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DIVISION OF LABOR AND SOCIETY: THE SOCIAL RATIONALISM OF MISES AND DESTUTT DE TRACY

CARMEN ELENA DOROBĂȚ

ABSTRACT: Ludwig von Mises's social rationalist views on society, first discussed in Salerno (1990), do not appear to have any precursors in the history of economic thought. The present paper highlights the contributions of a French philosopher, A.L.C. Destutt de Tracy, to the theory of social development as one precursor of Mises's theory. I use extensive textual evidence to highlight the important similarities between the social theories presented in De Tracy's *Treatise on Political Economy* and Mises's *Human Action*. The systematic exposition of these social rationalist views focuses on three aspects: their praxeological foundation, the economic factors which bring about human association, and the global consequences of these social phenomena.

KEYWORDS: social theory, rationalism, human action, division of labor, Ludwig von Mises, Destutt de Tracy

JEL CLASSIFICATION: B10, B31, B53

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I. INTRODUCTION

Social theory, which includes sociology, economics, and political theory, among others, has had a long and complicated development, emerging as a distinct field of science only in the 20th century. From the pre-Enlightenment era to modern and post-modern developments, the evolution of these disciplines has consistently moved in one particular direction: from putting forth a worldview and creating overarching paradigms, towards developing only particular theories that explain only particular circumstances (Baert and da Silva, 2010). As one consequence of this trend, economics has gradually diverged from social theory: economists began using the tools of physical sciences, while other social theorists had little use for economic theory. Notwithstanding, a handful of economists have continued to consider economics and social theory as inseparable. One such case was Ludwig von Mises, perhaps best known for his comprehensive work on praxeology, i.e. the science of human action.

Only in the last decade of the 20th century has Mises's social theory been brought to the attention of modern scholars. In his seminal 1990 article, "Ludwig von Mises as Social Rationalist," Joseph Salerno argues that Mises elaborated "his own uniquely rationalist position" (1990, p. 26) on social evolution, different from the meliorism of liberal Enlightenment and the Hayekian spontaneous order approach. Salerno expounds a brief and clear summation of Mises's views, which he calls 'social rationalism': "all social interactions and relationships are thought out in advance and therefore, society originates and evolves as a product of reason and teleological striving... society is a consciously-devised "strategy," "a man-made mode of acting" in the war against scarcity" (1990, pp. 26–28). In Mises's own words, social evolution represents "the development of the division of labor" and one can "trace the origin of everything concerned with society in the development of the division of labor" (Mises, 1962, pp. 301, 303).

Mises's unique social theory does not appear to have had any precursors. However, in a lecture delivered in 2005, Salerno briefly hinted at an early member of the French Liberal School, Destutt de Tracy, as one author who preceded and shared Mises's rationalist and catallactic views on society.

Antoine Louis Claude Destutt, Comte de Tracy (1754–1836) was a French aristocrat of Scottish descent, philosopher and economist, who is best known for having coined the term *idéologie* for the science of ideas (Chisholm, 1911, p. 126). De Tracy belongs to the tradition of the French Liberal School, whose influence on the development of economics in France began with the publication of Jean-Baptiste Say's treatise in 1803, and extended over an entire century, roughly until the death of Gustave de Molinari in 1912 (Salerno, 1978, p. 65). The paradigm in which De Tracy and other French liberals operated diverged significantly from the British Classical School,¹ springing from the contributions of French physiocrats and having been "nourished by a long and glorious tradition which reached back through Condillac, Turgot, Quesnay and Cantillon to the Scholastics" (Salerno, 1978, p. 66). To this tradition belong also Frédéric Bastiat (2007) Michel Chevalier (1842), Jean-Gustave Courcelle-Seneuil (1858), Ambroise Clément (1867) and Paul Leroy-Beaulieu (1914).

