

VILFREDO PARETO:  
AN INTELLECTUAL BIOGRAPHY  
VOLUME II

THE ILLUSIONS AND DISILLUSIONS  
OF LIBERTY (1891–1898)

*Fiorenzo Mornati*



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Fiorenzo Mornati

**Vilfredo Pareto:  
An Intellectual  
Biography Volume II**

The Illusions and Disillusions  
of Liberty (1891–1898)

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palgrave  
macmillan

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Palgrave Studies in the History of Economic Thought  
ISBN 978-3-030-04539-5      ISBN 978-3-030-04540-1 (eBook)  
<https://doi.org/10.1007/978-3-030-04540-1>

Library of Congress Control Number: 2018943448

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This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG

The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

# Preface

In this second volume of the trilogy, we will turn our attention to the early stages of Pareto's professional academic and, more particularly, scientific activities.

The starting point will be a reconstruction of his key relations with the University of Lausanne, in as much detail and in as fully documented a manner as possible. This will be followed by an examination of the ongoing observations Pareto made regarding political events in Italy and in Switzerland between the years of 1891 and 1898. Having thus outlined the issues which stimulated and fostered Pareto's thinking, we will trace the evolution of this latter, once again supplying detailed analysis and with the support of documentary evidence, while systematically highlighting continuities with themes appearing in the previous volume of the trilogy. We will investigate all aspects of his thinking on economics, following what appears to be the most logical sequence, passing from pure economics to the concept of general economic equilibrium, the economics of well-being, international trade and the money, the economic theory of socialism and the statistics, together with all the other topics in applied economics which occupied Pareto's attention, such as the demographic question, the public finance, the functional distribution of wealth and the recurrence of economic crises.

Thereafter we will identify the early elements which later would be developed, during the period covered in the next volume, into Pareto's groundbreaking system of sociological and political ideas. We will end with an overview of immediate reactions in Italy and abroad to the publication of his first major work, the *Cours d'économie politique* (Course in political economy), and to his first original theory, the law of income distribution.

Our treatment of these various themes will progressively reveal our interpretation of Pareto's intellectual biography over this period, where the heights of his enthusiasm for liberal and free-trade ideas appear to give way to a rapid disillusion which led him to pursue his intellectual work for the love of science alone.

We have made very selective use of sources in the field of Pareto studies, simply in order to clarify certain aspects of his life and thought. This is due mainly to the enormous dimensions these materials have attained in recent years, together with the fact that Pareto's name appears increasingly to perform simply a tutelary function, while the person and his authentic ideas become more and more obscure.

We have likewise sought to provide formal demonstrations which, while as complete as possible, are also adapted to a very broad readership.

Turin, Italy

Fiorenzo Mornati

# Acknowledgements

I would like to thank Roberto Marchionatti for the long discussions on the various aspects of Pareto's thinking covered in this book, as well as (in alphabetical order) the Archives Cantonales Vaudoises (Vaud Cantonal Archives) in Lausanne, the Archives de la Commune de Lausanne (Lausanne Municipal Archives), the Banca Popolare di Sondrio (Popular Bank of Sondrio), custodian of the Vilfredo Pareto archive held at the Luigi Credaro library in Sondrio, together with Piercarlo Della Ferrera, the chief archivist, for their patient support. Lastly, I must also express my gratitude to Luisa Giacoma, lecturer at the University of Turin, for her very helpful translations of German-language texts.



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# 1

## Relations between Pareto and the University of Lausanne

Pareto began his career as a university professor in Lausanne exactly three years after his unfortunate enforced departure from the management of the ironworks. This swift transformation was largely down to chance but was also due to Pareto's determination to seize any welcome opportunity for work, as well as to the new intellectual skills he had acquired in the meantime.

Following his resignation, pending new opportunities in management which appear not to have materialised, Pareto pursued his work in amateur journalism, maintaining his former spirit of minority liberalism, as we will see in some detail in Chap. 2. Pareto's interest for pure economics seems to have been sparked by his fortuitous contacts with Pantaleoni together with their shared passion for radical liberalism, both political and economic. Through Pantaleoni, Pareto duly made contact with Walras and thereafter decided to devote himself systematically to mathematical economics, which initially had represented for him simply an original method of consolidating free-trade theories. His early publications in this field drew the attention of Walras, who had decided to retire from teaching but had been unable, despite all his efforts, to find a worthy successor, and who therefore resolved, urged by Pantaleoni, to support Pareto's candidacy.

We are able to reconstruct many of the phases of the complex official relations between Pareto and the University of Lausanne,<sup>1</sup> corresponding to the periods of his first contacts (Sect. 1.1), of his appointment (Sect. 1.2), of his succession (Sect. 1.3), of his role in the foundation of the *École des Sciences Sociales* (*School of Social Sciences*) (Sect. 1.4), of his teaching activities in political economy (Sect. 1.5) and of the history of the institution itself in that period (Sect. 1.6).

