Philippe Egalité: Power and Corporate Welfare in the French Revolution

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For a number of reasons, the French Revolution is a kind of Rorschach Test for educated people. One cause of this is clearly the blind man/elephant problem. There are so many parts of the Revolution, so many stages, so many protagonists, so many ideas, so many policies—many of them quite contradictory—that we are sometimes confused as to just how to interpret it. Scholars working on issues of liberty are not much different from anyone else in this regard. On the one hand, such liberty-minded figures as Thomas Jefferson and Lafayette famously favored the Revolution in the early stages, when legal privilege was to some extent abolished and some kind of natural rights confirmed. Many classical liberals in the nineteenth century had much good to say of the Revolution, or at least much bad to say of the Old Regime. Most liberals rejected the totalitarian phase of Danton and Robespierre and Jacobin democracy—Mary Wollstonecraft comes to mind here[i]--but there is much more ambiguity in the consideration of the moderate revolutionaries—the Girondins, for example, who had some classical liberal features but voted with the mob to kill the king.

We don't really have a detailed Austrian analysis of the confiscatory, inflationary policies of the French Revolutionary regime, rather essays and comments, and on the Laws of the Maximum or the fiscal policies of the empire after 1794, or of course the great, but brief, essay on fiat money by White. This paper is likewise no detailed analysis of Revolutionary economics or fiscal policy.[ii] But it is a consideration of an important figure of the Old Regime—Philippe, Duc d'Orléans--who, like so many other Old Regime notables, made their way into the Revolutionary elite apparently seamlessly. And as with many others who entered that elite, the Duke's bid for what we might call a new political economic order failed when the Revolution turned against him and guillotined him. Yet, in a sense, the order which Philippe d'Orléans hoped to shape and define succeeded, as did his related, but quite personal, quest to displace the senior line of the house of Bourbon and gain the throne for the House of Orléans. This denouement, of course, took place thirty-seven years after the Duke's head was chopped off, when his son and heir, Louis-Philippe d'Orléans was proclaimed King of France as a result of the Revolution of 1830. I want to look at the goals and means of Philippe d'Orléans. It is my argument here that the House of Orléans leads us to one of the most important subplots of the French Revolution, and indeed of modern times. And if we remember that with the outbreak of the Revolution the Duke of Orléans dubbed himself Philippe Egalité, Philip Equality, we will understand a crucial aspect of the fall of the Bourbons, the murder of the royal couple, the massacre of innocents, the imposition of socialism, the Terror, and much more.

The French Revolution is, among other things, a collection of family histories. There is, for example, the House of Bourbon. There is the even more interesting Habsburg family. There were the Lafayette family, the family of the tycoon Necker and his classical liberal daughter Madame de Staël, the family of M. and Mme. Roland, and of course many more. Yet of all the families whose histories intertwined with the Revolution, surely the strangest was the family we might call Orléans—the cadet line of the house of Bourbon. This odd family was founded basically by the bizarre brother of Louis XIV in the late seventeenth century. This openly bisexual prince—*Monsieur*, as he was called at court--seems to have squabbled with and schemed against his brother, Louis XIV, almost from infancy and certainly until his death, which occurred in 1701, a few hours after his last, violent, argument with Louis. The Orléans relatives maintained a kind of tension against—often outright opposition to--the rule of their cousins through generations. And this tension was often marked by the Orleanist connections with the Paris underworld, the world of crime, poisoning, prostitution, gambling, and other activities. Indeed, many rumors from *Monsieur's* life connected him with the well-known poison trade which was as much a feature of the Paris pharmacoepia as the sale of love potions.[iii] In the generations-long struggle between the two royal branches, the Orléans branch lost some and won some. As an example of the latter, the son of *Monsieur* gained the upper hand temporarily, from 1715 to 1723, when Philippe II of Orléans served as Regent because while Louis XIV's great grandson gained the throne at age five.

