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From Karl Menger to Charles Menger? How Austrian economics (hardly) spread in France[☆]

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Abstract

The father of the “Austrian” Marginalist revolution and founder of the so-called “Austrian School of economics”, Carl Menger, had a mixed reception during different periods of development of French economics. Somewhat welcomed in the early days, he was rather forgotten later on. Even his major works were not published in translation until recently. What is the reason for such a situation? Criticisms of classical political economy have to be understood in their French context. In comparison to other countries, this paper details the case of France, besides showing how later Austrians, such as Friedrich Hayek, found a limited audience. This comparative study of economic ideas in France must start with the reception of the views of the founder and the role and impact of adopting/adapting or rejecting his views by French scholars. What place did they find in French academia? From Carl Menger to a “Frenchified” Charles Menger, how was Austrian economic thought disseminated in France? This essay starts by recalling the Belle-Époque and an astonishing letter by Charles Rist for the Jubiläum of Menger, in which he deplored the lack of translation of the latter’s works. The Austrian School in France is then discussed as pure economics replaces political economy in the Interwar period, with the 1938 Paris Congress of “liberal thinkers,” as the Vienna Circle became known, also comparing issues in philosophy. The paper considers how Austrian theories of “pure science” were received in Paris from the Vienna of the 1900s, at a time of “Crossroads,” to the present day, through the Postwar and Cold War, until a revival since the 1990s and a rethinking of economic ideas after 2008.

Keywords: Austrian School of Economics, Hayek Friedrich, Menger Carl, Simiand François, productive reception, transfer of theories in the social sciences.

JEL classification: A14, B13, B15, B31, N13, P51.

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1. Introduction

1.1. Productive reception

A key concept in the field of comparative studies is “productive reception” and, as far as economics is concerned, it quite naturally adopts the perspective of how to deal with transfers and displacements of national traditions to other settings as theories spread. Examples of such receptions are plenty and illustrate various forms of official institutions or informal groups: national (or local) denominations are indeed commonplace, such as the Chicago school (in the twentieth century), the Manchester school (in the nineteenth century), the French Physiocrats (in the eighteenth century), and so on.

Some schools in economic theory span two centuries, and this is true not only in the past but at present as well (e.g., the so-called “Paris school of regulation” spans the twentieth and the twenty-first centuries). This is to name only a few and studies have long been dedicated to each of these currents of thought whose denominations balance those that have the names of particular authors, such as the “Ricardians” (some of whom changed into “Sraffians” after the erudite work of the Italian scholar), the Marxists, the Keynesians, etc. Of course, other denominations may have themes or core ideas (e.g., the Physiocrats, the Monetarists, etc.) as their name, and the most successful are called “Classical” and “Neo-classical”. How authors constitute one and the same series is in itself a debatable issue.

In this study, we shall discuss the so-called “Austrian” school of economics, how it spread out of Vienna and Austria (from where it took its name) to other locations and, in this paper, specially its reception in France. This account will mainly be based upon the reception of the founder, Carl Menger (1840–1921) in France. We shall deal with the Austrian school as it was first received in France and not per se as a school that was later on re-imported and supported for reasons rather divergent from pure economic theory. The role of Menger illustrates the first version of the knowledge of pure economic in the methods (methodological individualism) and theory. Moreover we bring in an important archival piece in the form of a letter by Charles Rist illustrating that reception, what it was lacking, and what could be wished for in the 1900s.

Some theoretical themes, such as agency, decentralized information, spontaneous order, which are Mengerian in their origins, were later enhanced, and it is true that theoretical unity is sometimes difficult to identify (generally speaking, and more so in the French context).¹ It would therefore be another story to deal with how Friedrich Hayek and Ludwig von Mises (perhaps the two main names in the Austrian school) were received in France as it would bring in many characters who, in the French history of this reception, were perhaps less close to Austrian economic theory than to other aspects, such as political ones during the Cold War. Moreover, they were present in scarce numbers. We mention this to indicate why our topic is focused on the first period and the first generation of French writers (Halévy, etc.), who found Mengerian views interesting for their intent to reform po-

¹ Some commentators have strongly defended the need to identify a core of Austrian values (Caldwell, 1984; Campagnolo, 2008).

litical economy as a new science of economics in France. This is more to the point of how the Austrian school was received, with highs and lows, in France:² indeed whether schools meet with success or rejection tells us about the target place and its milieu, as well as how a productive reception almost failed here.

1.2. From the Austro-Hungarian Empire to Vienna and the world

Carl Menger was born in Neu-Sandez, not far from Cracow, in the area then called “Little Poland,” and which is now the Polish province of Galicia. He went to Vienna to tutor the Kronprinz, besides taking up the position of professor at Vienna University, where he founded the “Austrian” school. The denomination would become famous on the basis of his two masterworks, the first, *Principles of Economics* [*Grundsätze der Volkswirtschaftslehre*] (Menger, 1871), containing his theory and the second, *Investigations into the Method* [*Untersuchungen über die Methoden der Socialwissenschaften und der Politische Ökonomie insbesondere*] (Menger, 1883), dealing with his methodology. Students of Menger in the empire and sometimes neighboring countries, his disciples from the first (e.g., Eugen von Böhm-Bawerk and Friedrich von Wieser), and from the second generation (e.g., Ludwig von Mises and Friedrich August von Hayek) emerged even when they did not claim to be members of the Austrian school of marginal economics (e.g., Joseph Schumpeter) or even opposed the school (as Karl Polanyi did, against Hayek). Somehow, all were “Austrians” by education, having been fully immersed in the concepts that give the school its peculiar flavor in the history of thought.

Whereas not all members of the “Austrian school” came from Austria, its originators in the Austro-Hungarian Empire (as per the political boundaries until 1918) did not leave Austria but most of the succeeding generation left in the Interwar period due to the upheavals in European history. The first two generations of thinkers born in Eastern Central Europe (Menger and disciples, such as Böhm-Bawerk and Wieser) remained there and ensured that the name of the school remained well attached to the place where it had originated.

Foreigners participated in the school’s movement, as its ideas spread; with the upheavals of the twentieth century, many school members would leave Austria and Germany and spread these views in their exile. Whether forced (for racial or political reasons) into exile, or looking for more acceptable surroundings for their democratic and liberal credentials, the second and third generations had to flee. Menger’s son, himself named Karl, left (or rather stayed in the US, where he was born) when the Anschluss happened in 1938. Other members found new horizons, often in the Western democracies, where they spread their views from the new academic positions they tried hard to get. However, despite the France of that time being a haven for writers, there was little praise for economists. Economists whose ideas enhanced economic thought in different countries, start-

² The author of this paper coordinated a research project within France supported by the National Center for Scientific Research (“The Austrian School: an Inquiry into Social Epistemology”—*L’école autrichienne d’économie: une enquête d’épistémologie sociale*, 2003–2007) with the purpose of discussing national reception and the fights that were consubstantial to this school (as in many, generally speaking). The case is no different in France, but for the very limited number of potential fighters. Indeed, in France, such disputes were based on aspects, other than the economic doctrine. We shall therefore willfully leave them aside in this presentation.

ing with the United States, did not favor France and therefore it is not easy to find French scholars who became interested in Austrian ideas, from the origins of the school to its later periods.