## 1.1 First Contacts

In reply to a letter of homage written by Pareto, on the 15th of October 1892, Walras, who recognised his own limitations in regard to “formal analysis”, expressed his hope that Pareto himself might be able to re-establish his own economic theories on a more advanced mathematical basis, referring to recent articles by Pareto<sup>2</sup> representing what Walras considered to be “the most serious and the most gifted work on questions relating to mathematical political economy”. On the same occasion Walras informed Pareto of his decision to stop teaching and to request early retirement on grounds of ill-health.<sup>3</sup>

On the 23rd of October, Pareto thanked Pantaleoni, to whom he had sent Walras’ letter,<sup>4</sup> for having contemplated him as successor, adding, however, that he considered himself to be “too little known to be chosen”.<sup>5</sup> In any case, on the following 3rd of November, Pantaleoni informed Walras of his intention to insist with Pareto, whom he considered “the person best-equipped to be able continue the tradition” which Walras had initiated,<sup>6</sup> that he should put himself forward as candidate. Walras replied immediately that he too had Pareto in mind<sup>7</sup> and that he intended to ask the government of the canton to appoint an extraordinary professor for two courses (in pure and applied economics) to be taught directly in the current academic year, in the hope that thereafter he could be offered a chair definitively, stating that he would support “Mr. Pareto in every way within [his] power to conclude these arrangements”.<sup>8</sup>

On the 7th of November<sup>9</sup> Pareto confided to Pantaleoni that “if the thing could be achieved, it would be a great honour” for him. However, he needed to “find a way.... to accept this much-desired post” while

avoiding “grave consequences” in Italy.<sup>10</sup> Thus, he answered Walras that it would be “a very great honour” for him to be called to give courses in Lausanne but that he could not come immediately, partly due to existing commitments<sup>11</sup> and partly because, were the trial period in Lausanne not to lead to a definitive appointment, he would have to “organise things in such a way as not to entirely forsake [his] activities [in Italy], so as to be in a position to take them up again on [his] return”.<sup>12</sup>

In any case, on the 14th of November, Pareto assured Walras that, if he were to be appointed in Lausanne, he would settle there “for good”, because he was now convinced that the battle for free trade was lost in Italy and consequently it would be preferable for him to dedicate himself to the study of science. Lastly, he was confident that “[his] teaching would meet with success” because “all the people who had heard [him] speaking in public in French had told [him] that [his] diction was clear and easy to follow”.<sup>13</sup> Pareto added that he was interested in the opportunity in Lausanne because the Italian government had prohibited him from giving courses in public, so this would allow him to “expound [his] ideas ... to a fresh audience each year”, especially given that he could not afford “the luxury of publishing scientific work at [his] own expense”.<sup>14</sup>

On the 20th of January 1893, Walras informed Pareto that his chances of success appeared good, assuring him that it was characteristic of the minister responsible, Eugène Ruffly (1854–1919)<sup>15</sup> to put off making decisions for as long as possible.<sup>16</sup> For his part Ruffly, on the basis of Walras’ letter in which he recommended Pareto as his successor (designating him “one of [his] most brilliant disciples [and] the best-equipped to continue” his teaching in pure political economy)<sup>17</sup> together with the letter of application sent to him by Pareto himself,<sup>18</sup> had duly contacted the Swiss Ambassador in Paris (Charles Lardy) to check the references communicated to him by Walras<sup>19</sup> (particularly in regard to the publishers of the “*Journal des Economistes*” and of the “*Revue des Deux Mondes*”).

In the early Spring, having given up the prospect of the move to Lausanne as lost in bureaucratic delays, Pareto commented that he would “have been very happy if it had been possible”.<sup>20</sup> Thus, it was with evident enthusiasm that, instead, he was able to announce to Pantaleoni that on the 19th of April, following an interview<sup>21</sup> which had taken place at his house in Fiesole with Ruffly and the Dean of the law faculty,<sup>22</sup> Louis

Grenier (1846–1919), “everything [had] been settled”<sup>23</sup> and that, in response to the wishes of his interlocutors, he would travel to Lausanne at the beginning of May in order to “start teaching” straightaway.<sup>24</sup> To be precise, Pareto’s appointment was as “extraordinary Professor” for a period of a year, with a promise from Ruffy that “if the results of [his] courses [were] satisfactory”, he would be offered a chair<sup>25</sup> at Easter 1894.

On the 24th of April 1893, the professors Grenier, Jacques Berney (1863–1898), Heinrich Ermann (1857–1940) and Ernest Roguin (1851–1939)<sup>26</sup> were present at the meeting of the Law Faculty board, which unanimously approved Pareto’s appointment as extraordinary professor of political economy, expressing “the desire that, if possible, the teaching of pure political economy should begin this summer”.<sup>27</sup> On the 25th of April, the government of the canton duly appointed Pareto as “extraordinary professor of political economy” for the two following semesters at an annual salary of 4000 francs.<sup>28</sup>

A few days later, Pareto wrote to a friend in Geneva, the Italianist Philippe Monnier (1864–1911), saying that he was very happy, both to have been designated successor to Walras, which “far exceeded what [he] could have expected”, and because he hoped to “find among the honest and hard-working folk of Switzerland the tranquillity required for [his] scientific studies”.<sup>29</sup>

