
Review by Christopher H. Johnson, Wayne State University.

A number of the themes presented in this book have been suggested by others, but in a scattergun fashion. And many of us have discussed these issues, nodding our heads, in long conversations. But Jeff Horn has pulled it all together and has made a truly original contribution. He argues convincingly that the Revolutionary era (including the Consulat), much maligned by economic historians, was in fact the turning point and that the government in this period was critical in setting the distinctly French course of modern economic development in which an activist state continued to channel its currents, themselves set in motion by market forces. The path not taken was that of Great Britain, with its dedication to *laissez-faire* state policy and technological advancement, even though many leading voices of the late Old Regime urged that this was the path France ought to follow.

The imposing edifice of David Landes’s thesis that the “backwardness” of France lay in the failure of its economy to become “unbound” and in the timidity of its entrepreneurs has finally and definitively been toppled with this book.¹ Horn appears to have read all the secondary literature that over the years has chipped away at it, with one notable exception, Rondo Cameron’s great *France and the Economic Development of Europe* (Princeton, 1963). Patrick O’Brien and Calman Keyder began the assault in earnest by showing that national per capita income growth was essentially the same for both France and Britain during the long nineteenth century.² Their “paths” were different, but equally effective, France relying more heavily on skilled labor and higher quality industrial production and a large, finally progressive agricultural sector that fueled niche industries and exports. Numerous studies of nineteenth-century artisanal specialty production (silk, clothing, furniture, *articles de Paris*, etc.) demonstrated that structural reorganization and the exploitation of cheap female (often) in-home labor increased efficiency dramatically, while others (Horn’s own on Aubois bonnerie among them) showed similar success in niche industries using the most advanced technology. And such efforts dated back into the eighteenth century, though all, a point to which we shall return, were met by significant resistance.

Vast amounts of research on the eighteenth century leave no doubt that French merchants, industrialists, and ambitious master artisans and journeymen embraced profit-seeking in an open market as much as any Englishman and that indeed, the French economy as a whole was easily on a par with that of Britain. As Horn argues in this book, the commercial treaty of 1786 was seen by most in France as a pact between equals. Only later, after the tragic downturn of 1787-88, would it be scapegoated and indeed turned into a cause of the Revolution.

At the other end of the story of French economic growth, economists scratched their heads searching for the reasons behind the “thirty-year miracle” that unfolded from the 1960s, especially if in fact a Landesian France had languished for so long. Students of French business history began to demonstrate that entrepreneurship had long been alive and well in many sectors, and even in those regions supposedly gripped by terminal de-industrialization, such as my own Languedoc, valiant industrialists fought to the bitter end to stave off disaster. Just last year, Michael Smith published a brilliant synthesis on the rise of large-scale enterprise up to 1930 that should put to rest any doubt about the commitment of French businessmen and women (there were a few) to progressive practices and help to explain the
roots of the contemporary vibrancy of the French economy.[3] In all of these analyses, one constant prevailed: yes, France was different, yes France was successful, and the essential reason for both was the primordial role of the state in promoting its distinctive pattern of growth. Although some were tempted to label this “dirigisme,” the fact was that while government might regulate (usually for the purpose of quality assurance), its most fundamental contribution was to promote and protect those businesses that achieved the highest levels of productivity and competed most efficiently in the domestic and international markets. In the end, this action might include nationalization in certain sectors, but the same principles applied to those companies as well. Witness the success of French transport industries.

The object of Jeff Horn’s stimulating study is to understand the origins of France’s unique path and to tease out the reasons for it. It is the piece of the puzzle that we still lack, and he fills it in admirably. “Political and social revolution placed France on an alternative pathway to industrial development” (p. 294). With this, his final line, he sums up his overriding argument. Horn possesses a thorough understanding of early British industrialization, arguing that, despite the persistence of artisan industry and older processes stressed by Raphael Samuel and others, mechanization remains the key to its rapid expansion.[4] This was not without widespread resistance, of course, from workers in the affected industries, most notably the great Luddite upheaval of 1811-1817. Taking his cue from E.P. Thompson and, more recently, Leonard Rosenband, Horn’s point, however, is that such resistance, not only in the form of machine-breaking but coalitions, strikes, and radical politics, was met by massive repression by the British government for whom “laissez-faire” meant allowing only the bosses to do as they pleased.[5]

In France, the situation was quite different. After Turgot’s “carnival” (Steven Kaplan’s term), state policy under Jacques Necker in the 1780s sought to nurture economic growth by “liberating the entrepreneur while subordinating the laborer” in the manner of the British (p. 35). But even then resistance was too strong and not responded to with the same sternness as across the Channel. After 1789, the government, arising from popular upheaval and continually beholden to it, found it impossible to crush worker resistance to innovation even though it encouraged the latter in myriad ways. Horn’s original research into the explosion of luddism in 1789-1791 demonstrates clearly this dilemma.