Talking about productive reception, some Austrians successfully reached beyond academia, especially as managers, and later, as statesmen, in the UK and the US, but not in France. Those who welcomed contributions to ideas of free trade and a free society were few in comparison to numbers who flocked towards social reformation and attempts at economic planning. Concepts that characterize the Austrian stream of thought made it possible to identify this “school” as such, along with the debates in which they became involved through the century—against “socialists of all parties,” as Hayek put it in *Road to Serfdom* (Hayek, 1944).

As regards productive reception, one should discuss how institutions (private or public, legally registered or informal) formed to gather all sorts of means and “spread the word.”³ This type of inquiry may be pursued in the comparative sociology of economics and one may identify what views were adopted in relationship with such and such institutions and funding bodies. We shall discuss how the original Austrian framework impacted one setting (France), which failed to fully get the import. One has to assess (some may deplore) the fact that little in the Austrian views filled the various fields of French economics.

Yet, we may be surprised why and how that happened and we shall try to explain this. Although one may say that the French academia altogether missed the Austrian revolution in economic thought, it was not so from the start. It was not only due to the greater influence of Léon Walras in France; we should explore the reasons why, around 1900, Menger had French readers from the higher academic circles and was valued for his new economic themes while later (and with a couple of exceptions) there was silence around the Austrian views during the “short” twentieth century (1918–1989). It is only recently, from the 1990s onward—and somehow differently after the so-called “Great Recession” in 2008—that scholars showed greater interest in studying the Austrian school.

1.3. Plan of the following presentation

Following the chronology of the Austrian school’s reception in France, we divide this essay into various time periods. First, we discuss how Menger’s ideas were welcomed before World War I, and during the Interwar, Postwar, and contemporary periods that followed. The link to the “Austrian school” went through “Austrian disciples” but whereas there were less and less “continental” Austrians, a moment came when US-born school members made it sensible to speak of “Austro-American school” as a synonym for “Neo-Austrian school.” Menger had intellectually “fathered” and “grandfathered” members of a school whose denomination has passed to posterity by the name of its original place it had long left. We shall end by hinting at how the revival in France too came in the 1990s with the “Austro-American” thought that the country also tends to resist.

³ Here as well, there is much to say about the US, beginning with a place, such as the Mises Institute (Alabama). However, this paper confines itself to France with much less in that regard, even compared to other European countries.

2. Menger in France

The early reception of the ideas of Menger was somehow productive in the French academia. He met with relative success, due notably to his own fame that went beyond borders and despite very strong feelings in France against anything “German”, given the defeat in 1870 against Prussia, whereby France lost Alsace-Lorraine to the new Second Reich proclaimed in the *Galerie des Glaces* of Versailles palace. A defeated France dreamt of revenge until 1914 and that was the time when the introduction of original Austrian (Mengerian) views happened. Yet, the relationship with Austria was ambivalent since Vienna, the “Paris of Central Europe” as it was then called, had been defeated at Königgrätz in 1866, by the similar tactics of Chancellor Otto von Bismarck and Hohenzollern Prussia. Austrians resented their subsequent role as a subordinate to Prussia. Hence, they commonly fought German influence in the arts and sciences, and the *Methodenstreit* (“Dispute over the methods”) was part of that movement. Menger fought German academia master in economics, Gustav von Schmoller, based at Berlin. Even the Austrian court may have felt more sympathy toward the French, whom they regarded Catholics like themselves and more cultivated than the Germans.

Between France and Austria, an ambivalent relationship prevailed, with many French citizens hating anything “German” and this attitude was often extended to Austria; however, it was not so far-fetched. Conversely, French scientists, intellectuals, and artists, made a difference and the most clear-sighted among them admired their Viennese counterparts. Austrians may seem themselves as co-victims of the Prussian “ogre,” and some of them sympathized with France; the reverse was not always true.⁴ The creative works on both sides, which are among the greatest of all time, generated competition and met with success; international prizes were proof of this and we shall begin with this facet.

2.1. Menger and French academies

The recognition of the founder of the Austrian school by his French colleagues is best shown by Menger being made international corresponding author of the “Académie des sciences morales et politiques” at the “Institut de France”, the highest French academic body. In 1894, after the previous holder Wilhelm Roscher died, Menger was chosen for the German-language section in “Political economy, statistics and finance.” This replacement was highly symbolic as Roscher was the founder of the German Historical School in the 1840s. In the 1880s Menger actually fought rather against the “Younger” Historical School led by Schmoller and had more respect for Roscher, to whom he paid tribute on the first page of his *Grundsätze*.

This recognition was clearly oriented towards a renewal of the methods in political economy: neither the Classical Smithian-Ricardian perspective, nor the inductivist program of German historicism was adequate to build the framework of a pure theory of economics. Menger was providing an altogether new frame

⁴ One should also remember that in the 1850s, during the French Second Empire under Napoleon III, France had helped Italy get its independence from the Austro-Hungarian Empire. That mitigated ill feelings on both sides.

which was based upon the marginalist reasoning, such as that made by other Marginalist authors (Léon Walras and Stanley Jevons) and, unlike any of them, a subjectivist view of the world.⁵ Thus, by choosing Menger as a corresponding member over Schmoller, an arch-opponent of Menger and expected by many to be the choice for the representative of German-speaking academia, the French *Académie* made clear their awareness of the innovative work achieved in Vienna. Among *académiciens*, the economists Charles Rist and Emile Levasseur wrote to Menger (in French), while Academy Secretary Block stated officially the decision (Block wrote in German). Obviously, a part of the hostility towards Berlin was involved in the election, but the importance of the Austrian school to renew economic theory was acknowledged and the archives indeed prove this.⁶

Other French honors were bestowed on Menger in 1897. He was made a corresponding member of the *Société Statistique de Paris* as he was already, in 1896, one of the vice-presidents of the *Institut International de Sociologie* (whose headquarters were then in Paris and which had French as its official language). In 1901, he became its President.⁷ Menger's correspondence is very international and he had a wide audience in the academic world, including France. French colleagues who wrote to him did so in French, which he himself read and used, as manuscripts in his *Nachlass* show. One interesting piece of correspondence is the letter that Rist sent to the Organizing committee of Menger's seventieth jubilee (in 1910).⁸ Let us quote some parts of it that help understand two key facets of Menger's reception in France: his prestige and the lack of publishing in the French language.

2.2. Menger in the French language

The letter by Charles Rist is dated “26 Octobre 1909” and is written from his Montpellier residence, “Villa Pauline, Chemin de Nazareth,” and it goes as follows (we translate from the French):

“*Monsieur* /Sir [...]

It is a great honor to be associated with the Professor Karl [*sic*] Menger jubilee. It is a joy [...]

One may truly say that a new era of political economy as a science has been opened by M. Menger's *Grundsätze der Volkswirtschaftslehre*. Not only has

⁵ Surely one may evoke the pre-existence of a *Nutzwertschule* in Germany, already interested in use-value, and it existed in other countries, such as Italy, as well; however, in France it was not known from that source. The little that was known and accepted from Germany as far as economics was concerned was historicism, or genuine but altogether different French sources would have to be summoned.