On the 9th of May, the “Gazette de Lausanne” (the city’s most important daily and the unofficial organ of its Liberal Party)<sup>30</sup> informed its readers that Pareto had arrived in Lausanne<sup>31</sup> on the morning of the 8th of May (a Monday) and that he would begin “his courses shortly”.<sup>32</sup> This same daily had previously informed readers that Ruffy and Grenier had travelled to Florence “to seek a professor of political economy to replace Mr. Walras, who is resigning”,<sup>33</sup> adding that the professor whom the University wished to appoint was “the Marquis Wilfredo Pareto of Florence, who already has a reputation as a journalist”.<sup>34</sup> The Lausanne newspaper commented that “it would be a brilliant acquisition for Lausanne. It is important that the chair hitherto occupied by the doyen of a school, Mr. Walras, not be left in the hands of a mediocrity. Mr. Pareto is a disciple of the master, whose health has obliged him to abandon teaching. He is a supporter of free trade, which is very rare nowadays. We express our most sincere hopes that the negotiations which have begun

with him will be successful". On the 25th of April, the "Gazette" could finally report that the canton government had appointed "Mr. Vilfredo Pareto, engineer" as professor of political economy<sup>35</sup> in place of Walras, who had been granted his pension. On the same day, the "Revue" (the official organ of Lausanne's Radical Party) reported that, following the resignation of Walras, "the State Council had called the professor Mr. Vilfredo Pareto to occupy the vacant chair. Although young, Mr. Pareto is already very well-known and is appreciated not only among economists, but also by all those who are interested in the absorbing issues of financial and commercial policy".<sup>36</sup>

## 1.2 The Confirmation

The lesser-known story of Pareto's confirmation at the University of Lausanne is also interesting from a biographical point of view, because it demonstrates his ease in dealing with the authorities in a foreign country. Felix Roux (1855–1940), the director of the *École industrielle cantonale* (the state school for commercial studies) informed the government that it was no longer possible to delay the solution to the problem of finding a successor to Walras at the school. Further, referring to the fact that Walras' tasks included teaching activities at this school too, Roux said that, even if this requirement had not been formally demanded of Pareto, "nevertheless it would be of great interest for our school if the Department could persuade him to take over the course, even if it involves making some concessions".<sup>37</sup>

The new minister of the public education, the radical Marc-Emile Ruchet (1853–1912) considered Roux's request reasonable, informing him on the 2nd of April that he would "take the necessary steps with Mr. Vilfredo Pareto to procure his valuable support in the teaching of political economy at the *École du Commerce* and inform you concerning the outcome of our endeavours".<sup>38</sup> On the same day, Ruchet duly put out feelers regarding Pareto's<sup>39</sup> intentions, the latter replying to the minister on the 4th of April,<sup>40</sup> making his availability conditional on an additional remuneration in recognition of the work he would be obliged to forfeit, since the lessons requested of him, although elementary, would nevertheless require adequate preparation. Ruchet seemed



disposed to grant all Pareto's<sup>41</sup> requests in full but, in the following days, Pareto appeared to change his mind completely, demanding promotion to full professor<sup>42</sup> in return for simply performing the university teaching, and on the 13th of April the government granted this request.<sup>43</sup>

As early as the 14th of April, Pareto was once again forcing the issue, thanking Ruchet for the promotion but also reminding him that it had been agreed with Ruffy that this promotion would offer the same remuneration as that of the other full professors, and hence Pareto was able to accept the existing extraordinary Professor's salary of 4000 francs only on a provisional basis.<sup>44</sup> On the same day Pareto asked to be received by Ruchet<sup>45</sup> and this request was granted directly for the following 17th of April.<sup>46</sup> Only indirect evidence is available concerning the discussions at this meeting. The administration had prepared a note indicating that, in contrast with Pareto's claim of receiving discriminatory treatment by comparison with the other full professors, twelve of these (out of twenty-seven) received 4000 francs, three 4500, four 7500, one 5000, one 5500, two 6000 and the other four less than 3000 francs.<sup>47</sup>

At this meeting, it is very likely that Pareto's views were sought in the matter of covering the position at the *École de Commerce*, as on the 19th of April he wrote to Ruchet<sup>48</sup> to inform him that his post-graduate student (in letters) Léon Winiarski (1865–1915)<sup>49</sup> would be very happy to take on the task and that he, Pareto, would contribute by passing on "all the information he needs in order to ... prepare his course properly". However, on the 23rd of April, Ruchet told Roux plainly that "we regret to inform you that our approaches to Mr. Pareto have not borne fruit", while assuring him that the search for Walras' replacement would go on.<sup>50</sup>

At the faculty board of the 25th of June 1896, with Berney, Georges Favey (1847–1919), Erman, Roguin and Pareto present, the outgoing Dean Berney proposed that, as was customary, the position should pass to Pareto, as being the most recently appointed full professor. Pareto himself "remarked that he feared he did not possess the necessary experience to perform this task. He will accept only if the vice-Dean has the kindness to assist him in the performance of the duties involved".<sup>51</sup> In the end, Roguin's willingness to offer his help induced Pareto to accept the mandate, in the course of which he presided over the Faculty board meetings of the 6th of November and 1st of December 1896, those of the 16th and 23rd of

June,<sup>52</sup> 15th of November and 6th and 17th of December 1897, and those of the 12th and 31st of January, the 8th<sup>53</sup> and 21st of February, the 4th of March, 26th of April, 2nd of June, 12th of July and 30th of September 1898 before giving way to Favey as his successor in leading the faculty.

