

VOLUME XXX

NUMBER 2

Kyoto University Economic Review

MEMOIRS OF THE FACULTY OF ECONOMICS
IN THE KYOTO UNIVERSITY

BUSINESS PIONEERS OF MODERN JAPAN

YASUZO HORIE 1

ON JAPAN'S LIBERALIZATION OF TRADE
AND EXCHANGE

KIYOSHI MATSUI 16

FRENCH REVOLUTION AND THE PROGRESS
OF CAPITALISM

KENJI KAWANO 30

General Index of Articles of KYOTO UNIVERSITY
ECONOMIC REVIEW Vol. 20~Vol. 30 (1950~1960)

45

OCTOBER • 1960

PUBLISHED BY THE FACULTY OF ECONOMICS
KYOTO UNIVERSITY • KYOTO, JAPAN

THE FRENCH REVOLUTION AND THE PROGRESS OF CAPITALISM

By Kenji KAWANO*

I

The purpose of this paper is to make clear to what extent the French Revolution together with the bourgeois revolution, generally affects economic development, that is, how it influences the establishment and growth of capitalism at this stage.

The fact that the bourgeois revolution was to break out during the capitalistic evolution of economics is understood. There is no doubt about this point. However, it seems to me that not only has there been made few detailed studies concerning what aspects of capitalistic development the bourgeois revolution was involved in, but also it can be said that there are still many misunderstandings. For example, we have recently published our report on "*A Study of the French Revolution*", (a joint study)¹⁾ and among criticisms made was that this report did not take up the factual analysis of the industrial structure in France or that there was no analysis of agricultural management. Aside from the right or wrong of the matter, it can be said that behind these opinions, there are those who seem to believe that merely to investigate the state of agricultural management and rural industry was to make a study of the bourgeois revolution. I cannot agree with this view. For, revolutions in general, not just the bourgeois revolution alone, revolve around the alternation of political power which in itself is none other than a conspicuously politico-historical process. To ignore or to belittle this point and to try to find a direct cause and effect relationship between the revolutionary process and the economic structure is wrong and especially as is presumed by the critic, to change it into a matter of concepts and categories of capitalism such as the rich farmers' management and industrial capitalists cannot be done. For at least, in order to do so, the differences which lie between the upper and lower structure and the distance between them and how to bridge them must be seriously considered. Even without this, in our

* Professor of Economics at Kyoto University

1) Kuwabara, Takeo ed., *Study of the French Revolution*, Iwanami Shoten, 1959.

country there is a strong tendency to think of the conflict between industrial capital and commercial capital, feudal landownership as against industrial capital as a political aspect of the bourgeois revolution. But it cannot be denied that such a view must be thought to be based upon the confusion between function of the bourgeois revolution and the industrial revolution.

Of course I am not trying to say that there is no connection between the bourgeois revolution and capitalism. That there exists a relationship between the two which is inseparable as I shall show later. But if we are to claim the relationship by saying that the agricultural or commercial enterprises were changed fundamentally with the bourgeois revolution as a turning point, it is placing too much emphasis upon the bourgeois revolution and while trying to idealize the revolution, it cannot but result in losing sight of its positive meaning. For not only are the fundamental changes in the economic structure caused by the revolution not recognized but also that theoretically, the revolution is a conspicuously politico-historical problem must be denied. This must also be taken into account when studying the Meiji Revolution and the Jiyuu Minken (Civil Rights) Movement which were political conflicts in Japan. We cannot "explain" the Meiji Revolution from the manufacture or semi-feudal landownership system.

Also in the case of the English Revolution which was an immature bourgeois revolution, according to recent studies, the revolution did not affect the position of the landlord at all and in industrial and foreign trade structure or policy, no fundamental changes were made. This is because the English Revolution did not permit a comprehensive peoples' revolutionary conflict to arise and left it entirely as a conflict between the top strata of the old and new political powers. But Masao Hamabayashi, author of "*History of English Revolution*", says that the view of the English Revolution as a "landowners' reform from above" is to be doubted.²⁾ Although it may be correct to speak of the compromise and the immaturity of the English Revolution but why must it not be a "landowner revolution"? Since this epoch-making political conflict was to force the downfall of the monarchy by the landowners and the merchants, there is no other way of defining it. After the English Revolution when "enclosure" and "mercantilism" became stronger, it would seem far closer to the facts to think that leadership powers of the landowners and the bourgeoisie (merchants the main force) were established.