⁶ The honorific paraphernalia of Menger are now located in the archives of Perkins Library, Duke University in the section *Rare Books and Archives: Menger Papers*. They had been brought to the US by his son in 1938 and were moved from Princeton to Duke in the 1990s. Conversely, Menger's library had been sold by Menger's widow to the Japanese in 1921 and it is now located at Hitotsubashi University, while nothing remains in Vienna.

⁷ See the *Annales de l'Institut International de Sociologie*. It should not seem strange that Menger presided over a sociology society since disciplinary borders were then finding new bearings—economists had law curricula and held law chairs. The reverse case is Max Weber, nowadays regarded as a sociologist, who held chairs in political economy (in Munich, for instance) and opened *Science as a Vocation* paper with the famous “We, economists [...]” (Weber, 1919/1992).

⁸ It can be found at Duke's Archives (Box 21) in the file gathering various honors and academic correspondence.

M. Menger given a fruitful view, whose triumph he could himself see, but he also gave the pitch and provided a new style within economic debates. He saved economic theory from tedious and ordinary talks in bringing a lofty philosophical tone, together with that intellectual vigor that has become the hallmark of his own school and contributed much in bringing him the liking and admiration that his school has won nowadays. I myself gladly acknowledged somewhere else⁹ my very high opinion of his *Untersuchungen* [sic] *über die Methode der Socialwissenschaften*, a volume that ranks amongst the classics, and whose role in the literature can only grow hereafter [...]

May I, however, express one regret? It is the fact that no volume by M. Menger has yet been translated into French. I am convinced that the translation of the *Grundsätze* would have, as a consequence in France, a major leap forward in economic ideas. Many readers who are reluctant to follow mathematical formulae, like those expressed by Jevons or Walras, would do so much more willingly with the beautiful deductive sentences formulated in M. Menger's book in his strong and appealing manner. Would not M. Menger provide the chance to remember his jubilee by allowing a French translator to undertake such a task, most worthy for science? This is the wish I dare here to express. I would be most grateful to you, Sir, if you could kindly convey it to M. Karl [sic] Menger [...]

Charles Rist, professor of political economy, Montpellier University”.

To this day, the lacuna in translating Menger's works still remains in the French language.

To be fair, the situation has only recently changed after his methodological opus, the *Untersuchungen* of 1883 (the *Investigations into the Method* mentioned by Rist) finally became available in its full French translation.

As Rist pointed out, Menger could not be read in French at that time and this situation lasted for more than a century. As a consequence, French scholars got used to reading his two major works on economic theory (Menger, 1871) and methodology (Menger, 1883) in other languages. To begin with, in the Italian versions that were translated early in the twentieth century, and later on—those available in English. This double screening (the translation from the German language to another language and then the reading of that language by French scholars) brought much confusion and often an original German concept was altogether lost in the translations. Misunderstandings were numerous, even to this day and despite major contributions.

In France, the situation Rist deplored would not change for a century between 1909 to 2011, when at last his *Investigations* were made available in French (Menger, 1883/2011). Before that, French readers of Menger needed to know German and this was a strong obstacle to the spread of his views. Yet, there were such trained scholars in the 1900s, as we shall see. This is another story nowadays and readers go by the English language versions, with the many deficiencies (Menger, 1871/1951, 1871/1963) only partly corrected in the new editions (Menger, 1871/1981, 1871/1985). As far as French is concerned, scholars in-

⁹ Rist refers to *Histoire des doctrines économiques*, co-authored with Charles Gide (Gide and Rist, 1909).

volved and interested in discovering and uncovering Menger's views fortunately existed around the 1900s; we shall now discuss only some of them, as well as the kind of reception they produced.

2.3. French readers of Menger's works

Menger read French nineteenth-century economists who, after Jean-Baptiste Say, were in favor of free trade (Campagnolo, 2009). He did not approve of all of them. The archives show his thorough knowledge of the discussion—full of barbed remarks—between Say and David Ricardo, his deep interest in reading the heirs of Say, such as Count Pellegrino Rossi, at the premier French educational institution, the *Collège de France*,¹⁰ his criticisms also of free-traders (e.g., Frédéric Bastiat) who supported landowners and became the champions of the privileged class pleading against the state just as often as the German advocates of the Prussian state in the name of the famous Historical school of economics. Menger clearly rebuked those who were the advocates of a cause, rather than the champions of a science.¹¹

Now, these French liberals indeed played a major role in nineteenth century French academic landscape, notably through their journal—the long-lived and respected *Journal des économistes*. The latter was mostly focused on French publications and clearly supported views favorable to the ruling classes, which induced younger scientists to create another review—the *Revue d'économie politique*—geared toward more innovative theories within an international context of foreign contributors and a larger audience. This was because French was, along with English and German, commonly used in the world of science. The readers of Menger's works would mainly be from this new generation of thinkers and authors who were educated either in “Grandes écoles” (such as the *École Normale Supérieure*) or in the new Departments of economics opened within the Law faculties by a decree of the Third Republic, with the intent of revitalizing the Republican spirit and practical concerns, possibly related to social issues.

Therefore, despite the lack of translations, there was a readership for Menger's works since many of the best youngsters educated according to this new framework would also be trained in the German language. This was especially true of those students under the kind supervision of Lucien Herr, the master-librarian at the *École Normale Supérieure*. He would stress the significance of reading German in the original as much science at that time, beginning with medicine and chemistry and including the social sciences and economics, was produced therein Germany. Menger was a must-read for those students who specialized in social philosophy, social law, or economics proper. These readers would later fill the Academies that would then, decades later, offer Menger

¹⁰ Menger finds in many places the views expressed by Rossi as “sehr wichtig” and “sehr richtig”. Menger notably stressed the following: “If one could follow the thousand vicissitudes happening on markets, the contracting parties and strictly analyze their stands, *if one could weigh so to speak all needs, one would really discover the true solution of the economic issue*”, manuscript in his own copy of his 1871 *Grundsätze der Volkswirtschaftslehre* (the title follows the old spelling): Menger quotes the excerpt in French in the original (on the inset facing page 108).

¹¹ Menger called them all *Advokaten: Kommunisten* (communists) supporting the proletariat, *Kathedersozialisten* supporting a strong interventionist unified German state, *Freihändler* whose arguments rehashed those of the Manchester school without regard to the French, German, or Austrian effective conditions.

the honors mentioned above. The lack of translations was still an issue, as Rist would note in 1909.¹²

Amongst members of the newer generation who would access the original text by Menger and spread the word, the names of three promising young intellectuals of that time are worth mentioning: Élie Halévy (1870–1937), Charles Rist (1874–1955) (quoted above for his 1909 letter), and François Simiand (1873–1935). All three were born shortly after the French were defeated by the Prussians at Sedan, and they belonged to a generation that marked French intellectual history, in particular in defending Dreyfus.¹³ Their vigorous stand for justice was grounded in their staunch Republican views (against senior economists who often still favored a constitutional monarchy) and their interest in the “social question.” All three began with studies in law or in philosophy before they turned to economics, where they sought solutions to improve the first wave of social reforms that were implemented in France in the 1900s.¹⁴ All three young men became observers and actors in political life through their intellectual achievements. They found sources for their academic works, as well as their ideas for a larger audience within public opinion in reading German-language economists, whom they largely quoted. Before Halévy became a specialist in British history, and for the development of the so-called “radicalism” in philosophy,¹⁵ he greatly favored Karl Marx’s writings. Simiand was mostly inspired by German historicists, and Schmoller in particular. Rist cautiously read the Menger brothers: Anton, the younger of the three brothers and Carl, the economist. Anton was an anti-Marxist socialist, and an advocate of enlightened consumerism, in charge of the first part of the Austro-Hungarian imperial commercial law, which was on consumption. He also wrote *The Right to the Whole Produce of Labour*.¹⁶ The name of Menger was famous at first mainly through this *opus* and it is only later that the ideas of marginalism and utility value put forth by Carl superseded that of his brother Anton; thus, labor value still found more support than the more innovative views in pure economics. The two brothers fell out with each other as the currents of thought in economics clearly split.