### 1.3 The Succession

In the spring of 1898, having just received his inheritance from his uncle Domenico (who had died in Genoa on the 10th of March),<sup>54</sup> Pareto expressed his desire to stop teaching, initially as early as the 31st of December 1898. His hope was to find another liberal to replace him, but this appeared unlikely because it seemed that “nowadays everyone is a socialist”.<sup>55</sup>

The decision to put an end to teaching, made possible by the fact that he no longer needed to earn his living by working, was officially motivated by his desire to put together the ideas needed to write the treatise on sociology which he mentioned for the first time in this period.<sup>56</sup>

In truth, there were also important tax-related motives. In fact, Pareto’s additional plan was to leave his position as professor while remaining in the Vaud canton and living off his private income, in order to qualify under the fiscal provision relating to “foreigners not practising any profession within the canton who by law are exempt from tax for ten years”. He would be happy, if permitted under the terms of the regulation, to give an hour of lessons per week free of charge, failing which he would stop “teaching altogether” (Table 1.1).<sup>57</sup>

**Table 1.1** Pareto’s fiscal situation

Year	Assets	Professional earnings	Tax payable
1894	35,500	3800	105.76
1895	35,100	4430	114.81
1896	33,800	5050	122.20
1897	31,100	5700	160.56
1898	31,800	5150	148.16
1899	297,900	5090	943.58
1900	11,800		18.88

Source: Income tax rolls, registers for 1893–1901, Archives of the Financial Directorate, City of Lausanne, figures in Swiss francs

Thus began a long stand-off between Pareto, on the one hand, and the University and the Department of Public Education, on the other.

The first person Pareto thought of to be his replacement was his ex-student Nicolas Herzen (1873–1929), who in 1896 had gained his doctorate in law, but whose predilection for roman law,<sup>58</sup> which Pareto was already aware of, soon revealed itself as irreversible. Thus, after briefly fearing that his chair might go to the French literary economist Charles Gide (1847–1932),<sup>59</sup> who a few months earlier had given a series of lectures in Lausanne, of which Pareto had been highly critical,<sup>60</sup> on the cooperative economy, Pareto started to think, initially with considerable scepticism, about the possibility of simply requesting an assistant.<sup>61</sup>

For this position he thought of Vittorio Racca (1876–1957), a young law graduate from the University of Parma who at the time was of socialist political leanings and who from the Autumn of 1898 would be in Lausanne to assist Pareto with his preliminary documentary research for the treatise on sociology.<sup>62</sup>

Next, possibly in an attempt to force the hands of the authorities, Pareto wrote to Ruchet on the 27th of June asking him to accept his resignation as of the following 31st of December, explaining this by reference to “the scientific research for the treatise on sociology” which he was preparing.<sup>63</sup> On the 16th of August, Pareto and the Dean of faculty Favay were received by Ruchet, who proposed the solution of Pareto being allowed to avail himself of a substitute.<sup>64</sup> Thus, that same day, the faculty board suggested to the Department that Pareto should be permitted to entrust to a person of his own choosing the teaching of those parts of the course he thought best for the length of time he desired. Racca was suggested for this position on the basis of his familiarity with Pareto’s teaching and his shared conception of political economy.<sup>65</sup> On the 14th of October, just before the start of the 1899–1900 academic year, the canton government accepted this proposal.<sup>66</sup> Racca started his brief academic career in Lausanne on the 8th of January 1900, speaking during the course on applied political economy on the theme of non-personal assets, accompanied by Pareto’s hope that, as of the following year, he would be able to substitute him “completely”.<sup>67</sup>

In any case, as early as the 11th of December 1899, Pareto had informed Ruchet that he would forgo any remuneration on the part of the university,<sup>68</sup> with the explicit aim of “thus entering into the category

of foreign residents who, being neither born in the canton nor practising any trade or profession, are not liable to taxes on personal assets". Having noted Pareto's decision and after requesting the Lausanne municipal tax authorities to "monitor and review Mr. Pareto's position",<sup>69</sup> the canton government decided, on the 20th of February 1900, to have Racca, who had previously been paid by Pareto, paid an amount of 200 francs per month of teaching<sup>70</sup> directly by the university. The new head of Department, the radical Camille Decoppet (1862–1924) tried unsuccessfully to reverse this decision, proposing that Pareto should go back to paying Racca.<sup>71</sup> However, on the 23rd of March, following Pareto's protests, the government decided to establish even more favourable terms of remuneration for Racca, amounting to 2400 francs per year plus 50% of the enrolment fees for his part of the course.<sup>72</sup>

In the summer of 1900, Pareto declared himself willing to decide, together with Decoppet, "something definitive, with regard to" his academic position,<sup>73</sup> specifying that he wished only for "a modest salary" for his work, simply because "life is too expensive in Lausanne" for him to "live there without earning". Before the change in his personal circumstances, he had received 6000 francs in all from the university (5000 francs in salary and 1000 francs from course enrolment fees) and this corresponded to the total figure he would now be required to pay in municipal and cantonal taxes if he were to remain in Lausanne. Racca having taken over half of his hours of teaching, "it is thus only right" for Pareto's remuneration to be halved, but for this to be possible, in practice it would be necessary for his salary to be increased to 9000 francs.<sup>74</sup> If the government should decide not to grant this request, Pareto, in spite of "the links of affection and of gratitude" that tied him to the university and to the Vaud canton, would be obliged to resign.<sup>75</sup>