2) Hamabayashi, Masao, *History of English Revolution*, Mirai Sha, 1959.

II

Next, I would like to discuss at what point and at what stage the bourgeois revolution took place as reflected in the French Revolution.

Generally speaking, it is in the manufacture stage that the bourgeois revolution occurs, and depending on the extent of the disintegration of the farming classes, the character and scale of the bourgeois revolution is determined.

In an abstract sense, there is no disagreement but in what way to take up the actual economic structure at the manufacture stage, it is not only difficult to determine but also there lie many misunderstandings. But it has been made clear recently by several works that the manufacture stage did not mean the condition in which concentrated workshops were set up but the general industrial pattern even in the 18th century after the bourgeois revolution was in the form of wholesale dealers made up of small-scale home industries which were in the greatest number. Therefore, in the bourgeois revolution, the argument that the opposition of manufacture-capitalists as owners of these workshops against the commercial capitalists not only limited or conditioned the political process of the revolution but also determined the direction of the revolution cannot be accepted. It is possible for two capitalists to be opposed to each other, but that occurs as an internal confrontation within the same class—the bourgeoisie—and not something which determines the revolutionary process.

To be sure, when the bourgeois revolution arises, both manufacture and the disintegration of the farming strata must exist. But it does not act as an oppressive force conditioning the entire organization of the nation's economy, but within the most progressive area remains in greater or less degree as a germinal force. But that these conditions brought about the revolutionary trends and made the social contradictions deeper must be recognised. This shows clearly, the new contradictions beginning to work within the depths of society and in that sense became one of the motivating forces to bring about a revolutionary situation. This fact must be affirmed. In spite of this fact, these problems were not considered as the central theme of the Revolution. The main theme of the Revolution was to be found elsewhere.

In France, manufacture became a problem in the political sense just prior to the Revolution in relation to the conclusion of the Anglo-French Trade Pact. Since the Eden Pact of 1786 stipulated the "liberalization" of French trade, cotton textile, woollen textile, silk, pottery, iron and leather manufacture were dealt a heavy blow which resulted in the strengthening

of the anti-government movement. This incident may be said to be one of the motivating factors of the French Revolution but it cannot be said that the French Revolution broke out to resolve this situation. In the French Revolution, manufacture rarely became a problem by itself. It became a problem along with commerce as a phase of the freedom of domestic industry or in connection with trade and customs duties in the protective trade policy. In fact this showed very well the problematical aspect of manufacture at this period. The other problem of the disintegration of the peasant strata had been raised much sooner. For, from about the 1760's a movement similar to the "enclosure" movement in England had begun. As in the case of England, the "enclosure" could be the deciding factor in the accumulation of capital. But it could not mean the establishment of capitalism process of the primordial as a social organisation. The main promoters in this movement were the new land owner or the merchant land owner and this movement resulted in the general downfall of the peasants and their diminishing in numbers which in turn made the peasants have a strong attachment to their common land. It may be said that the radical agrarianism and early socialist or anti-capitalist ideologies had their origin at this time. Speaking of the relationship to the bourgeois revolution, the peasant strata arose in revolts to save themselves from ruin caused by enclosure. They did not fight in order to establish the modern farming i.e. capitalization of agriculture by land owners or wealthy farmers. Of course, in fact there are cases where the impoverished farmers became wage-laborers especially in Northern France, but the fact that the Revolutionary government under the dictatorship of Montagnards tried vigorously to support the disintegrating peasant strata as independent farmers did not mean the hastening of capitalistic disintegration.¹⁾

Therefore, it must be said that the above two problems did not form the kernel of the revolution. These problems acted as "detonaters" of factors which brought about the revolution and they served to show the depth of social contradictions. But however it cannot be said that it was the "moment" which determined the revolution itself. The protective policy towards manufacture and the modern disintegration of the peasant class became stronger after the French revolution and continued up to the Industrial Revolution and the bourgeois revolution cannot be said to have helped to complete the movements.