In this context, readers of these German authors would sometimes tend to assimilate the views they read in the enormous literature produced by German-language schools. The lectures they gave helped to clarify the common points in various theories, as well as the points of difference. For instance, at the *École*

¹² This was all the more somehow paradoxical as a few translated writings of Menger’s main opponent from Berlin, Schmoller, appeared under the banner of French publishing houses, such as Giard & Brière. For instance, the miscellanea titled *Politique sociale et économie politique: Questions fondamentales*, tr. M. Pollack, in the Bibliothèque internationale d’économie politique, Paris, 1902.

¹³ There was a “generation of such men, who were around forty in 1900,” as described by French poet and essayist Charles Péguy in *Notre jeunesse (Our young age)*.

¹⁴ Many years after the German programs, improvement for workers were enacted in France by the first laws implementing “social insurance”, retirement benefits, and protection against industrial accidents and illness; further, the right to unionize was granted (with a strong anarcho-syndicalist flavor from the start).

¹⁵ See his *La formation du radicalisme philosophie* (three volumes, 1901–1904) and *L’Angleterre en 1815*, published in 1912 as the first volume of his monumental *Histoire du peuple anglais au 19ème siècle*.

¹⁶ *Das Recht auf den vollen Arbeitsertrag in geschichtlicher Darstellung* (1886, Vienna) was translated by H. Foxwell and published in London in 1900 became widely known and was sold in a French translation too (translated by Alfred Bonnet, it had a preface by Charles Andler, and was published in Paris by Giard & Brière in 1900).

Libre des Sciences Politiques, Halévy discussed these traditions from 1902 onwards, evoking Menger and Austrian marginalism by relating some traits to the earlier classical political economy initiated by Adam Smith through the role of spontaneous economic behavior.¹⁷

In this context, Carl Menger's lectures to the Austrian Crown Prince ought to be mentioned. In his lectures, Menger surprisingly taught classical economics à la Smith: some strands of classical political economy were not subjected to criticism, but rather adopted, as was the case at the University and in the first course of economic education for the Prince despite being opposed to his own research.¹⁸ Even if this may ask for an explanation and questions within Menger's disputes and many Austrians were against classical political economy, only the mainline reached French readers.

To Halévy, a strong argument in favor of the Austrian school was the methodology that they raised against German historicism. Whereas facts had to be usefully acknowledged, one should never elude theory, which should necessarily be deductive and "pure" in the sense Menger detailed. Choosing another school would lead to the discarding of the toolbox of methodological individualism and favoring notions of class, nation, or race, wherein one would again be the advocate of peculiar, and often petty interests, instead of displaying the universality of science.

Among the generation of French readers of Menger who were active around 1900 in introducing marginalist views, which were the revolutionary component in the doctrine, one must also name Albert Aftalion, Adolphe Landry, and Étienne Antonelli.¹⁹ Often they referred more to works in French by Léon Walras, those in French and Italian by Vilfredo Pareto (both of them were in Lausanne, Switzerland, and did not hold academic positions in France), and in English by Alfred Marshall, Irving Fisher, or Joseph Schumpeter (after he switched from writing in German to English). The French orientation is anyhow less rich than what happened in other European countries that were impacted by the Austrian school: though glorious, names of supporters are few, and their views were colored by other concerns. The case of Rist is probably one of the most illustrative.

2.4. One detailed instance in Menger's first reception: Charles Rist

Rist was a product of the new higher education curriculum implemented by the government of the Republic with regard to the law faculties, in which economics was to be registered a minor, and it would be long before faculties of economics got their autonomy. Rist was mainly interested in the "social issue"

¹⁷ One would go too far in extrapolating by considering Hayek's "spontaneous order" in this regard. Yet, Hayek would also tend to reestablish the link with British classical eighteenth century political economy through this notion rather than using ideas on value where Menger (as is well-known, Hayek claimed to be his *Enkelschüler*, that is, disciple) discarded Smith's views (especially labor-value and the "inner propensity to exchange." See *Principles*, chapter 4).

¹⁸ Here, one can refer the reader to Streissler (1990, 1994).

¹⁹ For example, in the case of Landry; some of Böhm-Bawerk's views were absorbed through Landry's reading of some of the French literature of that time—we thank Heinz Kurz for pointing that element to us. See the works of Adolphe Landry (all works are in French, and to the best of our knowledge, no English translation exists) for more details that cannot be discussed here.

and his two dissertations (two were needed at that time and both had to be registered under the law faculty) dealt with industrial accidents, and the work-day and hourly wages of laborers. Although there were many legal concerns, they progressively faded away in the analysis when compared to the economic notions. Further, this was in line with the contents of the *Revue d'économie politique*.²⁰

Another significant related undertaking was the *Histoire des doctrines économiques* (*History of economic doctrines*, first edition 1909), co-authored by Rist and Charles Gide. Rist likely wrote the chapters on the most recent theories and schools of thought from Saint-Simonism to the state socialism of the early twentieth-century (covering Rodbertus, Ferdinand Lassalle, and Marx, although the last named should not be considered a “state socialist”), with a special interest in Anton Menger’s synthesis, *Neue Staatslehre*.²¹ Once more, Anton Menger’s ideas (and *not* those of Carl) were at stake.

Although Rist lauded socialism, he also pointed out how dangerous the pressure on the part of the state was for freedom and property rights. Social laws were required to fight inequality and provide benefits to the workers, but the future order that was depicted was far from glorious and Anton Menger failed to see the traits already present in state interventionism. It should be questioned whether it legitimized even more the state interference within the economy. The state cannot but fail to discern exactly the behavior of the individual agents, and is unable to acknowledge individual decision making and its features. Big structures (large cooperatives, banks that one would be tempted to call “too big to fail,” federations of large industries, *Konzerne*, private or state bureaucracies), as well as a hierarchy of norms and constraints, at the legal and administrative levels—this “future economic order,” even in the name of reform, appeals more to statesmen than those trusting individual action (Rist, 1903, p. 911). Conversely, this growing confidence in the bureaucracy may seem threatening.

