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Capitalism and the French Revolution

James Livesey
University of Dundee

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One of the less well-remembered contrasts in the history of the French Revolutionary tradition is that while the Communards burned the Ministry of Finance they spared the Banque de France. In fact the Commune was financed by loans from that bastion of capitalism. At his trial before a military commission, the délégué aux finances of the Commune, François Jourde, insisted, against the protestations of the deputy governor of the bank the Marquis de Ploeuc, that the 20 million livres borrowed from the bank in April and May 1871 were regular loans authorised by the board of the bank. (La Commune, 1871, p. 11) The Bostonian travel writer William Pembroke Fetridge, who gave eyewitness testimony as to what was going on in the bank, reported that de Ploeuc issued the loans to the Commune, with Thiers’s knowledge, on the same terms he issued them to the Versailles government. (Fetridge, 1871) Jourde’s was not the most extreme example of

financial regularity under the Commune. Treillard, commissioner in charge of *assistance publique* was captured and executed in the gardens of the École polytechnique on 25 May 1871. His widow subsequently surrendered his account books, scrupulously kept, and the 53,012 francs and 86 centimes that remained in his charge, to the colonel who had shot her husband. The Communards could imagine the state withering away, ending male domination and transforming material culture, but hard money and its institutional supports were beyond the reach of their revolution.

Engels, in his preface to the 1891 edition of Marx’s *The Civil War in France*, was characteristically ironic at the expense of such unrevolutionary revolutionaries, remarking that ‘the hardest thing to understand is certainly the holy awe with which they remained standing respectfully outside the gates of the Bank of France’. It is indeed hard to understand why they did not simply requisition the bank, but it was not because some ‘holy awe’ in the face of money stalled their understanding of the possibilities of political change. After all, Jourde was not a naif who did not understand the political economy of banks. In the early pages of his account of his exile and escape from New Caledonia he explained that the reason that island’s mines remained unexploited was for lack of capital and that the *Banque de la Nouvelle Calédonie*, which was mandated to operate as an investment bank, was nothing more than an instrument for financial speculation. (Jourde, 1877, p. 21) In fact it was precisely because he and those around him had a sophisticated understanding of the relationship of money to the process of revolutionary change that he, and the Commune, left the bank in place. De Ploeuc appealed to the experience of revolutionary money when he explained that ‘the day you lay your hands upon the Bank of France, its notes will not be worth more than the old assignats’. (Fetridge, 1871, p. 472) It seems far more credible that Jourde and the Commune left the bank in place not because they did not understand the relationship between revolution and the institutions of capitalism, but because they understood it only too well.

The nineteenth-century discussion of the relationship of revolution to capitalism was complex and sophisticated. Men like Jourde benefited from immersion in a rich scholarship and continuing debate on the role of politics, even revolutionary politics, in economic development.
Some of that work has not been surpassed: Charles Gomel’s series of books on the fiscal and financial aspects of the Revolution remain standard works of reference. However that complex discussion was, for much of the twentieth century, put aside in favour of the exploration of the capitalist roots of the Revolution and in particular of the role of class in its origins. A rigid categorical distinction between politics and society obscured the really vital role played by institutions, such as the law, that could be reduced to neither. Without taking a position on the existence or non-existence of the pre-revolutionary bourgeoisie or the role of class in the Revolution it is clear that restricting the discussion to a debate on origins has obscured key issues in political economy and in particular in the relationship of the Revolution to capitalism. (Cf. Heller, 2006; Ado, 1990) The recent strange neglect of a properly historical account of economic life, which has been a general phenomenon, has been particularly marked in Revolutionary studies. (Sewell, 2010) We have struggled to address the paradigmatic modern revolution through a historiography that has had enormous difficulty conceptualising it as a commercial revolution.

I want to propose three hypotheses for a renewed history of the French Revolution and capitalism, and in so doing point to work that already exists around these areas. The first is that the norms of capitalism as we inherit it emerged in the period of the French Revolution. One has to be careful here to distinguish between a claim about origins, which I am not making, and an observation that the institutions of capitalism, with their characteristic normative orientations, legal forms and cultural processes, crystallised in the Revolution. Braudel’s observation that the origins of capitalism lay in the habits and behaviours of participants in long-distance trade remains compelling; harder to explain is their diffusion as the norms. Jean-Laurent Rosenthal’s work on changing legal instruments for control of water resources in a regime of rights and Jeff Horn’s study of models of industrialisation are models of explanation of emergent features of political economy. (Horn, 2006; Rosenthal, 1992) Allan Potofsky’s work and the forthcoming dissertation by Hannah Callaway illustrate the connections between the rather large-scale problems of institution-building and the local and specific problems of managing Paris in a period of political turmoil. (Potofsky, 2012)
The second hypothesis is that the emergence of capitalism was a contingency, which is just an awkward way of saying a surprise. Capitalism was not the project of any particular movement or group, not even the Girondins. John Dunn observes that democracy was similarly unforeseen as a possible resolution of political crisis, and while it is impossible to point to a moment such as the summer of 1792, when the appeal to political democracy emerged, capitalism was a similarly unpredictable outcome. (Dunn, 2005) The axis of political debate before, and for the most part during, the Revolution, was between those who thought the process of improvement could abolish poverty, as Gareth Stedman Jones has phrased it, and those who thought that impossible. (Stedman Jones, 2005) That polarity made for strange bedfellows and stranger oppositions. Christians, for instance, were divided between those inspired by Fenélon, Grégoire and Berkeley, who thought that caritas demanded the application of industriousness to the condition of the poor, and the more rigorous neo-Augustinians such as de Maistre who thought that the desire to alter the human condition was sinful. The particular resolution that linked sovereignty and improvement through capital was unforeseen. We still do not have a convincing account of how and where the early-modern debate on politics transformed itself in this way.

The third hypothesis is that the process through which capitalism emerged in the French Revolution was global. Capitalism was not a national project and much of the work defining the nature of privacy, crucial to establishing the space for the economy and demarcating its boundaries, was done by declared enemies of Revolutionary France. The Congress of Vienna created the European balance of power that would endure to 1914 and the conditions for European imperialism. It also defined the commercial rules that would condition economic behaviour. The origins of the practices of global free trade and the international legal instruments that defined it in the leagues of armed neutrality have not even begun to be explored. The commercial cosmopolitanism that animated much of the global behaviour of the European powers similarly emerged from the Revolution.

Democratic or liberal capitalism has been the most globally successful civilisational form of the past two hundred years. Historical scholarship for most of the twentieth century interrogated the dual revolutions that created that form, industrial and democratic, through a
debate between a variety of stadial theories. Marxists and modernisation theorists may have disagreed about everything else but all parties agreed that some pattern of development had universal applicability. That easy universalism has been completely undermined in recent years and we have a much sharper understanding of the contingent and historically specific nature of modern economic structures. (Cf. and ct. Barrington Moore, 1966; Acemoglu and Robinson, 2009) The global significance of economic innovation in eighteenth-century Europe has been creatively explored in economic history. We also have a good understanding of how the practices of merchants, forms of labour discipline and credit institutions developed in the Atlantic economy in the eighteenth century were projected into the world in the nineteenth, largely through the agency of European empires. (Bayly, 2004; Darwin, 2009) However the divorce of this literature from the work on the period of the French Revolution has left us with a lopsided understanding of these processes. We understand the power of liberal capitalism, but not its normative attractions. We may continue to approach the French Revolution without attending to the history of capitalism, but we cannot understand modern capitalism without a view to the French Revolution.

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