This Regency, one of the intensive times for the development of Orleanist policy, lasted for eight years. Indeed, at the same time that the Duke made sure of virtually training the adolescent king in what can only be called sexual addiction, the Duke-Regent also began to shape the Orleanist political program for the future. Dismantling some royal censorship and paring down the military establishment, the Duke appeared to be a reformer. In fact, his reforms were aimed at discrediting the old Bourbon regime and establishing himself as a new and energetic kind of ruler. In fact, it was this Duke of Orléans who sanctioned the inflationary debacle associated with John Law, going beyond the inefficiencies of mercantilism to produce a much broader and more efficient theft of wealth from the populace. (He, too, after whom New Orléans was named when it was founded by the Banque Générale Privée—John Law's inflationary engine. It is worth noting that New Orléans became home to many of the same characteristics as the Old Orléans House, including poison, prostitution, and an active criminal underworld).

To sketch briefly fiscal France under domestic mercantilism, Old Regime France was a picture of staggering burdens, layer upon layer, of inequitable taxes, tributes, payoffs, and rules.[iv] On the bottom layer, taxes, customs, tolls, permits.[v] At the top of the structure, the complicated system of patronage that included every variety of payoff and purchase of position, from buying a title of nobility to the right to collect customs duties at a given port, to a grant of monopoly for a given manufacturing enterprise, or even a whole branch of manufacturing activity. Rent-seeking and patronage stamped the whole economy, and the bureaucracy grew.

The only real relief to these trends was that the system was so inefficient that many in France prospered anyway, especially during the corrupt but genial reign of Louis XV up to 1774. Actually, his grandson and successor, Louis XVI, showed great promise, appointing as his controller-general and first minister Jacques Turgot, the great proto-Austrian economist who coined the expression "laissez-faire" as a prescriptive economic policy. Unfortunately, Turgot's reforms made him many enemies, and he valiantly butted heads with stockjobbers and rent-seekers of all varieties. His time in office lasted only twenty months, ending in fact with his inveterate opposition to plans for French intervention in the American war for independence. Louis XVI appointed as Turgot's successors a series of more or less able bureaucrats and financiers, but none of them could master French the fiscal puzzle, with its expensive war bills and bizarre inefficiencies. Indeed, these problems led directly to the Revolution in 1789.[vi]

Meanwhile, what of the House of Orléans? Well, the new Duke of Orléans, great grandson of the Regent and great, great grandson of *Monsieur*, **became** the Duke of Orléans in 1785. This Duke, born in 1747, both lived and expanded on the Orleanist lifestyle. Personally amoral, given to carousing with the low of every rank, both in France and England, the new Duke of Orléans was positioned to acquire every benefit that patronage and privilege could bestow. The family was one of the richest in Europe in terms of land. And the new Duke was, at least through his "management team," a developer and entrepreneur.

No mistake about it, he was completely in tune with the mercantilist order. He was one of the richest men in the country, having inherited wealth in the form of land and real estate, and having gained more from using his government connections, he expanded into real estate development and manufacturing. But at the same time, his development activities were in a sense quite forward-looking as he combined his own entrepreneurship with all the rent-seeking means that the power and privilege system would allow. He usually won, but not always. Early on, the young Philippe (not yet the Duke) even clashed with the great Turgot. In 1769, the old Duc d'Orléans, the father of the future Egalité, acquired for very little an extensive domain including the town of Livry (now Livry-Gargan), previously the seat of a family of notables who had become impoverished.[vii] A few years later, Philippe applied to the Comptroller-General Turgot for permission to set up a scheme in which all merchandise brought to the market of Livry would be taxed, the proceeds to go to the Duke. Turgot's period in office was marked by many such applications, the lifeblood of absolutist mercantilism at the local level. Indeed, the habit of this local mercantilism was precisely this: that nobles who had acquired property with state assistance attempted to exploit their tenants and neighbors with the backing of the state. Turgot turned down the application of the Duke, explaining to him briefly that the state would not provide the legal backing to subsidize private profits.[viii] Certainly, at times, the Duke of Orléans was frustrated with the mercantilist system, but only because he desired to gain more from it.