Scholars have scrutinized in detail De Tracy's philosophical work on ideology and secularism (Kennedy, 1978; Head, 1985; Byrnes, 1991; Dekens, 2003), and his subjectivist approach and deductive methodology (Klein, 1985; Salerno, 1988; Patalano, 2015). Further attention was given to his views on entrepreneurship (Hébert and Link, 2006) or money and banking (Terrell, 2009), his liberal stance on government policy (Rothbard, 2006; Nemo, 2006; Faccarello, 2010), and even the impact of his philosophical system on Stendhal's novels (Alciatoire, 1950; Smith, 1956) and J.-B. Say's social analysis (Forget, 2001).

Yet so far, no historians of thought have been spared to attend to De Tracy's views on social theory. His ideas on how society evolves and develops and how this process both originates from

¹ By the 20th century, French economists had been exiled in a dark corner of the history of economic thought, wrongly dismissed as pamphleteers and popularizers of British classical economics. However, Rothbard (2006) has extensively shown that French liberal thought had not been an uninformed apology for British laissez-faire, but had important contributions to economic theory. Salerno (2001) also established that institutional factors—such as an unfavorable change in educational policies in France—had led the School into disrepute. Subsequent research (Hülsmann, 2001; Thornton, 2001) added evidence to Salerno and Rothbard's original claims, praising the contributions of French liberals on topics such as methodology, theory of value, entrepreneurship, and capital theory.

and reflects upon the human condition have suffered a similar fate to Mises's work on the topic. The purpose of this paper is to address this neglect, and to connect the contributions of Mises and Destutt de Tracy on social theory. I use the textual evidence found in the two authors' major works to flesh out Salerno's insight that De Tracy was a precursor of Mises's social rationalism.

A close scrutiny of De Tracy's *Treatise on Political Economy* and Mises's works, particularly *Human Action*, highlights striking similarities between De Tracy's and Mises's contributions, written more than 130 years apart, although no direct intellectual lineage connecting the two authors has been documented so far. Joseph Salerno (1988; 2001) shows that 19th century French liberals influenced prestigious economists such as Carl Menger, Eugen von Böhm-Bawerk, or Knut Wicksell, and thus De Tracy's ideas could have reached Mises indirectly.² But Mises himself did not cite any precursors of his thoughts on the matter. The similarities between Mises and de Tracy's works raise thus some interesting questions: if there is indeed a filiation of ideas between the two authors, why has it not been acknowledged by Mises, or discovered later by scholars? Alternatively, if no such historical connection exists, why have the two authors developed congruent social theories? Although I do not attempt to answer either of these questions in the remainder of this paper, mapping the similarities between Mises and De Tracy's works can constitute a preliminary note on the subject, to be used as a basis for future research in answering those questions.

In my analysis, I follow three basic elements of both social theories, which the authors deal with explicitly: the paradigmatic foundation, the factors that bring about human association and cooperation, and the global consequences of these social phenomena. To this end, the remainder of this paper is structured as follows: I begin in section II with their views on human will, human action, and acquiring economic means, and highlight the praxeological foundation the two authors shared—which could

² Hülsmann (2007, p. 112) shows that Condillac's treatise, *Commerce and Government*, has been one of the main sources of inspiration for Carl Menger's works, who was fluent in French. He also argues that Mises "continued the tradition of the British classical economists and of the great eighteenth- and nineteenth-century French economists" (Hülsmann, 2007, p. 87).

explain many of the similarities between their theories. Section III delves into the rationalist and catallactic explanations of the evolution of society, where I argue that for both Mises and De Tracy, society is a gradual, reinforced development of economic exchange and division of labor. Section IV discusses the natural extension of society to a global phenomenon, exploring the analogous views of Mises and De Tracy on international trade, war, and peaceful cooperation. Throughout the paper, De Tracy's views are compared with those of Mises in a systematic, step-by-step exposition. As I rely extensively on the textual evidence found in the two treatises, critical analysis is limited to those cases where it facilitates a better presentation of the arguments.