So it was that a pattern was established that would last throughout the “takeoff” period of French industrialization (and indeed down to this day). Despite legal barriers such as the Le Chapelier Law banning worker coalitions, the labor regulations of the Napoleonic Code, and the dreaded livret supposedly assuring the employee’s good behavior, entrepreneurial action to improve productivity and profits, and hence the wealth of the nation, would routinely be met by attacks on machines, strikes, riots, and demonstrations (sometimes arising from clandestine organizations often winked at by officials). After efforts to cool down the situation, officials would then arbitrate and negotiate a settlement requiring compromise on both sides.

The very fact of revolution, and the potential of its recurrence, Horn argues, placed the state at the heart of economic life in France. Much more so than in Britain, it would manage economic growth by promoting innovation, by enhancing a “market culture,” by rewarding progressive entrepreneurs, but also by seeking ways to stabilize the labor market without excessive repression of legitimate claims by workers. This vision was supposed to be realized in the local Conseils des Prud’hommes established by Napoleon, bodies made up of patrons and ouvriers, elected in equal numbers, and charged with the with the task of settling labor disputes. Should there be a stand-off between the two sides, the tie-breaking vote lay in the hands of the Justice of the Peace who convened the council, perfectly illustrating the state’s role.

Forces well beyond conflict at the point of production, however, brought the state to the fore in France’s economic destiny. Horn analyzes with great care the measures taken by the Revolutionary government
under the Terror. No holds were barred as the nation in crisis, initially forced into near autarchy by its multiple enemies, had to mobilize the economy on a war footing. Best known was the imposition of the wage and price controls known as the Maximums that assured (despite corruption on a grand scale) provisioning of the civilian populations and the vastly expanded military consequent of the levée en masse. A command economy was instituted in the industrial sector that successfully supplied the massive demand for arms and clothing. Horn examines the incredible rise of Parisian gun production where virtually none had existed before, as thousands of skilled men poured into the capital and its environs and, in short order, honed the instruments that would turn the tide of the war. Quality here and in clothing for the military was not always the best, but the quantity sufficed.

Organizationally, although the first round of military production was under narrow state control, private sub-contractors increasingly carried the burden and generally profited. By early 1794, the Committee of Public Safety had established the principle that “no workshop ought to be run for the profit of the Republic: all of this ought to be run under contract” (quoted, p. 143). The government promoted free trade with neutrals to enhance the importation of necessities such as cotton, and exports, profiting a variety of capitalists, rose significantly during the Year II. At the same time, the state sought to solve technical problems, especially in steelmaking, by mobilizing scientific expertise in government-financed agencies. Requisitioning of needed products from newly conquered foreign territories clearly went beyond market economics.

Horn’s point is that the experience of this, the most harrowing year in French history, demonstrated the power of an economy in which the state played a forceful, positive role while simultaneously rarely losing sight of market principles. The market and responsible state guidance could be harmonized successfully. During the Directory, however, there was a tendency back toward the free reign of the market, even in military supplies (along with inevitable corrupt practices), and many bankruptcies resulted, thus enhancing the desire for a return to state-guided economic order. Although Horn may overplay the significance of these revolutionary contributions to the long-term character of French economic development at the expense of continuity from the later old regime, his research here adds an important new dimension to our understanding of the process.[6]

The succeeding chapters document the institutionalization of France’s mixed economy. Space does not permit a discussion of the richness of this analysis, which focuses first on technological development inspired by the state and pursued by private entrepreneurs with or without subsidization, the creation of the essential institutional order in the areas of technical training (above all the Conservatoire des Arts et Métiers) and higher scientific education (the Grandes Écoles), the administrative apparatus for economic encouragement (especially the bureaus of Mines and Ponts et Chaussées), and the structuring of economic law. The key figure, who finally gets his due in this book, was Jean-Antoine Chaptal, Minister of the Interior under the Consulat, whose very life and work seem to encapsulate the French pathway to the future. Reputed chemist, entrepreneur extraordinaire, and administrator of rare talent, Chaptal “recognized that dynamic entrepreneurialism was essential to fostering economic growth and that effective state involvement was necessary to industrial development.”

Horn identifies three basic components in Chaptal’s program. First, the state must “honor” commerce and industry “to repair centuries of contempt,” supported practically by increased scientific, technical, and vocational education. Second, (quoting Chaptal) “The actions of government ought to be limited to facilitating supplies, guaranteeing property, opening markets to manufactured goods and to leaving industry to enjoy a most profound liberty. One can only rely on the producer to pay attention to all the rest.” Third, this liberty must be tempered, however, by “public spirit” and the guarantee of the right to gainful employment for all, which meant rejecting British “selfishness” by means of state policies that would “mediate private interests for the public good” (pp. 197-198).