From early on, the Philippe had a more ambitious vision that involved much more than just a business empire. In fact, he set up a management team to carry out a program which would soon be called "Orleanism." And the program was hardly limited to the business of the House of Orléans. Politics was crucial to the program. I do not mean to take up here the possibility—widely discussed since 1789—that the Duke of Orléans was at the base of a conspiracy that caused the Revolution. As we shall see, his actions certainly helped cause it, and there are concrete connections we can make between the Duke's employees and definite events in the Revolution. But the Revolution was many-sided, and hugely complex. And successful conspiracies are secret. No less an observer and fellow participant than Charles Maurice de Talleyrand—himself a member of more than one conspiracy—gave the opinion that the Duke of Orléans was not really capable of carrying out what people said about him:

> As for the last outbreak [the French Revolution], that which we have just witnessed, it has been but a frightful catastrophe. The Duc d'Orléans who made himself conspicuous in it, only joined in it from his love of disorder, his contempt for decency, and his self-abandonment; such were the glory, the taste, and the intrigues of those days....[ix]

Was the Duc d'Orléans the head of a vast conspiracy to overthrow the collateral branch of the Bourbon house and become king himself?[x] Who knows? The best recent reviews of the evidence show that it is not conclusive. What we do know is that Philippe d'Orléans built a management machine that ran an integrated operation to influence business in favor of Orleanist politics and influence politics in favor of Orleanist wealth. The Duke's machine emphasized publicity and public relations, the appearance of sympathy with the masses or least the popular writers, and the manipulation of wealth into the coffers of the state or the House of Orléans, whichever served the immediate purpose. The mercantilism of the Old Regime was indeed bad enough, but the House of Orléans went mercantilism one better by understanding how to manipulate the system for its own ends, in terms of both financial and political goals. This management team was more oriented toward political decisions that aimed at manipulating the political system. As George Armstrong Kelly put it, this machine mastered "the massive use of wealth, research, and propaganda for the purpose of forming public opinion and swaying public policy."[xi]

Those goals almost certainly included wresting the throne from the senior branch of the Bourbon family and gaining it for the Orléans branch. But this goal was clearly intertwined with a new kind of democratic socialist politics. Philippe was of course of creature of the mercantilist system which surrounded him. But he aspired to something more. Though in many of accounts of the Revolution, the Duke is called a "liberal," and considered a precursor to classical liberalism, his attitudes had nothing in common with proto-liberals like Turgot. The only "liberalism" in his program consisted mainly of an insistent urge for personal gratification and a tendency to criticize the authoritarian elements of the government of Louis XVI. Indeed, in the end, Orléans would support the confiscatory policies of the Revolution, the rising influence of well-connected bankers and other rent-seeking entrepreneurs, the boondoggles of "national projects," and the inflationary measures, some of which were the Duke's ideas, crusaded for by his employees, Desmoullins and Marat. In fact, the Duke's program was similar on the whole to that being envisioned at the same time by Alexander Hamilton.

The machine of the Duke was little interested in liberty *per se*. The machine of the Duke was headed by aristocratic and middle-class bureaucrats who lived large by their wits in planning for the Orleans fortune. The Marquis Ducrest, who presided over the vast and complicated financial interests of the house. Under Ducrest, Geoffroy de Limon was Intendant of Finances. Among the counselors of the Duc was the Abbé Sabatier, one of the principle promoters the idea of calling the Estates General in 1787, as well as Madame de Genlis, Orléans's former mistress and tutor to his children, and of course her husband—fair is fair, after all! In October 1788, Orléans brought in a new member, Choderlos de Laclos, the author of *Liaisons dangereuse*, to assume the role of chief strategist. Recent historians of this machine think that either Laclos or Madame de Genlis created a kind of brand name for the new political/fiscal/economic regime: Orleanism. On the lower level, it included a host of journalists—eventually Desmoullins, Brissot, and others.