II. A PRAXEOLOGICAL FOUNDATION

Destutt de Tracy's four-volume treatise *Elements of Ideology* was conceived as an exposition of the "complete knowledge of our intellectual faculties," from which we deduce the only solid "first principles of all the other branches of our knowledge" (De Tracy, 2009, p. xx). Understanding what these faculties are is fundamental, in De Tracy's view, to understanding how social relations and economic phenomena are established.

De Tracy begins the fourth volume, *Treatise on Political Economy* (also called *Treatise on Will*), by arguing that "we form judgments of that which we experience, of that which we feel, of that which we see, in a word of all which affects us; we distinguish the parts, circumstances, causes and consequences thereof; and this is to judge of it" (De Tracy, 2009, p. 60). The fundamental difference between humans and all other merely "sentient" beings De Tracy identifies as the former's capacity to act, motivated by a rational will, where intellectual faculties form our knowledge of the world and inform human judgment. He writes: "man... is a being willing in consequence of his impressions and of his knowledge, and acting in consequence of his will" (De Tracy, 2009, p. 23). Equally, Mises argues in *Human Action* that reason is a man's "particular and characteristic feature," and that "man alone has the faculty of transforming sensuous stimuli into observation and experience... [and] alone can arrange his various observations and experiences into a coherent system" (Mises, 1998, p. 177).

In De Tracy's view, therefore, human volition is one of the primary intellectual faculties and the fundamental mover of all action. He further defines human will as "the general and universal faculty of finding one thing preferable to another, that of being so affected as to love better such an impression, such a sentiment, such an action, such a possession, such an object, than such another" (De Tracy, 2009, p. 24).³ Furthermore, he argues, this "faculty of willing produces in us the ideas of wants and means, of riches and deprivation, of rights and duties, of justice and injustice" (De Tracy, 2009, p. xxv). As a result, De Tracy's investigation of all subsequent social and economic phenomena—which are the result of human action directed by volition—begins from the choices of human beings.

Mises also positions human wants as the alpha and omega of any economic and social system. First, in the very beginning of his magnum opus, Mises gives a definition of human will similar to De Tracy's: "Will means nothing else than man's faculty to choose between different states of affairs, to prefer one, to set aside the other, and to behave according to the decision made in aiming at the chosen state and forsaking the other" (Mises, 1998, p. 13). On this precise definition, which underpins the more universal science of praxeology, Mises establishes his economic analysis: "Choosing determines all human decisions.... All ends and all means, both material and ideal issues, the sublime and the base, the noble and the ignoble, are ranged in a single row and subjected to a decision which picks out one thing and sets aside another.... No treatment of economic problems proper can avoid starting from acts of choice" (Mises, 1998, p. 3).

Human action is for both Mises and De Tracy the meaningful manifestation of reason and will, the judgment of observations and experiences thus materialized. De Tracy argues that "in the employment of our faculties, in our voluntary actions, consists all the power we have; ...the *acts of our will* which direct these actions are the source of all our means" (De Tracy, 2009, p. 38; emphasis added).

³ De Tracy's definition of human will also indicates that his subsequent theory of exchange in the division of labor, discussed below, was underpinned by elements of a subjective value theory. For a brief explanation of De Tracy's views on subjective value—which he had acquired from J.-B. Say—see Terrell (2009, pp. ii–iv).

Hence, human beings are not only sentient and willing, but also able to act in a rational and conscious way. Mises concurs with this view in his own analysis: human action “is will put into operation and transformed into an agency, is aiming at ends and goals, is the ego’s meaningful response to stimuli and to the conditions of its environment, is a person’s conscious adjustment to the state of the universe that determines his life” (Mises, 1998, p. 11).