As a consequence, Rist becomes more and more interested in economic views critical of approaching the economy as a whole and favoring methodological individualism; in a nutshell, he renews partly the critique by Carl Menger of his brother Anton and the socialist ideal. Now, only individual behavior is endowed with an intentionality that is accessible to fellow humans. While juridical socialism tends to authoritarianism, methodological individualism found in the marginalist doctrine the rigorous logic and sound basis needed to develop scientific economics. Paradoxically, interest in socialism brings Rist to discuss free trade via the discovery of the marginalist analysis conducted by Walras, Pareto, and Menger during this period. In his long essay on “optimistic economics and scientific economics” (Rist, 1904, 1907), which appeared in two instalments, Rist put forward, on the one hand, marginalism as the source of the analysis of trade, production, and distribution, and on the other hand, delineated the fields of normativity and positivism so that marginalism and *laissez-faire* are strictly separated and each determined in its own right. He wrote that “free-competition realizes justice

²⁰ Before 1914, Rist wrote in the *Revue* a column inspired by reformist thinker Raoul Jay and titled “Chronique ouvrière” (“The Laborer’s Chronicle”).

²¹ Rist wrote that this new doctrine of state “authoritatively formulates a positive ideal of reform” (Rist, 1903, p. 907).

in wealth distribution, as well as the maximal possible welfare accessible through trade and production” (Rist, 1904, p. 645). In Rist’s eyes, upholding marginalism and defending the proprietors were two very different things and he followed the tendencies of older French liberal economists (Bastiat, Leroy-Beaulieu, and others) while endorsing the views of Menger, who criticized those that he dubbed “mere advocates” (Campagnolo, 2009). In a free competition society, the prices that clear the market provide each and every one the maximum amount of satisfaction that can be obtained in the given circumstances: this is the “subjective utility” and Rist uses the term “ophelimity” once put forth in French by the marginalists to discard “utility,” which was most often understood *only* in terms of its objective meaning.

One should not bear overtly optimistic views but rely instead on mechanisms and devices that are proven by science to constitute a good and sufficiently cautious policy. Besides, such trust has no binding political content. In order to ascribe such a content to the theory, one needs to know more, essentially initial endowments of the partners entering trade. Therefore free competition is an “artificial notion accepted by agreement” (“*conception conventionnelle*”):

Free competition is an artificial view [...] whose realization should therefore not result in, God knows why, some natural course of things and the spontaneous pursuit by individuals of only their personal interest in isolation, but uniquely through action based on an agreement (Rist, 1904, p. 658, our translation).

In France, marginalist analysis was either Walrasian, or set against, but with notions that mirror the views of Carl Menger. Rist did not endorse the Austrian views. His stand on institutions was in marked contrast to that taken later by Hayek. However, Rist acknowledged the interpretation by Menger of two types of institutions, which are found in Part III of his *Investigations into the Methods* (1883). Institutions are distinguished as either born spontaneously or pragmatically decided through a covenant between agents. This distinction remains a part of Rist’s analysis.

In the second part of Rist’s essay (1907), this is even more obvious with regard to wealth distribution: Rist stated that free competition tends to bring *equity* in the contribution and compensation of productive factors; thus, it is a device to ensure that the prices of services are fixed correctly. Once again, only initial endowments are responsible for the actual wealth distribution while marginalist analysis, when dynamic, describes inflows and outflows of individual income in terms of flux. The stock is due to historical circumstances, but its development follows rules. Earlier property endowments may be explained through the use of force, skills, and intelligence (possibly used in a cunning way) (Rist, 1907, p. 607). Here, Rist mentions these factors not to endorse “*bourgeois* talk,” but to show his awareness of the divide between economics and sociology.²² In any case, Rist displays the dynamism contained in Austrian views. Inequality is not desirable; rather, it should be fought since it creates undeserved income. But this happens *not* through less free activity, but through *more* of it since free competition creates

²² As background, one should also keep in mind the theory of elites designed by Pareto.

opportunities for wealth to change hands. If hazard provides some with undue opportunities, only the smartest and most active entrepreneurial minds will be able to benefit:

Humans are not only content with benefitting, in various degrees, by income created because of changes in economic equilibria, unconscious collective forces, and causes. They mean more, they create changes, they voluntarily put themselves in the position of changing these equilibria [...] The most perpetual active cause of economic disequilibrium is the agent as such: this agent ceaselessly causes new flux of income to appear and the simultaneous action of all these individuals who bear the same dream and the same worry and compete to reach the same goal. What else is it if not a fight for life, in its most brutal and oft cynical manner, but also in its most productive and, yes, beautiful side? (Rist, 1907, p. 608, our translation).

Creating (and thus innovating) is the key word—and Rist’s readers actually get close to the idea of “creative destruction” later set forth by Schumpeter. The idea of evolutionism and Darwinian selection is also influential, as Rist speaks of “vital competition,” spontaneous endeavors and may here herald Hayek, at least more than ever previously.

In sum, and to conclude Rist’s reception of Menger’s themes, let us say that the French thinker keeps for his readership the following three reasons: (1) Marginalism contributes to price theory and production and distribution are based upon the flux of income, whose real laws relate to individual behavior; although initial endowments explain differences in the origins of wealth, they do not so for a longer term; (2) in the socioeconomic arena where one fights for life, “this fight for life is the cause of countless conflicts” (Rist, 1907, p. 616) and the idea of class warfare (in the Marxist sense) may be true, but too simplistic since such conflicts cannot be reduced to only two main antagonistic classes; and (3) wealth distribution varies according to conventions and institutions; if marginalism points out to mechanisms and individual action, any scheme based on the economy regarded only as a whole is highly dubious.²³

3. The Austrian School of Economics in France after Menger to the present day

After the first period of reception of Menger’s views, a long gap follows when many kinds of so-called “liberal” ideas are often simply missing in the account and, as far as those of the Austrian school are concerned, almost completely absent, with very few exceptions. We shall try to bring something out of this oblivion. The epoch considered here spans the Interwar period, the aftermath of World War II, the Cold War, the Sixties and the Seventies, to end with the most recent three decades that bring us to the current period at the end of this part. We shall in this paper, and given the French context, identify the posterity of the Austrian school with what originated in Menger’s work, as indicated in the introduction; this is because there are some other potentially conflict-

²³ Of course, Rist does not yet use “macroeconomics” but one may feel tempted to extrapolate in this direction.

ing conceptualizations of “Austrian economics” (and there are many indeed). These ought to be mentioned in France as related to movements that, at first, seldom referred to economic concerns. We would agree with some commentators that Mises’ radical subjectivism and Böhm-Bawerk’s moderate objectivism are clearly difficult to reconcile.²⁴ Further, that there were many conflicts within the school.²⁵

3.1. *The Interwar period: the “big sleep” of liberal thinking in France*

Rist had aimed at clarifying how delusional it would be to try to decide and set the prices of goods and services in order to redistribute wealth, since disequilibria, where they happen (all the time), follow complicated process, a conclusion directly antagonistic to traditional interventionism in France where trust in the state dates back to the *Ancien regime* (as Colbertism indicates) and on that received the approval of revolutionaries of all brands, as well as conservatives, which the coalition in the Third republic of Rist’s times showed well. In a word, Rist was taking French economics quite far from its usual territory, far from the “*pré carré*” of its institutions, where not many were ready to follow Mengerian and Austrian views. That would appear in the following decades after a long gap in the Austrian reception.