When seen in this light, it is not correct to look for a direct cause and effect relationship between the bourgeois revolution and changes in the basic

1) Takahashi, Kohachiro, *Structure of the Bourgeois Revolution*. p.122

process. If there are changes, it is as Henri Sée in "*Histoire économique de la France*" points out, the revolution rather held back the actual development of economy.²⁾ Because the retrogression caused by the revolutionary conflict as well as the Napoleonic Wars was quite severe. However, in spite of this fact, what was the reason for the tremendous advance towards the capitalistic evolution through the bourgeois revolution? This point is indeed the problem.

III

Let me now proceed with the main theme of this essay. The central problem of the French Revolution was not that of manufacture or the disintegration of the farming strata or farming class so much as the abolishment of the feudal system of landownership. It is well known that the basic function of the bourgeois revolution was the abolition of feudalism. But it has not been made clear in what manner or with what procedures it was carried out the scale and form of feudalism as it existed at that time. For example, there have not been any convincing explanations concerning the question whether the abolition of feudalism denied the landowner system as semifeudal landownership or whether it should truly be called the abolition of feudalism if due compensation accompanied the dispossession of feudal rights. In the "*Study of the French Revolution*", I believe I dealt quite fully with these problems. Before I go further, it seems necessary that I review some of my basic points.

First I shall speak of the metamorphosis of feudalism. It will be noted that feudal ownership had by this time become something other than the management of the basic means of production. It had turned into virtually nothing but a legal privilege and a matter of status or social position which formed a kind of superstructure.

At this time, feudal landownership existed in the form of "*droits féodaux*" which included the right to collect the rent from the land so long as the land was used for farming. Meanwhile a substantial basis of production was in the hands of the farmers who were the producers and even the land directly under the lord was largely managed by "*fermier*" or "*métayer*". Under such circumstances, the rights of the lord had lost much of its fundamental basis and was allowed to exist only as a part of the state mechanism or organisation. That was why it was possible for a political conflict in the form of revolution to abolish it. In other words, through revolution, the right of hunting, the lord's monopoly —*ban*, *banalité*—, the church tithes,

2) Henri, Sée, *Histoire économique de la France*, II p.57.

temporary and permanent right of collecting taxes were all rendered ineffective by the parliament and outside parliament, the farmers backed the movement by refusing to pay taxes.

The second point to be noted is the distinction between the feudal lord system and that of the landowner. In our country, the common argument has been that the semi-feudal landowner system is a typical phenomenon under feudalism. In the French Revolution, it is asserted, this kind of landownership was swept clean, but in the Japanese version of revolution, the Meiji Restoration, the landowner system was rather reinforced. Therefore, the argument concludes that the Meiji reign means absolutism and so the Restoration is no bourgeois revolution. I think this view is the greatest mistake that the Japanese Marxists have committed. Recently, students of French History have come to recognize the survival of the landowner system after the revolution. Yet, there are still those who maintain that although the land-owner system continued to exist, so-called "social spirit" changed. Such inconsistent reasoning of this kind must be cleared away at once.

The feudal lord system was based on the privileges of status or social position. On the other hand, the landownership system, although it may still hold to the relationships of a former, was the relationships between private individuals based on economic relations (renting, mortgaging and transactions). The landowner system began to appear during the period of absolute monarchy. It started in the form of purchasing the rights of cultivation under the still existing lord system and later it was established as a effective ownership. In this process, of course it encountered feudal ownership and the feudal rent. The surplus value produced by the tenant farmers was therefore not monopolised by the lord but divided between him and the new landowner. Here is the distinction we should note between the feudal lord and the semi-feudal landowner and at the same time the similar part played by them as parasites living off the peasant farmers. Why were these tenancy relationships born? I have not enough space here to go into detail on this matter. The most important thing to remember is that there existed a certain increase in agricultural productivity the strong survival of the small scale management of farms.