Although Horn does not discuss the matter, recent research, especially by Carol Harrison and Kathleen
Kate, has shown how such values permeated nineteenth-century bourgeois culture where “emulation,” not “competition,” was the watchword, where “égoïsme” was universally deplored, and where “civic dedication” was more highly prized than wealth as a measure of a man.[7] The ruthless “captain of industry” was as vilified as Dickens’ Bounderby. (It must be said that this image of the British money-grubber was no doubt drastically overdrawn—think of the protagonists in Hall and Davidoff’s *Family Fortunes*).[8] Peter Stearns long ago stressed the importance of paternalism and activity on behalf of social improvement among early French industrialists and recent local studies have validated it.[9] Where it did not obtain (as in the highly stressed Languedoc woolens industry), worker violence became endemic. Chaptal himself initiated the practice of his principles, and successive regimes generally adhered to it. When they did not, they invited revolution.

Horn’s discussion of the Empire is well done, though with few surprises. There was a shift toward *dirigisme* and the reliance on military and administrative power throughout the vast reaches of French authority in the hope of fueling an economy that might sustain the dream of a French Europe. In line with a large literature, Horn shows clearly that Napoleon’s economic policies, the creation of a “hothouse” economy in France drawing upon the resources of the conquered territories and supposedly protected from British competition, the granting by default of British dominance of the seas and the colonies, which stunted the nascent cotton industry in France, and the understaffed and ineffective efforts to prevent wholesale smuggling of British goods into the Grand Empire, added up to dismal failure. The crisis of 1811 capped it off and opened the way to the underfinanced final years of one military defeat after another. Thousands of suppliers went unpaid, many folding, and tribute from satellites diminished as revolutionary resistance there increased. The burden of empire had stretched the French economy to the breaking point. For French entrepreneurs, however, the hothouse effect did reap significant profits, but left them well behind the British technologically, despite the efforts of the regime to promote improvement. “Eminently rational,” they had little incentive to invest in new techniques (p. 287).

Horn rightly praises the Bourbon Restoration for also restoring the rudiments of French industrial and commercial progress. Its policies, advised by the man himself, were based upon Chaptalian principles. The state was especially generous in subsidizing technological progress in the controlled environment of tariff protection that nevertheless stimulated competition with the giant across the channel. Critically important now was the development of niche production that would capture markets where the British were weak. The ribbon industry of Saint-Etienne, innovations in steel-making, fine woolens, and of course Lyon silk production, increasingly based in the Jacquard loom, are important examples.

Horn has a tendency here, and throughout the book, to lay too much emphasis on technology as the sole impetus to increased productivity, largely ignoring the significance of the reorganization of the labor force and the use of sweatshops, often female workers, to carry out mass production tasks previously restricted by guilds and master coalitions after 1791. Nowhere was this more important than in two of the nation’s most successful niche industries, clothing and perfume. To have included these and others that were little affected by labor-saving machinery until later in the nineteenth century would only have enhanced the power of his argument.

His final chapter, “Chaptal’s Legacy in a Niche Industry,” based on Horn’s own research on Troyes and its flourishing knitwear industry, provides a fitting summary of his main themes and reminds us that most good ideas about larger problems originate in local history. It should be noted, perhaps, that, like most of France, the real boom in the Aube did not begin until the July Monarchy. Horn might have improved his overall argument by taking the entire story past 1830, as he does in this brief conclusion. The government of Louis-Philippe was more committed to economic progress than its predecessor and was heartily welcomed by entrepreneurs across the board. Saint-Simonians (who turned Chaptal’s principles into a utopian ideology) reveled in its arrival and most, *polytechniciens*, bankers, engineers, and political economists, then began their careers that would contribute so mightily to rapid economic
growth through the Second Empire. The July Monarchy liberalized bankruptcy law, improved patent law, reformed investment liability law, laid out the basic framework for railroad construction in a perfect Chaptalian manner, and financed programs of civic improvement and infrastructural enhancement everywhere, a flurry that put the Restoration to shame. Industrial France responded.

Jeff Horn’s essential point is this: the French economy, born in revolution, needed reminding from time to time that the delicate balance of state encouragement and entrepreneurial liberty ultimately depended on those who did the work. If the state ignored their needs and entrepreneurs got too égoïste, both received a revolutionary message: Troyes’ bonnetiers embraced the Revolution of 1848 and promptly destroyed every state-of-the-art circular loom in town.

I urge anyone interested in French economic history and in the Revolutionary transition to read this book. It provides a link missing from both stories.

NOTES


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