Both authors also find that what informs human will and thus motivates human action is the perpetual state of uneasiness in which all individuals find themselves at any point in time. De Tracy explains that we always have “the desire of being delivered from that state, whatsoever it is, in which we actually are; which consequently appears actually as a *state of uneasiness*, more or less displeasing. [...] While it exists it is a manner of being felt and incommodious, and from which we have consequently a want of being delivered” (De Tracy, 2009, p. 35; emphasis added).⁴ Without this uneasiness, and without the conscious and rational desire to substitute the current state of affairs for another, human action would not be possible. Mises uses the same concept in his explanation: “acting man is eager to substitute a more satisfactory state of affairs for a less satisfactory. His mind imagines conditions which suit him better, and his action aims at bringing about this desired state. The incentive that impels a man to act is always *some uneasiness*” (Mises, 1998, p. 13; emphasis added).

Our actions can transform external resources into actual means for the attainment of ends because we can judge our observations and experiences, and organize them in a coherent system. This allows us to understand causal relations between elements of the natural world and their potential serviceableness to our satisfaction. In thus entering the sphere of economic science, both Mises and De Tracy emphasize this causal recognition, through action, as an essential step for material things to become economic goods—subject to the teleological, rational plans of men. The French philosopher explains this process as follows:

⁴ In the French edition of his treatise, published originally in 1823, Destutt de Tracy describes “uneasiness” using the French term “*malaise*,” which can be defined as a feeling of general discomfort or unease. This is also the term used in the French translations of Mises’s *Human Action*. Cf. De Tracy (2011 [1823]).

We do not possess a good field or a good utensil, but because we have well recognized the properties of the first material, and rendered easy the manner of making it useful.... It is then always from the employment of our faculties that all these goods arise. [...] We could not appropriate one of those beings, nor convert the smallest parcel of them to our use, but by *our action on them and by the employment of our faculties* to this effect (De Tracy, 2009, pp. 38–40; emphasis added).

In a consonant explanation, Mises shows that “a thing becomes a means when human reason plans to *employ* it for the attainment of some end and human action really employs it for this purpose.” He continues: “parts of the external world become means *only* through the operation of the human mind and its offshoot, human action” (Mises, 1998, p. 92).

In brief, human will, the intellectual faculty of choosing between different states of affairs, motivates human action; and action, in turn, transforms external things into economic means. In consequence, economic and social phenomena are the result of this conscious, rational, and purposeful behavior, where human beings interfere in the causal relations of the external world to create means for the satisfaction of their subjective goals.

We can thus argue that both De Tracy and Mises consider human action as the foundation of economic and social theory proper,⁵ and in this regard we can identify De Tracy as a proto-praxeologist. Let us now analyze in detail the arguments put forth by Mises and De Tracy for a rationalist and catallactic view of society.

III. TWO RATIONALIST AND CATALLECTIC VIEWS ON SOCIETY

According to Mises, the fundamental task of any science endeavoring to determine the origins of society “can only consist in the demonstration of those factors which can and must result in [human] association and its progressive intensification” (Mises, 1998, p. 160). Both De Tracy and Mises have in fact been faithful

⁵ Rothbard (2006, I: 4; p. 7) explains that “for de Tracy, this ‘science of human understanding’ is the basic foundation for all the human sciences... the discipline studying all forms of human action, a study meant to be a respecter of individuals and their interaction.”

to this principle in the construction of their theories. They began by delineating the object of their investigation and their approach, and continued by explaining the primary factors determining social evolution. Proceeding from these factors and from the social processes they engender, they reached a definition of society. Let us now discuss these steps in turn, and compare Mises and De Tracy's positions through the available textual evidence.

As we have seen above, human reason allows us to perceive causality in nature and adjust it for the production of means to achieve our ends. But man does not—and cannot—survive isolated, simply in relation with nature. Thus, any social theory must focus on man seen originally as a social being. De Tracy argues that it would be “superfluous, having the human species principally in view, to occupy ourselves longer with beings that should be sentient and willing, but living insulated. Man cannot exist thus. [...] Man can exist only in society. It is then the social state, which is our natural state, that with which we ought alone to occupy ourselves” (De Tracy, 2009, pp. 59–60; xxx). Correspondingly, Mises argues that “man appeared on the scene of earthly events as a social being. The isolated asocial man is a fictitious construction” (Mises, 1998, p. 164).

