Napoléon's government, and the intellectuals and academics in general. Molinari was spurred into writing his own rebuttal of their ideas as a result of two things. In early 1849 when the Guillaumin group were searching for a new strategy after the political defeat of the more radical socialists over the summer and fall of 1848 and the election of Louis Napoleon as President of the Second Republic in November 1848, Molinari reviewed the conservative politician and stalwart of the

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[20] Bastiat's speeches and voting record in the National Assembly are discussed in an Appendix in CW3 (forthcoming) "Bastiat's Activities in the National Assembly (1848-1850)."

[21] *Dictionnaire de l'économie politique, contenant l'exposition des principes de la science, l'opinion des écrivains qui ont le plus contribué à sa fondation et à ses progrès, la bibliographie générale de l'économie politique par noms d'auteurs et par ordre de matières, avec des notices biographiques et une appréciation raisonnée des principaux ouvrages, publié sur la direction de MM Charles Coquelin et Guillaumin*. Paris: Librairie de Guillaumin et Cie., 1852–53. 2 vols.

[22] Gustave de Molinari, *Les Soirées de la rue Saint-Lazare; entretiens sur les lois économiques et défense de la propriété* (Paris: Guillaumin, 1849).

previous July Monarchy, Adolphe Thiers' defence of property in the book *De la propriété* (1848) in the JDE (Jan. 1849).[23] He was appalled at how badly Thiers defended the idea of the right to property in the face of the serious criticism socialists had been levelling against it throughout the 1840s and during the revolution of 1848. Although he agreed with many of his arguments about the benefits of private property in general he sided with the socialists in their argument that the current distribution of property was an unjust one and thus could not and should not be defended. The distribution of property which was the result of government privileges, monopolies, subsidies, and other favours was unjust, harmed the poor, and hampered further economic development. The only way to challenge the socialists effectively was to provide a better theoretical defence of the right to property (Molinari, like Bastiat, based it upon natural law and a version of the Lockean principle of first use, or it creation by means of physical or mental labour) and to begin removing the distortions in the current distribution of ownership by ending all government privileges and benefits. This approach explains the subtitle of Molinari's book: "Discussions on Economic Laws and the Defence of Property."

The second spur to action was his discovery of the work of Harriet Martineau, whose nine volume work of popularisation, *Illustrations of Political Economy* (1832), had been translated into French in 1834.[24] Molinari came across it somehow in 1849 and reviewed it in April for the JDE.[25] Her method of using "familiar conversations" between ordinary people, one of whom was very knowledgeable about free market economic ideas, and others who were not, appealed to Molinari. He knew of course of Bastiat's brilliant "economic sophisms" which had also used dialog and conversations between stock characters but these had been quite short and not consistently used over an entire book as Martineau had done. I think his goal in mid-1849 was to write a book-length series of conversations responding to the main criticisms of the free market by both conservatives (like Thiers) and socialists (like Louis Blanc), in the style of Martineau but using the more sophisticated theoretical insights which he and Bastiat had developed. He succeeded in doing that but the major flaw of his work was that he lacked the rhetorical and literary brilliance of Bastiat which made his work in popularisation of economic ideas perhaps the best of its kind. Nevertheless he would return twice more to this format in order to popularise economic ideas (equally unsuccessfully one might add), once in 1855 when he was teaching in Brussels[26] and again in 1886 when he was back in Paris editing the *Journal des Économistes*.[27]

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23 Adolphe Thiers, *De la propriété* (Paris: Paulin, Lheureux et Cie, 1848). And Molinari's review of it: [CR] Thiers "De la propriété", JDE, T. 22, N° 94. 15 janvier 1849, pp. 162-77.

24 Harriet Martineau, *Illustrations of Political Economy* (3rd ed) in 9 vols. (London: Charles Fox, 1832). <http://oll.libertyfund.org/title/1873>. Harriet Martineau, *Contes de Miss Harriet Martineau sur l'économie politique*, trans. Barthélémy Maurice (Paris: G. Vervloet, 1834).

25 Molinari, [CR] "Contes sur l'économie politique, par miss Harriet Martineau," JDE, T. 23, N° 97, 15 avril 1849, pp. 77-82.

26 Gustave de Molinari, *Conservations familières sur le commerce des grains* (Paris: Guillaumin, 1855). Here there is a three-way conversation between a Rioter, a Prohibitionist or Protectionist, and an Economist which takes place in the immediate aftermath of food riots and window smashing of suspected food hoarders which had taken place in Belgium in September 1854.

27 Gustave de Molinari, *Conversations sur le commerce des grains et la protection de l'agriculture* (Nouvelle édition) (Paris: Guillaumin, 1886). Thirty years later Molinari reissued his 1855 conversation, which is now entitled "Part One: A Time of Shortage", with an additional part added to it called "Part Two. Thirty Years Later: A Time of Plenty". The conversations are no longer described as "familiar" and take place between an Economist, a Protectionist, and a Collectivist.

A final point to be made about this extraordinary period in the development of French classical liberal and economic thought is that while Bastiat and Molinari were participating in "activism" on the street with the French Free Trade Association (FFTA) and their revolutionary journalism in February and June 1848, as well as their works as journalists and popularisers of economic ideas, they were also working on theoretical treatises at the same time. Both men had been offered the opportunity to give lectures to students in late 1847. Not much is known about how they came to do this aside from scattered remarks in Bastiat's correspondence and in *Libre-Échange*, the weekly journal of the FFTA. It is quite possible that Guillaumin arranged for financial support for these lectures from his usual donors and benefactors Horace Say and Casimir Cheuvreux. Bastiat began lecturing to students at the Paris School of Law in July (using his book on *Economic Sophisms* as the text book) and Molinari began a bit later in the summer or early fall at the *Athénée royal de Paris*. Their lectures only lasted a few months before the February Revolution forced them to be cancelled. However, Bastiat's lecture notes were eventually turned into *Economic Harmonies*.[28] Molinari was able to resume his lectures at the *Musée royale de l'industrie belge* where he got a position after he left Paris at the end of 1851. His lecture notes became the *Cours d'économie politique* (1855).[29]

In the rest of this paper I want to examine some of the highly original and important ideas Molinari developed during this first period of his life as an economist and which he continued to work on later in his very long life.

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[28] The first edition consisted of 10 chapters and was completed at the end of 1849 and appeared in print in early 1850. A second, expanded edition was published posthumously in mid-1851 by his friends Paillottet and Fontenay and consisted on an additional 15 chapters in various states of completion. Frédéric Bastiat, *Harmonies économiques. Par M. Fr. Bastiat. Membre correspondant de l'Institut, Représentant du Peuple à l'Assemblée Législative.* (Paris: Guillaumin, 1850). And Frédéric Bastiat, *Harmonies économiques. 2me édition. Augmentée des manuscrits laissés par l'auteur. Publiée par la Société des amis de Bastiat* (Paris: Guillaumin, 1851). An expanded edition of 25 chapters edited by Prosper Paillottet and Roger de Fontenay.

29 Gustave de Molinari, *Cours d'économie politique, professé au Musée royal de l'industrie belge*, 2 vols. (Bruxelles: Librairie polytechnique d'Aug. Decq, 1855). 2nd revised and enlarged edition (Bruxelles et Leipzig: A Lacroix, Ver Broeckoven; Paris: Guillaumin, 1863). Online version: <http://oll.libertyfund.org/titles/1829>.