The Interwar period was to illustrate precisely this. It was a time for planners and “socialists of all parties,” as Hayek would hail them in his “war effort,” *The Road to Serfdom*. Between the end of World War I and the collapse of the Central and East European empires and World War II, in the heyday of nationalism and “planisme,” there was not much room available for ideas of freedom and free trade since the ideas that had made the views of the Manchester school dominant in the nineteenth century seemed forever superseded. Indeed, at stake was the kind of society one may wish for: those that were led to the slaughters of 1914–1918 could not be revitalized. It is not a coincidence that one step further towards a revival of ideas favoring a free society came from an American journalist who authored a bestseller entitled *The Good Society*. Walter Lippmann may have been more of a publicist than a theoretician, but it was in his name that that the remaining “liberal” crowd gathered in Paris in 1938 for what later came to be known as the “Lippman Colloquium”. This episode awoke free thinkers from their “big sleep.”

Yet, in the two decades before that congress, what remained in France after the first (partly successful, partly misunderstood) reception of the ideas of Menger? His Austrian disciples, Böhm-Bawerk and Wieser, had both become ministers in the WWI cabinets of the Austro-Hungarian empire and direct enemies of the French republic. The Austrian influence in France was to be very limited, in many fields, and maybe most of all, in economics. While in the arts, the moves in music, literature, architecture, could not be left aside, and theories, such as psychoanalysis enjoyed disciples (e.g., Princess Marie Bonaparte), the-

²⁴ On the elements referring to the disputes among schools, see Campagnolo (2011).

²⁵ Not to mention that Böhm-Bawerk was very critical of Menger’s theory of capital and interest; this and more of this has been explored in France in the collected volume (Campagnolo, 2008a) which contains, among other related issues, the essay on Böhm-Bawerk (Magnan de Bornier, 2008).

ories related to epistemology, the works of philosophers, such as Karl Popper (whose major opus *Logik der Forschung* would not be translated into French until the 1960s), and ideas that changed the course of social sciences would bypass France. Hayek was invited to London by Lionel Robbins. Even among the refugees created by the rise of the Nazis, those who chose France were more often writers, artists, and intellectuals, rather than scientists. There were no economists among them; for instance, Mises fled to neighboring Switzerland, before shifting to New York City). Language was one reason: not all German-native speakers had learnt French and mastered it, as Walter Benjamin did. On the French side, the lack of an appetite for economics as a science and its free-trade variety as a sociopolitical stand are other reasons.

Another reason is that the earlier reception had been quite paradoxical, somehow assimilating authors, such as the Menger brothers, who were on different sides of the economic spectrum. That was yet unclear then and Rist could write sentences that pleased readers on opposite sides; for example: “it seems that a growing equalization of the conditions of the fight for survival would indeed increase a more favorable wealth distribution” (Rist, 1907, pp. 618–619). The Interwar period would make this opposition clearer and therefore politicize what was at stake.

After the October revolution, the Soviet quinquennial plans were realized or autarchy plans put into effect in Fascist Italy and Germany; meanwhile, a choice was offered between socialism (potentially national socialism) and marginalism as the theory of free trade societies. One could no longer endorse, much less cherish the eclectic views, and the political conflict that would dominate the scene during WWII and thereafter, in the Cold War period, was in its germ stage.

In France, marginalism was reckoned to have some merit, it was limited to the French (and Swiss) version of the works of Walras, Pareto, and the French school of economists was brought back to it the most solid tradition of engineering, dating back to the nineteenth century and the *École Polytechnique*, for instance. Even those close to free trade ideas would favor collectively organizing firms into some competitive schemes than remain open-minded to individual (strictly subjectivist) Austrian ideas. French state voluntarism was shared by almost all, including those wishing to revive the French tradition that had been buried under the influence of the *Journal des économistes*. When a novelty, the Austrian peculiar flavor already enjoyed only a very mitigated success in France. In these newer times, it was dormant.

There were a few exceptions, such as the economist François Perroux and philosopher Louis Rougier. The former did much to encourage the reception of a free economics that was distinct from the one based on a French tradition anchored in nineteenth century views. He favored in marginalism the distinctive trait of subjectivism, but was more famous for his own unrelated works.²⁶ The latter was the only French member of the Vienna circle that grew around Moritz Schlick, and his interest was in Austrian epistemology, not economics. He nevertheless defended a doctrinal liberal inspiration that led him to organize the 1938 congress in Paris. Epistemology and philosophy of science were the fo-

²⁶ That impression may also be because of the fact that his archives, although officially open, have restricted access, which goes beyond what is reasonable for scholarship. It is now up to Perroux specialists to dig them.

cus of any interest in Austrian social sciences.²⁷ The *Colloque Lippmann*, as it came to be known later, was somehow mythified, yet its contents remained partly in oblivion; when his *Acts* were recently reprinted, it appeared without ambiguity and many, particularly the French engineer-economists from *Polytechnique*, saw the task as an *aggiornamento* of the liberal creed either in a corporatist sense, or in state-interventionist manner.²⁸ Even though Mises and Hayek came and participated in the congress, their voices were subdued. The term “neo-liberalism” was coined there but *with the meaning of mitigating liberalism with planning views*, exactly the opposite of what would later be signified by this term once the Austrian voices had gained prominence. This may sound strange nowadays but the Austrian path to a free society sounded even stranger at that time, and Mises’ 1920 demonstration that socialist calculation was impossible was not accepted, even within the circle of fellow pro-free-trade advocates.

“Planisme” was the keyword used by all, including by some within this circle. In England, Keynesianism was seen by many as its justification and the version for the Western democracies. In France, Jacques Rueff was present and would later on defend liberalism in France, while endorsing the *indicative planning* that French governments of the Fifth Republic after WWII would implement (the famous *Commissariat général au plan*, which was quite efficient during its initial period). It is no coincidence that Hayek chose to target socialists of all parties in his *Road of Serfdom* in the years following the Lippmann Colloquium, as his “war effort” during WWII. This entails a discussion of the post-war and Cold War period, to which the following section is dedicated.

3.2. From Postwar to Cold War and on: Liberalism & Atlantism

With the war, Austrian economists and thinkers had fled to many places, ranging from Turkey to Japan and New Zealand (e.g., Popper), but mainly to the UK and the US. They settled in these places, building new careers and if they came back, they most often chose North America, thereby contributing to the arch-dominance of the US in academic economics ever since. The prominent names include Hayek (who went to Chicago via LSE), Mises (who went to NYC via Switzerland), and Karl Menger (a mathematician and the son of the founder of Austrian economics), Gottfried Haberler, as well as Oskar Morgenstern and John von Neumann, who are considered the fathers of game theory. Still others include Schumpeter (at Harvard and President of the American Economic Association) and Michael Polanyi (brother to Karl Polanyi, the author of *The Great Transformation*, an opponent of Hayek but as much an heir of Mengerian views in his own way). It is impossible to quote all of them. Let us only mention that none came to France—indeed, had they sought a safe haven, they would not have found it in France during the war.

In France, after the war, the general feeling was no more favorable to free trade and liberal ideas, caught as it was between the high influence of the Communist

²⁷ Moreover, in the case of Rougier, another issue would rise: his dubious activities during the war, as he claimed to have been on a special mission from Maréchal Pétain to Hitler and apparently associated himself with collaborationists. Not much of this is clear in particularly unclear times. Thereafter, his influence was limited.

