

## The Physiocratic Precept: "Laissez Faire, Laissez Passer"

Although the precept *laissez faire, laissez passer* is commonly attributed to François Quesnay (1694-1774), the economist and surgeon to Louis XV, who founded the Physiocrat School, its exact origin is uncertain. We must, moreover, distinguish between the two parts of the formula, for the idea of *laissez faire* arose considerably earlier than the second conception.

In the very general sense of confidence in nature, and rightfully depending upon her to amend disorder and instability, the expression was already in existence at the end of the XVI century. Montaigne in his *Essays* (1588), says, "Let nature have some chance to act (*Laissons faire un peu la nature*), she understands these matters better than ourselves." The same theme occurs again in the middle of the XVII century in Balthasar Gracian's book of maxims which appeared in 1647 and was translated from the Spanish under the title of *The Courtier*. This work was exceedingly popular and went through eighteen editions before 1808. Gracian writes: "For some disorders there is no better remedy than to let them proceed, for they eventually stop of themselves. Very often the real evil arises from the remedy. It is not the worst rule in life to let things alone."

It was, however, Pierre de Boisguillebert (1664-1714), the precursor of the Physiocrats, who first gave to *laissez faire* its full economic sense. In the commerce of life, nature or providence has established a certain order according to which, provided she is given free play, it is not in the power of the strongest, when buying any commodity from the weakest, to prevent the latter getting his living by the transaction. We repeat: *provided nature is given free play* (*qu'on laisse faire*), which means that she is given liberty and that no person or body whatsoever meddles with trade beyond giving equal protection to all parties and preventing any act of violence. Far too much attention has been given to the commerce in grain and liquor; this should be left absolutely to the economy of nature, like everything else."

To the *laissez faire* of the philosophers and economists the Physiocrats added the idea of *laissez passer* and thus gave definite expression to the complete formula. It is difficult, however, to award the merit of this to any particular one of them. According to some writers, the originator was Vincent de Gournay (1712-1759), a contemporary and friend of Quesnay. Dupont de Nemours, member of the Constituent Assembly and popular interpreter of Quesnay's works, writes in the preface to a book by Turgot on Quesnay: "M. de Gournay, having been long in trade, realised that manufacture and commerce could flourish only by *freedom and competition*. These conditions, he saw, check ill-conceived undertakings and lead enterprise into sound directions; forestall monopolies and restrict the profits of particular traders, to the benefit of trade as a whole; stimulate industry and lower the rate of interest; and ensure that primary products are bought at the highest price and sold retail to consumers at the lowest price, thus enabling producers to make the best profit and consumers to provide most cheaply for their needs and enjoyments. He concluded that trade should never be fleeced by taxation or hindered by regulations, and he formulated the axiom, *Laissez faire, laissez passer*."

Turgot, although he was the friend and panegyrist of Quesnay, saw the origin of the formula in the exclamation of a merchant named Legendre, made to Colbert when that Minister was investigating measures to promote trade.

*Laissez nous faire* (Let us alone to get on with it), "Do not govern too much." Other writers attribute the origin to other sources. Oncken, the historian of the Physiocrat school, for example, makes the Marquis d'Argenson (1695-1757), in his *Mémoires*, the father of the maxim *Laissez faire, laissez passer*.

It is fairly certain that even if the expression did not appear until the XVIII century the truth it contains had been perceived long before; so it is probably useless to search for the real author. Charles Gide and Charles Rist in their *Histoire des Doctrines Economiques* consider the expression a mere commonplace, belonging to no one in particular.

Nevertheless, if the Physiocrats have in the eyes of history been given the merit, it is because they gave the maxim all its value when they adopted it as the motto of their school. *Laissez faire, laissez passer* in fact derives from the doctrine of a natural order existing among all phenomena, especially the facts of political economy. This natural order regulates the production and movement of wealth, just as it regulates the formation and circulation of blood in the veins. Such is the import of Quesnay's celebrated *Tableau Economique*. All productive, inventive manufacturers should be free to work, despite the regulations of corporations eager to maintain their monopolies; and all goods should be free to pass over frontiers, internal as well as external, despite customs barriers, which should be abolished. Liberty to work and liberty to trade: that is the real meaning of *Laissez faire, laissez passer*.

When people try to abuse liberalism by identifying it with anarchy they always refer to "The Manchester liberalism of *laissez faire, laissez passer*." In fact the Manchester school did nothing more than to take up in the XIX century the formula adopted by the Physiocrats to advocate freedom of exchange. That was the aim of Cobden's efforts in England, and Bastiat's in France.

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Since 1595, when Henry IV became effective ruler of France, the partisans of manufacture and trade had been trying to foster their department of production (necessarily at the expense of agriculture) and had developed the Mercantilist system which reached its apogee 1661 to 1683 when Colbert was finance comptroller under the young Louis XIV. The hardships of the peasants, however, encouraged scholarly sympathisers to revive attention to the Mediaeval doctrines of the law of nature and equal natural rights of men. Boisguillebert's *Détail de la France* (1697) recognised that land was the source of all wealth and that it varied in value. He had some perception of agricultural rent and in addition to free trade advocated adjustment of the *taille* or tax on the produce of land, so that it fell in just proportion to fertility. His book was suppressed, but the idea of natural law and natural right, together with hazy "back to nature" enthusiasm, continued to grow, especially after the trade collapse following Law's prosperity-via-inflation schemes of 1719. Hence the prominence given to natural law and first principles in the discussions of those remarkable men, Quesnay, Gournay, Mirabeau, Dupont, Larivière, Turgot, etc., who