

From the French Golden Age to Today: What Changed?

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You may have asked the question:

How does the economy work?

Here in France, we have a complex and advanced economy ... but here is something you should understand:

At its most basic level, the economy works because it allows people who produce things to get in touch with other people who can use them.

Ultimately, the entire economy is based on a simple principle:

You are trying to create more and more resources.

If your business reduces the amount of resources available, you must stop at term. If your activity increases the amount of resources you can continue.

How do you know if you are creating more resources than you consume?

In a normal capitalist economy, without external "distortions," you have an easy way to see the production of wealth: The amount of money you can use increases.

When you are spending money, you are ordering resources. You get more resources when you make good use of those you already own.

And then you have new resources to use.

This is how an economy is supposed to work. But, alas, this is not always the case.

In the real world, a large number of disruptions disrupt the normal accumulation of wealth in the economy.

Instead of allowing the economy to grow, these disturbances make it fall back ... Sometimes so violently that the effects persist for hundreds or thousands of years ...

Take the Roman Empire, for example ... an immense and very rich Empire.

By the end of the Roman era, Rome had almost become like the USSR.

Everything was controlled: Even jobs, prices, travel, and trade. Everything had to be taxed and controlled by the public authorities.

But this system has come to an end. The Roman Empire came into economic stagnation and the implosion of its system.

You may think that the "fall of the Roman Empire" was a sinister, disastrous event.

After all, you surely learned at school that it was.

But, according to some researchers at least, the ordinary Roman citizen saw his standard of living rise when the Empire erupted!

Without all the economic guidelines coming from Rome, the average man could find better food, more food choices, and more goods available at better prices.

Similarly, ordinary people almost always benefit when public authorities collapse: They are no longer obliged to obey all the

often contradictory rules imposed on them!

From the French Golden Age to today ...

According to all historians, France at the end of the 19th century was really a considerable force in the world.

At that time, we had the best culture, the best inventors, and the greatest industrial innovators ...

We even laid the foundations for economic studies ...

And we were leading the world in philosophy, art, mathematics, fashion, and many other fields.

Yet, according to a large number of people today, that time would have seemed "too disorganized and chaotic."

The public authorities were relatively weak, especially after the defeat of 1870 against the Prussians, and we had remained based on a physical currency, made of metal, introduced by Napoleon.

We did not have the rules affecting the 35 hours ... nor a bunch of other laws and directives affecting industry and commerce.

In other words, our economy was not run by anyone ... and individuals could put in place great innovations ... and trade between them, almost without worrying about the intervention of the State ...

What changed?

We have gradually left behind the idea of ??allowing the economy to develop, quietly, at its own speed, and to allow innovations to occur.

We decided, on the contrary, that we should control this economy, tame it.

The result we see today is an economy that is lagging behind those of neighboring countries ...

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Good reading.

Sincerely,
Henri Bonner