How did the machine work? One of its creatures, Jacques Pierre Brissot—later leader of the Brissotin faction in the Revolution, and still later fodder for the guillotine, left a description before he died:

> My work consisted of examining all the projects that the prince could carry through with his immense fortune. We wanted to attach the intellectuals to us, to patronize the arts and the learned societies. Thus, we gave pensions to the farmer and provided aid for new research. We created a load of philanthropic societies in the appanage of the prince.[xii]

In Kelly's view, the evidence shows that the Duc and his machine were helping create a new kind of politics.[xiii]

Perhaps the best illustration of this new politics comes in the form of a development scheme, an urban real estate project from which the Duc d'Orléans would eventually issue forth in the first days of the Revolution not as the richest man in the country, but as Philippe Egalité. The project in question was the Palais Royal.

The Palais Royal was not quite a Palais and not quite Royal. It was a palace and surrounding buildings just north of the Seine, by the Louvre, which had been given to the Cardinal Richelieu in the seventeenth century. The buildings had ended up, by clever manipulation and pressure, in the ownership of *Monsieur* and the Orléans family, which lived there off and on. Beginning about 1780, the future Philippe Egalité and his planners worked out the geography of a very modern phenomenon: a planned, more or less enclosed, urban entertainment sphere—or, as one might say, a mall. The centerpiece of the Palais Royal was the Cirque, a garden surrounded by colonnades. Under and over the colonnades, were retail stores of every variety: restaurants and cafes, druggist and poison shops, brothels, bookshops, clothing stores, and much more. The central colonnades connected across the Rue Richelieu with further extensions of the same thing. There was dancing, there was music in the gardens, under the colonnades, in the brothels. There were theme restaurants: the Cafe Mechanique had dumbwaiters which brought up one's order on a mini-elevator. There were back rooms to back rooms.

On the geographical edge of official Paris and the less affluent arrondissement in the northeast of the city, the Palais Royal provided a literal meeting place for high society and the low underworld. Organized crime bosses held court without fear in the Palais Royal, because by royal grant, the Duke had exclusive rights to police his own property. Standing geographically on the border between official Paris and the Paris of the “dark masses” in the third and fourth arrondissements, the Palais was the perfect twilight for coordinating the forces of the two worlds. When the Revolution arrived, we know quite well that much of the cooperation between the crowds and their leaders, the sans-culottes, would be planned at the Palais Royal, the attack on the Bastille, the march to Versailles, and so forth.

Censorship did not reach into the bookstalls of the Palais Royal, and anti-Bourbon propaganda flowed freely. This was the great age of the proliferation of pornography in Europe, and not a few pornographers worked directly for the Duke of Orléans, portraying the Duke's targets in whatever way needed. This went, above all, for the Queen. Marie Antoinette, dubbed the German

Whore in many Orleanist publications, was transformed from unpopular and (early on) flighty queen into the star of myriad pornographic novels and illustrated stories. Much of the traditional public image of Marie Antoinette arises from the propaganda flowing from the Palais Royal.

The Revolution finally at hand, while the Duke took part as a member of the Third Estate at Versailles, back at the Palais Royal, Camille Desmoullins, an employee of the Orleanist machine, climbed onto a table and cried "To arms" to set crowds marching toward the Bastille. As they marched, members of the crowd were given plaster busts of the Duke of Orléans to carry along. Dubbing himself Philippe Equality, the Duke also now declared the Cirque "the gardens of equality."[xiv]

So the Palais Royal was at once headquarters for the Orleanist machine and motor of a new order of democracy. That order included a process based on the old bread-and-circuses philosophy of some similar Roman leaders. But it went much farther. By catering to the lowest, the most transient, the most violent of the population, the Orleanist machine developed extensive insights into controlling politics through manipulating the masses. As for the super-rich, they could be catered to as well, and stroked and brought into the fold. As Philippe Egalité's son would proclaim on becoming King of the French in 1830: "Enrich Yourselves!" Hence, a welfare state below and a welfare state above. And meanwhile, the system debauched, the Duke of Orléans steps into his rightful role.

In his memoirs Talleyrand paints of portrait of the Duc of Orléans which is that of a playboy with something of an attention deficit—a man seeking after pleasure, whether in the form of sex, intrigue, or power. And individual who could not quite keep his attention on any one area. Yet we can see something more in our examination. Here was a man of the super-rich by various rent-seeking processes. Here was a man not "liberal" but libertine. Here was a man preparing the way for a kind of New Class to lead modern democracies: leadership by propaganda, by the machine.