How should this social state be studied first and foremost? Destutt de Tracy begins his scrutiny of society “under its economical condition, that is to say relatively to our most direct wants, and to the means we have of satisfying them” (De Tracy, 2009, p. 60). Such an investigation, De Tracy argues, will “lead us surely to estimate the value and utility of all our actions, to judge of their merits by their consequences, and consequently of the merit of those sentiments which determine us to one action rather than another” (De Tracy, 2009, p. 61). Mises too gives primacy to economic considerations in his analysis of social development, arguing that “man becomes a social being... in aiming at an improvement in his own welfare” (Mises, 1998, p. 160). For both Mises and De Tracy, the ultimate reasons for social evolution are to be found in the economic sphere and thus the analysis of society must proceed from an economic point of view.

What are then the factors that determine people's decisions to associate? First, Mises and De Tracy both refer to the rational ability of human beings to perceive the benefits of their association

and cooperation. De Tracy writes: “It is then impossible that we should not soon be *aware of the utility* we may derive from the succour of our fellow beings; from their assistance in our wants, from the concurrence of their will, and of their force with ours... always, and every where [sic]” (2009, p. 60; emphasis added). Or, in Mises’s words, “every step by which an individual substitutes concerted action for isolated action results in an immediate and *recognizable* improvement in his conditions” (Mises, 1998, p. 146; emphasis added).

If men can rationally and consciously choose between two states of affairs, they are then able to understand the benefits of cooperation in relation to those of isolated production. In consequence, the recognition of the benefits of living in a society does not have anything to do with instincts or happenstance.⁶ Man, De Tracy writes, “has the intellectual means... to make conventions with his fellow beings... [and] he alone has a real society” (2009, p. 66). For Mises as well, “society is the product of thought and will. It does not exist outside thought and will” (Mises, 1962, p. 291).

Whence do the benefits of cooperation arise? The answer to this is detailed in Mises’s exposition of the Law of Association, which according to its author “makes us comprehend the tendencies which resulted in the progressive intensification of human cooperation” (Mises, 1998, p. 159). Mises argues that cooperation is more productive than isolated labor for two reasons: “First: the innate inequality of men with regard to their ability to perform various kinds of labor. Second: the unequal distribution of the nature-given, nonhuman opportunities of production on the surface of the earth” (Mises, 1998, p. 157). He further shows that “if and as far as labor under the division of labor is more productive

⁶ Forget (2001) argues that De Tracy’s *idéologie*—which influenced J.-B. Say to reject Smith’s spontaneous order social analysis—“emphatically reject[ed] the idea that social institutions evolve and develop as an *unplanned* response to the *uncoordinated* behavior of many discrete and self-interested agents” (Forget, 2001, p. 194; emphasis added). However, Forget seems to misconstrue De Tracy’s doubts about the spontaneous order of society as a call for social planning by a legislator or an educator (cf. Forget, 2001, 207–208). The more plausible interpretation, given the evidence in this paper as well as De Tracy’s skepticism of government action throughout his body of work, is that his social analysis fits squarely with Mises’s social rationalism, in which society is neither centrally planned, nor accidental, but the purposeful outcome of many discrete rational decisions to associate and cooperate.

than isolated labor, and if and as far as man is able to realize this fact, human action itself tends toward cooperation and association; man becomes a social being" (Mises, 1998, p. 160).

De Tracy agrees with Mises with regards to the factors that determine the superior productivity of labor under cooperation. The French philosopher writes: "When several men labour reciprocally for one another, every one [sic] can devote himself exclusively to the occupation for which he is fittest, whether from his natural dispositions or from fortuitous circumstances; and thus he will succeed better" (De Tracy, 2009, p. 67).⁷ This social cooperation can also be understood, as Destutt de Tracy defines it, as an exchange of occupations: "[a man] exchanges one manner of occupying himself against another, which becomes more advantageous to him than the other would have been. [...] By the effect of social combinations, and by the separation of the different kinds of occupation, which is its consequence, every one devotes himself to a particular kind of industry" (De Tracy, 2009, pp. 61, 79). This exchange of occupations, always beneficial for both parties and undertaken precisely because men perceive and understand these benefits, brings about specialization or "what is called the division of labour, which in civilised society is sometimes carried to an inconceivable point, and always with advantage" (De Tracy, 2009, p. 67).