Faced with Decoppet's offer of 8000 francs (the maximum salary payable at the university of Lausanne) for a full course (i.e. without the assistance of Racca),<sup>76</sup> Pareto answered that for the corresponding net salary of 2000 francs he could offer at the most half a course. He therefore asked Coppet "to accept definitively" his resignation, effective from whichever moment the minister chose.<sup>77</sup>

Decoppet, notwithstanding, submitted Pareto's request for a salary of 9000 francs plus the assistance of Racca to the government, at the same time expressing his objections, both on the grounds that this would create

“a precedent which would not fail to be invoked by numerous of Mr. Pareto’s colleagues” and because “the law does not permit us to go up to the figure in question”.<sup>78</sup> However, the faculty board, faced with the prospect of losing Pareto, voted at the meeting of the 2nd of November 1900 for the government to accept his final demands, that is, just one hour per week of teaching, while supervising Racca’s teaching<sup>79</sup> and retaining sole responsibility for the examinations, in exchange for an annual gross salary of 3000 francs plus 50% of the enrolment fees for his course.<sup>80</sup> The government accepted this, maintaining for Racca the same terms as he had enjoyed since the March before, but with the proviso that the appointment could be revoked by either party at three months’ notice after the end of the academic year, which was prompted by the faculty’s reluctance to allow the fact of deputising for Pareto to confer on Racca any rights of succeeding him in his position, since the position should “remain the preserve of an economist who had proved his mettle and who had a scientific reputation comparable to that of Mr. Walras and Mr. Pareto”.

From the winter semester of 1899–1900 to the summer semester of 1903, the teaching work was divided between Pareto and Racca as follows<sup>81</sup>: Pareto taught applied political economy for three hours per week in the winter semester of 1899–1900, in the summer semester of 1900 (real estate, production and commerce), in the winter semester of 1900–1901 and for one hour per week in the summer semester of 1901, the winter semester of 1901–1902 (personal assets and theory of interest), the summer semester of 1902 (production and economic crises), the winter semester of 1902–1903 (division of wealth and modern socialist systems) and the summer semester of 1903.

As for Racca,<sup>82</sup> he taught one hour per week of applied political economy (socialist systems and taxation) in the winter semester of 1900–1901, one hour per week of applied economics and two hours of the history of economic theories (general theories of political economy and their history) in the summer semester of 1901, three hours of applied political economy (of which two hours dedicated to real estate and equity assets) and two hours of social legislation<sup>83</sup> in the winter semester of 1901–1902, three hours per week of applied political economy (of which two hours dedicated to commerce and consumption) and two hours of social legislation in the summer semester of 1902, three hours of applied political

economy (of which two dedicated to taxation and to socialist systems up to the end of the eighteenth century) and two hours of social legislation in the winter semester of 1902–1903, an hour per week of pure political economy and two hours of history of economic theories in the summer semester of 1903.

After a while, however, this arrangement ceased to satisfy for Pareto due to the (for him) fundamental question of logistics, as it necessitated a weekly return journey from Céligny to Lausanne, a journey lasting an hour each way, which he deemed “a major sacrifice”, provoking an outburst of “if only that Racca could hurry up and become famous so that I could retire definitively”.<sup>84</sup>

Thus, in the early summer of 1901, Pareto advised Racca against participating in the selection procedure for a university in Italy because very probably he would not be allowed to emerge victorious, partly due to the scheming of other candidates and partly because the fact of “having been in Lausanne” with him would constitute a penalising factor, while any setback in Italy would penalise him in Lausanne, where “with a little patience, he could end up as professor of Political Economy ... in two or three years’ time”.<sup>85</sup>

This arrangement which had been so painstakingly set up came to nothing when, in October 1903, Racca suddenly failed to appear for the beginning of the new academic year. Pareto’s reaction was to request the dismissal of his assistant, declaring his willingness to begin the course himself but asking, in view of his “scientific activities” and his “health issues”,<sup>86</sup> to be replaced as soon as possible, “at least temporarily”, but “on the same conditions” as Racca, by Boninsegni, who “knows the subject in depth”.<sup>87</sup>

Finally, on the 29th of October, Racca got in touch, with a letter from Athens addressed to the Dean, Roguin, in which he sought to justify his non-arrival as being due to a shipwreck (disastrous for his health) and promising on his return to Lausanne to make good the missed lessons.<sup>88</sup> However, Pareto reiterated his request for a new assistant who would devote himself “wholeheartedly and punctiliously to the teaching of political economy and who would have a perfect understanding with the titular professor”, going on to say that “the collaboration with Mr. Racca deviated gradually from what it had been at the start” so that to resume it would cause “serious problems for the teaching of political economy”.<sup>89</sup>

On the 20th of November, the government accepted Pareto's proposal to authorise Boninsegni for teaching one hour per week under the supervision of Pareto, who would be paid the salary formerly paid to Racca and who would be responsible for paying Boninsegni, while a decision regarding the latter's suitability to continue in the role would be taken in due course.<sup>90</sup>