The feudal lord system and the landowner system are naturally interwoven when they appear in the actual historical process. So if a lord rents part of his own estate, he is a landowner as well as a lord. To turn it the other way around, we can see a rich landowner buy the title of a noble and become a lord. But as far as the French Revolution is concerned, the Revolutionary Parliament passed laws to make the distinction clear between these two systems of landownership. The *Assemblée constitutionnelle* tried

to bring the feudal lord system as close to the landownership system as possible and tried to make it legal. Meanwhile at the Convention, they tried to abolish part of the landownership system by indentifying it with the feudal lord system. In both cases, however, the distinction between the feudal lord system and the landowner system was clearly observed. For example, on July 17, 1793 by the laws enacted just after the coup d'Etat led by the Montagnards, the abolition of all kinds of feudal systems including the feudal rents was decreed. But in its second article, it says clearly that, "This excepts the rent and charges exclusively concerned with land." This exemplifies the clear distinction made at the time. Thus, we are told that the revolution separated the feudal lord system from the landowner system and abolished the former.

The third point now presents itself. We must examine the two programs or methods employed in abolishing feudalism. The main objective of the bourgeois revolution was to materialize the modern idea of ownership—private property. And on the actual scene there could be a number of different to be taken. Some people thought that a certain form of ownership was not yet outgrown and it should be kept. But others did not. So as I have observed above, on the one hand, there appeared a program adopted by the Assemblée which deprived the existing lords of only the privileges of social position or status and abolished the feudal rights of collecting rent with due compensation. And on the other hand, there was the program of the Convention which denied all kinds of rights attributed to the lord including the feudal rent without compensation. Under the first program, the lord could survive, even after being deprived of his social position, by attaining a modern version of ownership, that of landowner. The self-supporting farmers under the feudal lord system, transformed themselves into tenant farmers under the landowner system. What was achieved by the English nobles through their revolution must have been something resembling this kind of position. It may be called "the land owner's course" of the bourgeois revolution.

The second program was engendered in the course of the resistance movement of the farmers opposing to "the landowner's course". This course was to block the survival of the lord as a new land-owner, denying every right of the lord, and to encourage the farmers to become the land-owners themselves and to stand in line with the land-owners who had existed previously. A lord was dispossessed of every right of administration over his self-supporting farmers and their lands and left only with the private ownership over his residence, gardens, rented lands and forests. And in the course of the revolution, of he took the side of the reactionaries and or made himself

an exile, he was stripped of even private ownership rights. As the natural result of this process, the farmers under the lord became the true owners of the land they farmed and regenerated the so-called "Parzellen Eigentümer" It was these farmers that were liberated under the Convention, especially at the time of the Montagnards dictatorship. We can see here the objective of the revolutionary program of "the farmer's course" achieved. This is as is well known an important turning point that characterised the French Revolution.

The fourth point is concerned with the problem of what is meant by the establishment and disposal of the nationalized property, when considered in relation to agricultural production. As far as ecclesiastical lands and the land of nobles in exile are concerned, they were in the hands of the "fermier" or "metayer", so we must study what happened to the relations of tenancy when the lands were taken,—nationalized—, and sold—made into private property again. There were possible two plans. The one was to leave the tenancy relations, as they had been and let the new landowners take the place of the old lords. The other was to discard the old relationships and establish the system of self-supporting farmers owning their own lands. As to which course was chosen, or which form actually became prevalent, the arguments have disagreed considerably. Generally speaking, however, the landowner system survived after the revolution in about the same scale as before the revolution. And when we learn that the scale of management in the hands of the self-supporting farmers had already enlarged itself to a certain extent by the time of the revolution, we might conclude that in reality, those two programs were pursued equally. The two forms of ownership, upon the ruins of the feudal lord system, built up the farming communities. And it will not be possible to deny this argument.