Under these circumstances, what is society? Both authors' definitions are worth quoting at length:

I do not fear to announce it. Society is purely and solely a continual series of exchanges. It is never any thing [sic] else, in any epoch of its duration, from its commencement the most unformed, to its greatest perfection. And this is the greatest eulogy we can give to it, for exchange is an admirable transaction, in which the two contracting parties always both gain (De Tracy, 2009, p. 61).

⁷ De Tracy argues in terms of Smith's absolute advantage, likely due to the fact that David Ricardo's treatise was published in 1817, the same year as De Tracy's *Treatise*. Nevertheless, De Tracy's view is not as problematic as Smith's, for he writes: "we are all producers or manufacturers,—because there is no person so unfortunate as never to do any thing [sic] useful" (De Tracy, 2009, p. 79). We can then charitably reconcile De Tracy's position, from this point of view, with the comparative advantage approach that Mises held.

Equally for Mises (1998, p. 143), society is “division of labor and combination of labor,”

an outcome of human action... the outcome of a purposeful utilization of a universal law determining cosmic becoming, viz., the higher productivity of the division of labor. As with every instance of action, the recognition of the laws of nature is put into the service of man's efforts to improve his conditions (Mises, 1998, p. 145).

[...] seen from the point of view of the individual, society is the great means for the attainment of all his ends... [where] each participant sees the other partner's success as a means for the attainment of his own (Mises, 1998, pp. 164, 168).

The two authors also show that division of labor and specialization go, in time, through a process of intensification. According to De Tracy, the great benefits of society “augment in an incalculable ratio, in proportion as they are perfected, and every degree of amelioration, in the social order, adds still to the possibility of increasing and better using them” (De Tracy, 2009, pp. 67–68). Or, in Mises's words, division of labor “is itself a factor bringing about differentiation... [which] intensifies the innate inequality of men. [...] Vocational types emerge, people become specialists” (Mises, 1998, p. 164).

Last but not least, there is also a remarkable similarity between the two authors' critiques of alternative social theories. Destutt de Tracy comments in passing on Smith's concept of “propensity to exchange,” drawing attention to the importance of understanding cooperation as rational and purposeful, and not spontaneous or accidental. He writes: “Smith... is the first who has remarked that man alone makes exchanges, properly speaking. [...] I regret that in remarking this fact he has not sought its cause with more curiosity. It was not for the author of the theory of moral sentiments to regard as useless a scrutiny of the operations of our understanding” (De Tracy, 2009, p. 66). De Tracy also charitably interprets Rousseau's social contract theory, elegantly reconciling it with his own view of society as a catallactic process: “It is evident [people] could not live together, if by a convention formal or tacit they did not promise each other, reciprocally, surety. Well! this convention is a real exchange; every one renounces a certain manner of employing his force, and receives in return the same sacrifice on the part of all the others” (De Tracy, 2009, p. 61).

Both remarks are echoed by Mises, who is, however, more dismissive of Rousseau's theory. Mises's critical views are contained in the chapter on society and the law of association in *Human Action*, where he argues,

In order to comprehend why man did not remain solitary... we do not need to have recourse to... the empty hypostasis of an innate urge toward association. Neither are we forced to assume that the isolated individuals or primitive hordes one day pledged themselves by a contract to establish social bonds. The factor that brought about primitive society and daily works toward its progressive intensification is human action that is animated by the insight into the higher productivity of labor achieved under the division of labor (Mises, 1998, pp. 159–160).