And in the end, these goals were achieved, but only long after Philippe Egalité was guillotined, and indeed, after Danton, Robespierre, Sièyes, and even Napoleon had shuffled off this mortal coil. It was only with the Revolution of 1830 in France that the reinstated senior Bourbon branch of French kings fell for good. And they fell amid calls for reform, and Louis Philippe d'Orléans was on hand to become a reform king, a citizen king, to install the regime of the New Class of politicians and entrepreneurs, of national projects and stockjobbers, of insider bankers who enjoy the smiles of their political brothers.[xv]

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[i] See Roberta A. Modugno, *Mary Wollstonecraft: Diritti umani e Rivoluzione francese* (Soveria Mannelli, Italy: Rubbettino, 2002); and David Gordon's review of Modugno's book in "Mary Wollstonecraft: Human Rights and the French Revolution," *The Mises Review* 10, no. 1 (Spring 2004).

[ii] On the financial issues, see the works of George V. Taylor: "Non-Capitalist Wealth and the Origins of the French Revolution," American Historical Review 72 (Jan. 1967): 469-496, and "Types of Capitalism in Eighteenth-Century France," English Historical Review 79 (Jul. 1964): 478-497.

[iii] Anne Somerset, *The Affairs of the Poisons: Murder, Infanticide, and Satanism at the Court of Louis XIV* (New York: St. Martin's Press, 2003); Lynn Wood Mollenauer, *Strange Revelations: Magic, Poison, And Sacrilege in Louis XIV's France* (Penn State University Press, 2007).

[iv] On taxes, see W. H. Lewis, *Splendid Century,* (New York: William Morrow & Co., 1953), 64-81, and more specifically, Gail Bossenga, "Taxes," in *A Critical Dictionary of the French Revolution*, ed. Fran,ois Furet and Mona Ozouf, trans. Arthur Goldhammer (Cambridge, Mass., 1989), pp. 582-89.

[v] George T. Matthews, *The Royal General Farms in Eighteenth-Century France* (New York, 1958).

[vi] See the brief but useful article by David Redfearn, "Turgot's Gallant Failure," [Reprinted from Land & Liberty, January-February 1990], as well as the intellectual side of Turgot in the short biography by Murray N. Rothbard, "Biography of A. R. J. Turgot (1727-1781): http://mises.org/about/3244
http://www.cooperativeindividualism.org/redfearn_turgots_failure.html

[vii] See the information on ownership of the Livry domain summarized, with sources, in the French Wikipedia entry for "Livry-Gargan."

[viii] Anne-Robert-Jacques Turgot (baron de l'Aulne) *The Life and Writings of Turgot: Comptroller-General of France, 1774-6*, edited for English readers by William Walker Stephens (London: Longman, Greens, and Co., 1895), 119-121.

[ix] Charles Maurice de Talleyrand-Périgord, *Memoirs of Prince de Talleyrand*, vol. 1, ed. by the Duc de Broglie, trans. Raphael Ledos de Beaufort (London: Griffith, Farran, Okeden and Welsh, 1891): 111.

[x] Of many examples, See Hippolyte Taine, *The French Revolution*, vol. 2 (1878), ch. 4.

[xi] George Armstrong Kelly, "The Machine of the Duc D'Orléans and the New Politics," *Journal of Modern History* 51, no. 4 (Dec., 1979): 670.

[xii] Kelly, 673.
[xiii] Kelly, 677-678.

[xiv] This sketch of the Palais Royal is developed from the material in Schama, *Citizens*, and Billington, *Fire in the Minds of Men: The Origins of the Revolutionary Faith*.

[xv] Twentieth-century economist Charles Kindleberger saw the Orleanist regime as Keynsians *manquée*, in the sense that they manipulated the economy and markets, but not enough: "Kindleberger, "Keynsianism vs. Monetarism in Eighteenth- and Nineteenth Century France, " *History of Political Economy* 12 (no. 4, 1980): 499-523.