In connection with the problem dealt with above, we see the fifth point emerge. It is how we should consider the difference or similarity between two kinds of land-ownership. The first group consists of the land-owners under whom there were the tenant farmers, above all the "metayer" were great in number, especially in France. In the second group are independent farmers who reinforced their ownership through the revolution and extended their scale of production. So far it has been contended that the "Parzellen" system was without question modern, while the "metayer" system premodern. It is true that there is a great difference between the two systems when we look at how the management was worked out. The one is an independent enterprise, and the other a petty enterprise. But as at the present time, both large and small companies are run on the same basis of capitalist management, so the two systems of management seem at the time were of the same

character when viewed historically. These two forms of ownership were not based on capitalist production. They arose during the transitional historical process before a truly capitalist organisation established itself. If the form of ownership should be divided into "feudal ownership" on the one hand, and "capitalist ownership" on the other, these two forms were bridged by what appeared about the time of the revolution taking a transitional and intermediate nature.

However, the bourgeois revolution declares that such landownership of transitional and intermediate nature to be the same thing with "modern ownership—private property. This gives rise to various arguments. But we must not confuse the legal form with the economic facts. The management on which the "metayer" and "parzellen" system based themselves was both on a small scale management system owing much to the traditional production system dating back to the middle ages. As far as the techniques of agricultural production are concerned, the French Revolution had nothing remarkable to show.¹⁾ These systems of ownership, later undermined and disorganized by the primordial accumulation of capital after the bourgeois revolution, at last surrendered their positions to capitalistic relationships.

Of course we cannot say that there was not found any capitalist form of ownership at the time of the French Revolution. It is well known that the Physiocrats before the revolution and the Liberalist-nobles during the revolution both endeavored to enlarge and modernize agricultural production. But at this stage we cannot perceive on the part of the farmers any important attempt to push forward the capitalist program. We should say that it was still left as a task for the future.

IV

From what we have discussed above, we are led to the conclusion that the French Revolution proved to be nothing more nor less than an attempt to disorganize the old feudal lord system and the state organisation built around it. It was a result of the various new production relationships which kept arising in the economic process. It was in this light that the Revolution regarded the landowner system and the system of peasant ownership as legitimate, for they are not in contradiction to the modern idea of ownership. On the same basis, they protected and insured the ownership of movable property such as coins and valuable securities.

As is well known, the bourgeois revolution is famous for its slogans such as "Liberty" and "Equality" and its political objectives such as "Demo-

1) Octave Festy, *L'agriculture pendant la Révolution française*.

cracy". Behind those key words there lurked a certain image that the economic development gave birth to. It was possible according to this image, in fact necessary, to establish an industrial society in which one could be free from all restrictions and restraints, making every man free to produce, to transact and be paid, in other words, the idea was that the landowners, merchants, manufacturers and farmers were to be all on equal terms in the sense that they are equally producers as well as owners of goods and being component parts of a modern state, are all governed and protected by the same legal system. Even the laborers, as owners of labor power as a commodity are equal to them. The freedom of transaction and mutual profit it was thought, form the basis of modern society and so leads to the establishment of a democratic state. As is known, it was this attitude towards the actuality and its interpretation that motivated the great thinkers of the bourgeois revolution, Locke, Rousseau, and Quesnay. Although there was much beauty and strength in these bourgeois ideas, we must not ignore the new ruling class which was being built up and being prepared in place of the feudal control or power. This was the problem of capitalism.

As to the relation between the French Revolution and capitalism, a number of students have raised several questions. Although, the French Revolution was when viewed as a political movement, of the most progressive and radical nature, capitalism in France did not show so rapid a development as that of England. The question is why it did not. In fact, capitalism in France did not show any rapid development after the Revolution was over. It was pointed out that it was not until France had experienced the Napoleonic Wars and the restoration of the monarchy—the eighteen-thirties—that French capitalism entered the stage of an industrial revolution. Dunham says, in his studies on the French industrial revolution, that the dominant form of production in France in the period 1830-48 was the traditional small-scale production, and that the industrial revolution, which was completed in the eighteen-sixties, was the result of the importation of techniques and machinery from England by landowners and bankers.