²⁸ This task was completed by Serge Audier in a meticulous manner (Audier, 2008).

and the Gaullist parties, whose members favored more protectionist views, with a few exceptions, such as Rueff, already mentioned earlier, and the European construction project led by Jean Monnet. The 1950s and 1960s were for France the time of managing industrial recovery, playing a role within the Western camp in the Cold War, dealing with decolonization and wars that followed (Indochina and Algeria), as well as the rise of leftist movements. The nature of economics was not at all the focus of attention of the Fourth Republic (1946–1958). Even when Rueff began to run the economy ministry after 1958, the spirit he brought had to come to terms with “indicative plans.” This stand was in line with French traditional Colbertism and pleased the Gaullists, without infuriating the Communists. Any Austrian view was, at the very least, “exotic”.

If the Interwar period had been a period of “the big sleep” for free trade ideas, there was no wake-up call yet during the Cold War in Europe, and even after the easing of Soviet politics. Two options that were not followed by many French people were endorsed within the Austrian school: liberalism and the so-called “Atlantism”. Both the Communist and the Gaullist parties were against it, and this reduced the little political influence of Austrian views in France. Especially, in the academia, Sartre had declared Marxism as the “horizon of all sociopolitical thought,” while French Keynesians often understood their creed as a modern version of Colbertism through state interventionism in the economy. However, a productive reception of Austrian economic thought started in France only from the 1980s as a two-fold consequence of the backlash against leftist influence that began in May 1968 and continued under the socialist regime of President François Mitterrand later, from 1981 to 1995. Postwar France was busy reconstructing infrastructure and productive capacities to enter the *Trente glorieuses* (the “thirty years of continuous growth”), oil shocks and the ensuing crises in 1974 and 1979, and the times were not much favorable for the growth of *liberal* ideas.

President Valéry Giscard d’Estaing was seen by many as incarnating such a chance, and one of his prime ministers, Raymond Barre, had indeed translated and published works by Hayek in French. Yet that period was seen as a parenthesis, one of increased pace of modernization in the history of the Fifth Republic, but one that would not last. Presidential elections saw Barre being defeated by Gaullist champion Jacques Chirac, who would become President for two terms (of seven and five years; this is because the term duration changed at the end of his first term).

At the intellectual level, things changed a little well into the 1980s and in the 1990s. The influence of the revival that had taken place in the United States approximately two decades before would then be felt. It is only then, and most importantly after the fall of the Berlin wall and the Soviet system (1989–1991), which shook the French political system as well (with the final collapse of the French Communist party), that arguments for free trade were reconsidered from an Austrian perspective. Actually, free trade had been embodied in the construction of the European Union, much on the basis of the German *Marktsozialwirtschaft*, and therefore, more from an Ordoliberal point of view prone to indicative planning. A dispute on the “(economically) liberal” side that dated back to the Lippmann Colloquium gave a glimpse of its sequels. The situation looked like parting in the disputes of the 1920s finally made their way into French economic thought and government circles. The import of Austrian ideas no longer came from

Central Europe but from the United States, so to speak not from *Mitteleuropa* but from the Midwest (Chicago, for instance). Now, the Austrian school had since long migrated to the US and had enjoyed a revival there from the 1970s onward; the Austrian influence in France, in turn, followed this *détour*.

3.3. “Austrian” influence in Western Europe and in France: from *Mitteleuropa* to Midwest

The Austrian school of economics has changed much since its origins, and through its succeeding generations. The members migrated because of the upheavals of European history in the twentieth century and left *Mitteleuropa* for other horizons in waves of academic immigrants. Some migrants went as far as New Zealand (Popper), Japan (philosopher Karl Löwith), and Turkey (Ordoliberal economist Wilhelm Röpke), but most chose the UK and the US, especially the latter’s *Midwest* (e.g., Hayek chose Chicago, after first joining the London School of Economics). Once they migrated, school members (Mises, Haberler, Hayek, Menger Jr., etc.) and other economists (Morgenstern, etc.) adapted to their new environment (even changing first names; e.g., von Neumann’s first name, Jansci, became John) and translated their previous works or wrote new ones in English. Schumpeter, at Harvard, was an Austrian and somewhat of a fellow traveler of the school in the views expressed in some parts of his work (notably on entrepreneurship; Campagnolo and Vivel, 2012).

Some of these contributors to the dominating position achieved by American institutions in economics turned, especially members of the Austrian school, more political than they were, or than ever was the original Mengerian view. That is partly explained by the Cold War: the success that the *Readers’ Digest* provided to *The Road to Serfdom* (Hayek, 1944) is significant. Yet, in France, sales of the French translation remained lower than in many countries and the volume provided Hayek an *unrewarding* fame within a large part of the French intellectual community. The path taken by Hayek, while he remained the most widely known of Austrian economists,²⁹ including his role at the Mont Pélerin Society and alleged support to the Pinochet regime in Chile (two interviews in the newspaper *Mercurio Sur*), as well as his Thatcherite commitment in Great Britain, made his name a red flag to many.

Later developments of the school in the USA are also significant for the evolution in the reception of the school. The South Royalton conference in 1974 was a pivotal moment in this regard (Vaughn, 1994). Three branches of the so-called “Neo-Austrian” economics can be illustrated through the characters of Israel Kirzner, Murray Rothbard, and Ludwig Lachmann and the themes they developed (the entrepreneurial spirit; orthodox Misesian praxeology; and the hermeneutics and economics inspired by returning to original sources from Mengerian and Weberian times). All that was to reach Europe and France after a delay of a couple of decades.

Since the so-called “socialist calculation debate” in the 1920s, later generations of Austrians are well-known for supporting free-trade and decentralized markets,

²⁹ This was also thanks to his Prize in the memory of Alfred Nobel given by the Bank of Sweden in 1974, shared with Gunnar Myrdal, for works in the same field but often in an opposite direction.

and for fighting central planning and all kinds of socialist views during the rest of the twentieth century. As regards to how their views penetrated France, the most recurrent obstacle encountered was how to penetrate the French academic *milieu* as well as public opinion. It was almost always to little avail, until nowadays. This tells us much about the French academic landscape, as well as the oddness of the Austrian school there. The perspective adopted by Austrians was potentially less foreign in other European countries,³⁰ but in any case recent influential Austrian school thought was dominated by and large by what came back from its Austrian-American version. In a nutshell, its flavor was henceforth more *Midwest* (even *Deep South* if one thinks of Alabama, where the Mises Institute had settled thanks to generous donators) than *Mitteleuropa*.

3.4. Present developments—including, at last, Menger’s original masterworks in French

As a consequence, the revival of Austrian economic thought in Europe followed the fall of the Soviet system. In the 1990s, the Austrian revival seemed successful since it came *after* the political pendulum moved in the other direction. Historical events weighted more for success than the very nature of the arguments the Austrians had propounded, but for once, both seemed to be in line.