No details are extant regarding Boninsegni's early teaching experiences in Lausanne, which in any case met with Pareto's approval and, towards the end of the academic year,<sup>91</sup> he proposed to the rector Grenier that the new arrangement for the courses be confirmed for a period of two years, renewable.<sup>92</sup> On the 12th of July, the government authorised Pareto to be partially substituted for a period of two years by Boninsegni, on whom they conferred the title of *professor responsible for courses* (professeur chargé de cours) and whose remuneration was to be paid directly by Pareto.<sup>93</sup> For this two-year period, the organisation of the teaching was as follows: Boninsegni in the winter semester of 1904–1905 taught one hour of applied political economy (socialist systems), in the summer semester of 1905, two hours of the history of economic doctrines (history of political economy), an hour of the science of finance (the state balance sheet) and two hours of statistics; in the winter semester of 1905–1906 he taught two hours of applied political economy (equity assets and real estate), an hour of the science of finance (public debt and the general theory of financial transactions) and two hours of statistics (the graphic method and its applications) while in the summer semester of 1906 he taught three hours of applied political economy (commerce), an hour of the science of finance and two hours of statistics. Pareto, in the winter semester of 1904–1905, taught two hours of applied political economy (socialist systems) and, in the summer semester of 1905, an hour of principles of sociology and an hour of pure political economy; in the winter semester of 1905–1906, he taught two hours per week of applied political economy (population, the rate of interest) and in the summer semester of 1906, an hour of principles of sociology and an hour of applied political economy (production, consumption).

However, January 1905 found Pareto once again contemplating retirement.<sup>94</sup> He was confident that Boninsegni was able to replace him at last, since he taught “a substantial part already”. However, he noted that, on

the one hand, “this would depend on the authorities” and, on the other, “he is competent but he doesn’t speak French very well, which is very important here”.<sup>95</sup> The question was taken up again in the summer of 1906 when the tax commission for the district of Lausanne assessed Pareto’s earnings at 6800 francs, which he contested vigorously, as the university paid him only 5400 francs, from which should be deducted the 2400 francs he passed to Boninsegni and to which should be added a “contribution from students” much lower than the 3800 francs required to arrive at the “fantastical” sum calculated by the commission. This decision thus constituted “the straw that broke the camel’s back” which persuaded him to retire “irrevocably”. He begged the minister Decoppet to accept his resignation as of the 1st of October 1906.<sup>96</sup>

However, once his anger had passed, Pareto declared himself still willing to continue teaching for the winter semester of 1906–1907 so as “to give time to find a successor”.<sup>97</sup> The Dean, Simon de Félice (1867–1935), sought to profit from Pareto’s apparent hesitation by pointing out to Decoppet that it might be possible to persuade him to withdraw his resignation, if he were permitted to teach only in the winter semester, which was less deleterious for his health.<sup>98</sup> At the beginning of the new academic year Boninsegni also declared his candidacy for Pareto’s position, on the basis of the continuing announcements of his resignation as well as of the three years of substitution he had just completed.<sup>99</sup> As for Pareto, he informed the new Dean André Mercier (1874–1947)<sup>100</sup> that he would be prepared to teach pure economics and sociology, under whatever title the authorities “saw fit” to assign him, residing continuously in Lausanne in winter for the 89 days allowed to him by law “without being subject to the progressive tax on personal assets”. As regards the “teaching of political economy with a mathematical and scientific foundation”, he proposed Boninsegni, adding that he should also be confirmed for the courses in statistics and the science of finance, while possibly being relieved of the teaching of social legislation.

At the department’s request, on the 14th of December 1906 the faculty expressed its approval for Pareto’s appointment to the chair in political and social sciences (including pure economics and sociology), as well as for Boninsegni’s taking the role of extraordinary Professor in political economy.<sup>101</sup> On the 8th of January the government nominated Boninsegni extraordinary Professor of applied political economy, social



legislation, science of finance and statistics<sup>102</sup> and Pareto to the chair in social and political science, with the obligation of teaching a single course in the winter semester. His remuneration was to be 1000 francs plus 50% of the enrolment fees.<sup>103</sup> However, Pareto pointed out that the four hours per week of lessons for half a semester (which would be his new teaching commitment) were equivalent to two hours per week for a whole semester, that is, half of his existing teaching requirement, while the new salary level proposed was only a third of that previously in force. Hence, for 1000 francs he could offer only two hours of lessons per week for three months. If this was not acceptable, he would resign as of the 1st of April 1907.<sup>104</sup> The Department accepted Pareto's reduced availability in return for 1000 francs.<sup>105</sup> Thus, at least in theory, Pareto's final teaching commitments were as follows: an hour per week of sociology in the winter semester of 1906–1907 together with an hour of sociology and an hour of pure economics in the winter semester of 1907–1908.<sup>106</sup>

On the 18th of September 1908, Pareto informed Decoppet of his resignation, this time truly irrevocably, being motivated by a deterioration in his health.<sup>107</sup> The Department requested Roguin, who was Dean once more, to investigate the justification for this latest resignation, but Roguin was obliged to report that Pareto was indeed lost to teaching, proposing, however, to retain him among the teaching staff for the sake of the prestige of the institution.<sup>108</sup> The Department, having invited the faculty board to make proposals for Pareto's permanent replacement, decided to advise the government to accept Pareto's resignation for the end of the current 1908–1909 academic year and to appoint him honorary professor. However, due to the availability of Maurice Millioud (1865–1925)<sup>109</sup> to take over the course in sociology under Pareto's supervision, and of Pareto's willingness in turn to convert his resignation into a request for a year's sabbatical, on the 27th of October the government granted Pareto the period of sabbatical requested, replacing him for the coming winter semester with Millioud for sociology and with Boninsegni for pure economics, for which each of them was to receive 500 francs.<sup>110</sup> Pareto made only two further fleeting returns to teaching, first in May 1909, when he taught the last official sociology course (consisting of only eight lessons ending on the 4th of June<sup>111</sup>) and then in May 1916, when he taught another course in sociology but with no final exams.<sup>112</sup>

## 1.4 The Founding of the *School of Social Sciences (École des Sciences Sociales)* in Lausanne

In the context of Pareto's official relations with the University of Lausanne, pride of place must go to his role in the foundation of the *École des Sciences Sociales*.