IV. THE INTERNATIONAL DIVISION OF LABOR

The previous two sections have shown that according to Destutt de Tracy and Ludwig von Mises, society evolves through voluntary economic interactions between individuals, in which everybody rationally and purposefully strives for their own rightly understood interest. The two rationalist and catallactic theories of social evolution, written 130 years apart, can thus be briefly summarized in one central definition: society represents the complex inter-human relationships which result from the purposeful recognition of the mutual benefits of economic cooperation. In this view, division of labor and society are equivalent. "Commerce is the whole of society," writes Destutt de Tracy, because "society from its origin is essentially nothing but a continual commerce, a perpetual series of exchanges of every kind" (De Tracy, 2009, pp. 66, 98).

Let us now discuss the global consequences of social cooperation and of the progressive intensification of social and economic bonds identified by the two authors.

Destutt de Tracy and Mises trace in their writings the gradual development of society from the smallest areas to a global dimension. According to De Tracy, division of labor and commerce unite "in the first place inhabitants of the same canton. Then the different cantons of the same country, and finally different nations" (De Tracy, 2009, p. xxxiii). In the same way, Mises argues that society develops "subjectively by enlarging its membership....

Originally confined to the narrowest circles of people, to immediate neighbors, the division of labour gradually becomes more general until it eventually includes all mankind" (Mises, 1962, p. 314).

As a logical consequence of this reasoning, international trade is to be simply understood as the international division of labor. De Tracy writes that "the greatest advantage of external commerce, the only one meriting attention, is its giving a greater development to that which is internal" (De Tracy, 2009, p. xxxiii). The purpose of international trade, De Tracy continues, is "to establish between different nations the same relations which interior commerce establishes between different parts of the same nation, to constitute them, if we may thus speak, in a *state of society with one another*; to enlarge thus the extent of market for all, and by this mean increase likewise the advantages of the interior commerce of every one" (De Tracy, 2009, p. 101; emphasis added). By the same token, Mises makes a more general, theoretical point about the separation between theories of domestic and foreign trade. Mises writes: "there is no basis for seeking a fundamental difference between the effects of freedom in domestic trade and in foreign trade. If the mobility of capital and labor internally differs only in degree from their mobility between countries, then economic theory can also make no fundamental distinction between the two" (Mises, 1983, p. 92).⁸

The logical conclusion which follows from the fact that international exchange is the natural extension of local cooperation is that international trade is necessarily beneficial to all parties involved in transactions across national borders. Mises puts it briefly and clearly: "The international division of labor is a more efficient system of production than is the economic autarky of

⁸ Mises's analysis is more sophisticated than De Tracy's on this matter, as Mises also challenges the restrictive assumptions of the Ricardian comparative cost principle. For instance, Mises argues that

the tendency inheres in free trade to draw labor forces and capital to the locations of the most favorable natural conditions of production without regard to political and national boundaries... therefore, unrestricted free trade must lead to a change in the conditions of settlement on the entire surface of the earth; from the countries with less favorable conditions of production capital and labor flow to the countries with more favorable conditions of production (Mises, 1983, p. 92).

every nation. The same amount of labor and of material factors of production yields a higher output. This surplus production benefits everyone concerned" (Mises, 2010, p. 73). De Tracy also describes the benefits of international commerce as "owing to the better employment of every local advantage and of the faculties of every individual, without a necessity for [any] nation to have made the smallest profit at the expense of any other nation" (De Tracy, 2009, p. 100).

Notwithstanding these benefits of social cooperation, both De Tracy and Mises acknowledge with regret that men have many times in history tried to hamper its development through numerous economic and military conflicts. These conflicts undermine the basic premise of social cooperation, i.e. its peaceful, voluntary character. Destutt de Tracy laments the fact that amongst "the efforts of men, for the amelioration of their lot... always a great portion of the human power has been employed in hindering the progress of the other... [and] many times perhaps all has been lost and destroyed, even the knowledge acquired, even the capacity of re-commencing that which had been already done" (De Tracy, 2009, p. 65). Mises also asserts that "when men fight against men... there is, between the fighting parties, reciprocal effect and mutual relation, but no society" (Mises, 1998, p. 168).