Yet, even this assessment needs qualification: while Austrian migration to the US had contributed to the heyday of the US economic departments (Harvard, Yale, Princeton, Chicago, Columbia, NYU, Stanford, Berkeley, etc.) (Vaughn 1994), in the academic economics profession, actual programs in *Austrian economics* remained scarce and confined mainly to NYU (where Mises Kirzner, Rothbard and Lachmann were teaching), George Mason (very active nowadays), and Johns Hopkins University (at different periods, depending on who held tenure), among the major large institutions. Among the pupils of the Austrian migrants, Kirzner, Lachmann, and Rothbard attended Mises’ seminar at NYU. A genuinely American version of Austrian thought was to be born. As far as France is concerned, nothing similar existed and young French scholars in the US would only occasionally bring the new elements of “American-Austrian” thought back to French shores.

Within France, a minor scale revival came later, from groups that had retained, since the 1950s, an antagonism to the dominant Keynesianism and planning on the one hand, and to Marxism and various schools that supported “leftism” in the 1960s, on the other. The intellectual sphere was rather impervious to free-trade ideas: what French “*libéraux*” would read was still more influenced either by the genuine French older tradition (sourced back to Say and French nineteenth century authors, such as Bastiat, Alexis de Tocqueville, and lesser known names, such as Charles Coquelin) or by the Chicago school, and later a monetarist version of the so-called “orthodox mainstream.” Austro-Americanism or “Neo-Austrian spirit” found little echo while the origins of the school in texts from *Mitteleuropa* were bluntly ignored.

Therefore, it was some extraordinary effort to undertake translations of Menger’s works. Those had to wait for almost a century since Charles Rist in-

³⁰ As other essays in this journal issue may display this.

sisted that they should exist. Meanwhile, generally speaking, French economists became less and less trained in any other foreign language except English, and they now read Menger in the English translations. At last, in 2010s, Menger's *Investigations into the Method* (Menger, 1883/2011) and *Principles* (to appear) are being published in French; the works were complete translations, with a full scientific editorial work using the archives and material previously unpublished in any language. Further, they were a full-fledged presentation with detailed comments that provided extensive references to works on the German and Austrian schools of economic thought, origins, disputes, and results by the founder of the Austrian school, as well as their current significance.

This satisfied the interest in the Austrian view on topics in economics that were regarded as new or innovative, such as those put forth by Hayek and others, during the second half of the twentieth century: decentralization of information; the role of ignorance and time; the theories of agency and of search; the role of necessarily incomplete knowledge and spontaneous emergence of complexity from the entanglement of multiple finite plans by individuals; the ability of individuals to revise judgment; and the inevitability of biased behavior that economists may start testing with experiments. The methodological difficulties encountered in this process implied that the “Americanized” Austrian school reflected even more sharply not only the epistemological divides, but also the political ones, leaving the door open to propaganda campaigns. The lines between scientific units and new groups pushing an agenda that is more political than scientific sometimes get blurred. The vacuum created by the long-lasting lack of the original texts encouraged that process, since it had been partly filled with ideas taken from US publications, where they had taken a different tone than that of the original European heritage. For the translations into French, which appeared at last, to spread sufficiently and to reverse that trend, time is needed. However, a new generation of scholars is expected to emerge.

Meanwhile, the political agenda and the “Great Recession” of 2008 clashed: centers that had opened in the 1990s were oriented more towards lobbying than research. For instance, *Ludwig von Mises Institute-Europe* was first established in Leuven (Belgium) in October 2002, and then, elsewhere “as a non-partisan think tank fostering an open and free society.”³¹ Fostering individual liberty and the free market economy and promoting a better understanding of the rule of law in a free society, these institutes provide assistance for events regarding the free association and free movement of persons, goods, services and capital, focusing on the whole of Europe, as their website indicates in detail.

In Austria proper, the country of the origins of the school, the “Neo-Austrian” views are also represented by a brand new “Hayek Institut” in 1993, an economic forum (“Wirtschaftsforum”) that looks for solutions through the market process. A plurality of think tanks, changing their structures over time, more or less independently issue manifestos at various dates.

In France, such think tanks pursue political aims through sometimes more academic personnel and some centers have planned editorial undertakings or events. Still, achievements often remain the fruit of personal efforts rooted in deep scholarship that is foreign to lobbying, and hence, in the tradition of eru-

³¹ <http://www.findglocal.com/BE/Leuven/202717543140684/Ludwig-Von-Mises-Institute---Europe>

dite scholarship. Thus, the bibliography of works on Austrian thought in French today should be understood as displaying introductory works (Fillieule, 2010; Gloria-Palermo, 2014), partisan writings that we do not list here, and erudite works that include, at last, the translations of the original masterpieces by Menger: the *Investigations into the Method* (Menger, 1883/2011) and *Principles of Political Economy* (forthcoming).

4. Conclusion

The impact of Menger's ideas and the themes of the so-called "Austrian school" must be analyzed both in its locally denominational and the international context. As far as France is concerned, there existed a mix of interest, especially in the first period, and a deep reluctance—even defiance and mistrust—toward, on the one hand, everything German (and Austrian, as a mistaken consequence) during the almost one century of wars (1870–1945) and, on the other hand, anything "liberal" or resembling free-trade and economics in a free society that was contrary to the French republican model. Moreover, many debates that occurred soon after the founding of the school were long regarded by the French as "*querelles d'Allemands*" (meaning abstruse disputes not worth settling at length—a major mistake, as far as the famous *Methodenstreit* is concerned since it set the agenda for the economic methodology for the whole century).

The typically Austrian characteristic in the new science of economics put forth by Menger was the way it shared its proper philosophy of science with *Erkenntnislehre*: in the later development of the school, Hayek and Popper would bear witness to the intrinsic nature of the debate. The French built what they called "épistémologie" on different grounds and endorsed social reform as a program which differed from it, as well as from the English "philosophy of science." A productive reception of the Austrian school was little favored then and we tried to analyze it in the works by young French reformists of the 1900s, who contributed to shape the discipline but may sound rather foreign to today's economists turned econometricians, even though these early philosophers, such as Rist, played an important role in shaping a French understanding of society. Further—and alas for the friends of the Austrians—much of what inspired them, in contrast with nineteenth century classical liberal school, left aside free trade. A school that never regained its original position in French academia by the French Marginalist Walras was both in favor of collectivism and rejected by the French elite but it did not mean the latter was prone to the views of full-fledged freedom and individualism in economics. Somehow most were simply deaf to Menger's views, and the translations of his works did not happen until the 2010s.

The delay of more than a century in France is even more appalling, given that the founding masterpieces had already been translated into all the major languages of science (including Russian, early in the 1900s and again recently; Menger, 1871, 2005). The revival of Austrian ideas in France in the 1990s and the following publications during the 2010s are of one piece: Menger's *Investigations into the Method* and *Principles of Political Economy* (Menger, 1883/2011), and the *Principles of Economics* (*Principes d'économie politique*), as well as this paper in the hands of the reader.

Will the scientific role it can play overcome the difficulties that Austrian views faced in France owing to the range of factors we mentioned earlier? One more obstacle finally surges with the 2008 “Great Recession,” and the paradox that the Austrian school viewed the economy from a standpoint that is contrary to that taken by the mainstream orthodoxy. One may suppose that the arguments found within the school about the crisis should help to clarify stands. This is one more reason why going back to the original texts in the language of the readers is key to a better understanding in good faith of what the Austrian school stood for; in this way, errors can be corrected, and criticisms made in bad faith can be denounced. The misunderstanding that exists in France shall be significantly reduced by erudite scholarship.

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Archival resources

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