Alongside the normal teaching of political economy, from the summer semester of 1891 to the summer semester of 1896 the University of Lausanne also offered teaching in the history of civilisation and of economic doctrines, social economics, philosophy of history and elements of sociology (relating in particular to demography, social legislation, labour history and social systems) for students of law and of letters. The "authorised professor" teaching these courses<sup>113</sup> was Louis Jaquemot,<sup>114</sup> who had held the chair in political economy at Geneva since 1885 (he was Pantaleoni's predecessor<sup>115</sup>) and who is now completely forgotten (obscure personal issues with criminal ramifications brought his university career to an end between 1896 and 1897), but who had been one of the leading lights of political and cultural life in Geneva in the 1880s and early 1890s. It was against this backdrop that the repeated attempts to introduce a regular degree course in social sciences were made, culminating in success only in 1902.

At its meeting of the 5th of March 1895, following the death of the philosopher Charles Secrétan (1815–1895), the board of the faculty of letters proposed to the *Commission Universitaire* (the University Commission responsible for academic matters, composed of the Rector and the Deans of Faculty, henceforth referred to as the Commission) that his teaching should be divided into two areas, one covering historical and metaphysical subjects (to be taught by the above-mentioned Millioud) and the other scientific and juridical subjects, for which a teacher needed to be found.<sup>116</sup> However, at the same meeting, a proposal was also made to create a degree course in social sciences. On the following 30th of May the boards of the faculties of law and of letters, sitting together for the occasion, agreed to the choice of Millioud for the teaching of the philosophy of history but did not agree regarding the other putative new course. The

Commission proposed a course in physiological psychology to be taught by Alexander Herzen, the faculty of letters wished to find someone able to teach “scientific and juridical philosophy” while the faculty of law would be happy with a chair in philosophy of law, to be entrusted to a jurist. Professor Georges Renard (1847–1930), historian of French literature, *ex-comunard*, socialist and friend of Pareto, then convinced the two faculties to ask the government to establish a degree course and a doctoral programme in political science, which they did but without success.<sup>117</sup>

The decisive attempt began at the law Faculty board meeting of the 2nd of December 1901, during which the suggestion of the lawyer Tvakhterew from Odessa to create “special doctorates” was discussed. Pareto then made his voice heard, saying that this suggestion was worthy of consideration, expressing his views that it would be “expedient” for the university to award qualifications in social sciences, particularly that of criminal anthropology. The faculty approved and set up a commission of investigation composed of the Dean, Erman, Roguin (who had supported Pareto’s position) and Pareto himself, which Millioud would be invited to join in his capacity as Dean of the faculty of letters.<sup>118</sup> The commission, basing itself on a proposal made by Pareto (which has not been traced), formulated a project<sup>119</sup> which, drawing on resources which were already available in the two faculties, could be immediately implemented with a view to responding forthwith “to the needs and the wishes expressed by a notable part of the student body”, as well as liberating the university from “a marked sense of inferiority with regard to other institutions of higher education in our country and abroad”.<sup>120</sup> More specifically, the commission proposed a new general degree course awarding both degrees and doctorates, to cover, as obligatory subjects, general philosophy, sociology, political economy (including demography and history of economic doctrines), basic notions both of public and private law and political history. Optional subjects were to include a foreign language (and its related literature), anthropology as referred to social sciences, history of religions, statistics, social legislation, geography as referred to social sciences, the science of finance and international law. The parliament of the canton, prompted by the government, accepted the proposal, to be introduced as a modification to the law relating to the university, on the 17th of May 1902.<sup>121</sup>

Pareto played what was certainly a more important role in the first reform of social studies at the university. During the preliminary work on a new law for university, on the 15th of July 1910 the commission administering the *École des Sciences Sociales* (which included Boninsegni, Millioud, Roguin and the literary man Paul Sirven) proposed that the school should become an *École des Sciences Sociales et Politiques* (School of Social and Political Sciences) offering various degree courses, including a theoretical/general course, an insurance course, a preparatory course for consular and diplomatic careers and a preparatory course for journalism.<sup>122</sup> Asked his opinion by the Dean of the faculty of law Paul Rambert (1866–1932), Pareto<sup>123</sup> said that if the proposed practical degree courses were to be introduced as an alternative to the theoretical one, the latter would disappear, as being considered perfectly useless by the students. If, on the other hand, it was thought that “the scientific study of social sciences” could be cultivated at the university of Lausanne in order to fill a gap across Europe for “this type of teaching”, then it was necessary to make this possible by confirming the only theoretical degree course and by placing the practical courses in the *École des hautes études commerciales* (School for higher commercial studies) which was then in the process of being set up (and which was inaugurated on the 15th of May 1911), with which they shared “a common aim and methodology”. Pareto added that the future of the study of social sciences at Lausanne seemed promising, both because the courses at the *École des sciences sociales* were “very well-attended” and because Millioud seemed to him capable of “dispensing a truly scientific teaching of sociology”. The school’s commission was in agreement with Pareto’s view and on the 5th of May 1912 the government created an *École des Sciences Sociales et Politiques* (School of Social and Political Sciences), still under the aegis of the faculty of law but finally independent, offering a single, theoretical degree course.