At the same time, both Mises and De Tracy reveal that the progressive intensification of division of labor and international cooperation remain the surest ways to offset these anti-social initiatives. Mises, for example, explains that "all waging of war is dependent on the state of the division of labor reached at the time. Autarkic economies can go to war against each other; the individual parts of a labor and trade community can do so, however only insofar as they are in a position to go back to autarky. For that reason, with the progress of the division of labor we see the number of wars and battles diminishing ever more and more" (Mises, 1983, p. 182). It is likely De Tracy has similar arguments in mind when, continuing his discussion on the effects of war, he optimistically comforts his readers that there are "many reasons we ought to be assured against the fear of such misfortunes in future" (De Tracy, 2009, p. 65).

Government intervention remains, however, the one danger against which human society must fight from within, and to the

effects of which it is nowadays more exposed than ever. As *laissez-faire* political economists, both De Tracy and Mises repeatedly caution readers against the perils of partial or total state control over market prices. Through either conspicuous or subtle means—such as price controls or alterations in the purchasing power of money respectively—governments make economic organization based on the division of labor more and more impracticable.

Destutt de Tracy described the ultimate consequences of these actions as a world in which “society ceases and universal brigandage begins.... All trades are abandoned. There is no longer possibility of living on the produce of regular industry: every one subsists on what he can conceal, or on what he can lay his hands, as in an enemy’s country.... We may say in the strictest sense, that society is dissolved; for there is [sic] no longer any free exchanges” (De Tracy, 2009, p. 113). Mises also believed that sustained government intervention in the structure of money prices could not be accomplished “without overthrowing the system of social division of labor” (Mises, 1953, p. 247). He argued that “it is the social spirit, the spirit of social co-operation, which forms, develops, and upholds societies. Once it is lost, the society falls apart again. The death of a nation is social retrogression, the decline from the division of labour to self-sufficiency. The social organism disintegrates into the cells from which it began. Man remains, but society dies” (Mises, 1962, p. 309).⁹

V. CONCLUSION

The purpose of this paper was to offer a preliminary note on some important similarities between Destutt de Tracy and Mises’s theories on social evolution. As we have seen, the two authors share

⁹ For these ideas, Mises acknowledged an intellectual debt not to Destutt de Tracy, but to the French sociologist Jean Izoulet (1895), from whom both Mises and Herbert Spencer (1860) borrowed the imperfect analogy between human societies and the ‘division of labour’ among cells of biological organisms. Mises, however, qualified this analogy: “The process that differentiates and integrates homogeneous cells is completely different from that which led to the growth of human society out of self-sufficient individuals. In the second process, reason and will play their part in the coalescence, by which the previously independent units form a larger unit and become parts of a whole, whereas the intervention of such forces in the first process is inconceivable” (Mises 1962, 291).

a praxeological foundation for their theories, i.e. they understand human action, informed by human reason, as the prime mover of all economic and social phenomena. Consequently, both Mises and Destutt de Tracy advanced a catallactic and rationalist view of social evolution, in which society is the outcome of purposeful human behavior, of the rational discovery of the benefits of association and cooperation. For both authors, society was synonymous with division of labor and free economic exchange.

It remains a task for future research in the history of thought to establish whether Destutt de Tracy's *Treatise on Political Economy* should be considered the 'locus classicus' of the social rationalism which found its fullest expression in Mises's *Human Action*. This investigation should also be extended to reveal the yet undocumented influence of Destutt de Tracy on Misesian thought, as well as to assess the importance of social rationalism relative to other social theories. Yet even without a documented historical and intellectual link between the works of Mises and Destutt de Tracy, the contributions of both authors retain their originality and uniqueness in a panoply of social theories that originate outside the teleological realm of human rationality and economic cooperation.

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