If we accept the above argument, it is only natural that we question the contrast between the radical changes caused by the French Revolution and the slow development of French capitalism. The answer to this question is, however, to be found in what we have already discussed. Of course, the French Revolution was partly geared by the gradual development of capitalist relations in the economic structure. But capitalism itself still remained but a partial phenomena in the economic structure: on the whole, the feudal and transitional relations still prevailed. The first task of the revolutionary movement was to get rid of the feudal relationships. The

Revolution admitted both the landowner system and farmers' land-ownership including the capitalist relation, because these were the basic conditions of a modern society. In such an economic structure, naturally, it is until not the time of the industrial revolution of the 19th century that the conflict between the bourgeois relationships and transitional conditions became tense enough and called for serious attention. This point is of great importance.

As a matter of fact, the French Revolution in its course of development, exhibited unmistakable characteristics of its own. With the rapid advance of the revolution, the contradiction seen in the co-existence of capitalistic relationship and farmers' landownership became noticeable in premature form. There are several examples. The drive to disorganize the common lands of farmers and distribute them as genuinely private property met strong objections. There was trouble concerning the freedom in the transactions of grains. There were arguments on ways of disposal of nationalised properties. When these problems were taken up in turn, especially under the Jacobin regime, things were disposed of to the advantage of the self-supporting farmers as is well known. The system of landownership by farmers is essentially of transitory nature, but the French Revolution established it on a firm basis whose scale and substance are unparalleled in other countries. In great numbers there emerged "microcosms" where the producers and production methods were closely tied together, that served as the social media of French democracy.

The form of production employed by the "parzellen" farmers was as Marx pointed out, incompatible with systems of large scale production or co-operative production, because it refused to adopt scientific and technical devices on a big scale. This was the cause of serious economic struggles in the first half of the 19th century between capitalist production and that of independent farmers. The administrative powers of France could not force the "enclosure" program, such as used by the English Parliament after the Revolution. Even Napoleon's power was unable to do this. On the contrary, Napoleon followed the policy of neglecting the delays in national programs and promoting international aggression that was unlike British policy, not the conquest of the seas to promote trade and to open new routes but the conquest of the European continent. With the fall of Napoleon, the national problems came to light, but already, French capitalism had acquired its distinctive characteristics of small-scale production. And the advocates of the industrial revolution were never free from the want of capital, technology and labor power. The economic theories of Saint Simon exemplifies the dilemma of the time in plain terms.

Coming back to our question, we have learned now that it was not

right to ask why French capitalism lagged behind in spite of the French Revolution. As I have already set forth, we should observe not only that the bourgeois revolution and industrial revolution present themselves at different historical stages, but also that these two are logically irrelevant.

The important phenomenon that should be noted is that the form of the small bourgeois, the most typical example being independent farmers, remained intact after the revolution and even became more and more stabilised. More detailed answers to the questions would be found upon closer analysis of the economic structure under Napoleonic rule.

V

The problem we are facing today is, I believe, how to appreciate and evaluate as our own problems the two phases of history: the democracy established by the French Revolution and capitalism which was the result of the industrial revolution. We have learned that we cannot place them on the same plane. The democracy and the liberal and equal human relations fostered in modern France proved incongruous to the mass production or big scale industrial programs. The French people were not necessarily happy with the blind enlargement of capitalist production. They were happier with their traditional, small-scale production and handcraft skills. Of course, the methods of management used in small-scale production was on the international scene since the 19th century, destined to become old-fashioned and out-dated. But the French Revolution sought the realization of democratic ideals in which each individual was to be sovereign man. And it was rendered possible only on the basis of liberty, freedom and equality of each small-scale producer. What is more, it was an epoch-making event in the history of mankind. For we know that although the system of small-scale production was soon to be replaced by another form of production, the ideal of democracy once born, on the contrary, did not and will not die, and will be more strongly called for as it has the prospect of becoming universal.

The ruling classes in Germany and Japan which began to capitalize their countries in the last quarter of the 19th century were not aware of the important lessons they could have learned if they had studied the complex inter-relations between democracy and capitalism. On the contrary, the lessons as they interpreted told them to accept only capitalism and kept being hostile to democracy. Few would deny that we are still suffering from the deep rooted consequences. Under our present economic structure, we would like to ask how we may be able to revive the idea of democracy and relate it to the idea of social reform. I believe that this is one of the most serious questions with which we are faced today.