## 1.5 The Teaching of Political Economy

Pareto began his teaching program at Lausanne with a long experience of public speaking behind him but never having actually taught before.

Nonetheless, he had already given thought to the contents of the teaching of political economy,<sup>124</sup> writing to Walras that scientific demonstrations were necessary only for the *élite*. Instead, in order to get the truth “into heads which are sometimes extremely obtuse . . . you have to repeat things which are of an outrageous simplicity a hundred times”, as he sought to do in the summer of 1891, with his anti-protectionist publications whose “value in scientific terms is nil”.<sup>125</sup> Furthermore, having understood immediately that his readers in political economy were not familiar with mathematical analysis, Pareto, in the summer of 1892, wrote articles for the “*Monde économique*” with the aim of “explaining mathematical political economy to those who do not know mathematics”, which cost him “great effort because [he] wished to be understood by all”.<sup>126</sup> In the same period, he wished to prove to an early critic, the Franco-German economist Maurice Block, that he did not “need mathematics to make [him]self understood”.<sup>127</sup> In any case Pareto, at the time of his being called to Lausanne, hastened to inform his friend Moneta, with evident enthusiasm, that he was going to Lausanne to teach “economic liberty”.<sup>128</sup>

The “*Gazette de Lausanne*”<sup>129</sup> and the “*Revue*”<sup>130</sup> informed their readers that Pareto was due to give his first lesson on the 12th of May at 3 pm in lecture theatre 2 of the Old Academy (*Vieille Académie*),<sup>131</sup> on the theme “the definition of pure political economy and its method of study”. To the present day the only information we have on Pareto’s academic debut is owed to the “*Revue*”,<sup>132</sup> which reported that Pareto gave his lesson in front of a crowded audience after having been introduced by the Dean, Grenier. Pareto spoke of the application of mathematics to economics, as had been so ably conceived and put into practice by his predecessor Walras. The radical party daily, describing the excellent impression made by the first lesson (lasting around 40 minutes, and “spoken rather than read”, as recommended by Walras<sup>133</sup>), saw the new professor as “still a young man, with a Mediterranean look, a pale complexion, black beard and flowing and pleasant diction”, noting that he expressed himself “perfectly correctly”, finding “the mot juste without hesitation”.<sup>134</sup> Pareto, who planned to “dictate as much as possible of [his] lessons, as it seems to [him] that this could facilitate the task of the students and it is not for [him] a real difficulty”,<sup>135</sup> decided once again to follow Walras’ advice by including “as little mathematics as possible in the course”.<sup>136</sup> In fact, as

soon as he was appointed, he had asked Walras' advice on the preparation of the course,<sup>137</sup> expressing his "extreme gratitude" towards his predecessor for having already prepared "the course to be taught, divided into lessons", but leaving him "with complete freedom to do things differently, and better".<sup>138</sup>

On learning, however, that Walras' recommendations had done him a disservice precisely because it was feared that, like him, he would give "lessons which were comprehensible only to the few" which consequently were ill-attended, Pareto, while continuing to sing the praises of Walras, decided he would "explain things in such a way as to be understood by all". In this way he soon gathered 22 students (increasing by the end of the course to 29, as against the 6 who had attended his predecessor's last course<sup>139</sup>), who to him "appeared to acquire a taste for what [he was] teaching them"<sup>140</sup> even if "when they see an equation, they get scared".<sup>141</sup> To help the students in their studies, Pareto also introduced the innovation of periodically distributing lithographed summaries of the lessons<sup>142</sup> and, on a weekly basis, getting them to give "lectures in which they explain[ed] economic theories" while Pareto offered "any clarification they desir[ed]".<sup>143</sup>

Walras immediately and courteously noted that Pareto's course on pure economics had been "very brilliant and very popular".<sup>144</sup> When, at the faculty board of 29th March 1895, Erman wondered whether it might not be a good idea to introduce measures obliging students who had to sit exams to attend the relevant courses, Roguin, with Pareto's explicit support, adopted a stance in favour of "complete liberty in this regard".<sup>145</sup>

In November 1893 Pareto, beginning to take stock of this new experience, expressed his satisfaction that the authorities were "happy" with him, where in Italy he would have been dismissed. If among his fifty-six students "there were at least 10 or so who absorbed free-trade ideas, after a few years [he] would have contributed something to the spreading of the [free-trade] doctrine".<sup>146</sup> Similarly, in May 1894 he described the four semesters of the course as an explanation of the "scientific principles of free-trade", imparted also in the hope that among the students "some may in turn go on to teach these to others".<sup>147</sup>

However, in the spring of 1896, Pareto was forced to acknowledge that his students "know nothing of mathematics and are not curious about political economy: they wish to know just enough for the exam and no