

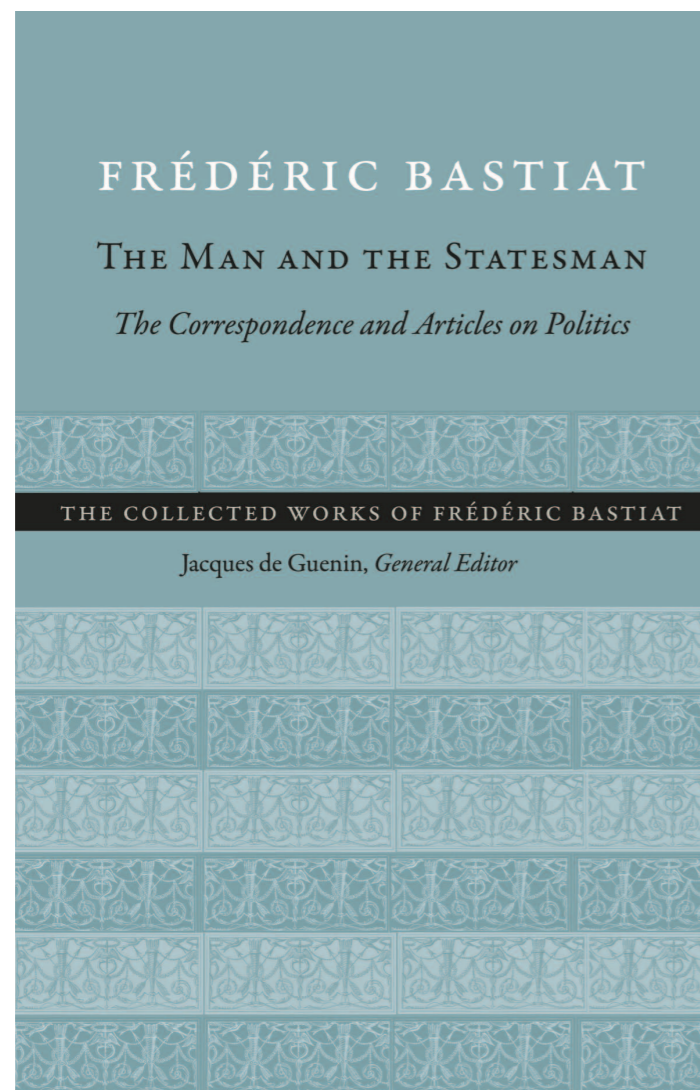


**“Frédéric Bastiat (1801-1850): Campaigner for Free Trade, Political Economist, & Politician in a Time of Revolution”  
Dr. David M. Hart**

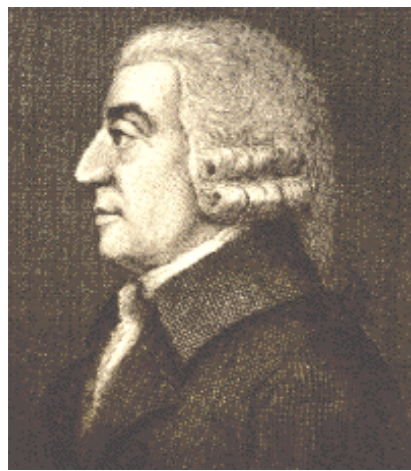
Liberty fund's edition of the *Collected Works of Frédéric Bastiat*, 6 vols.

General Editor - Jacques de Guenin

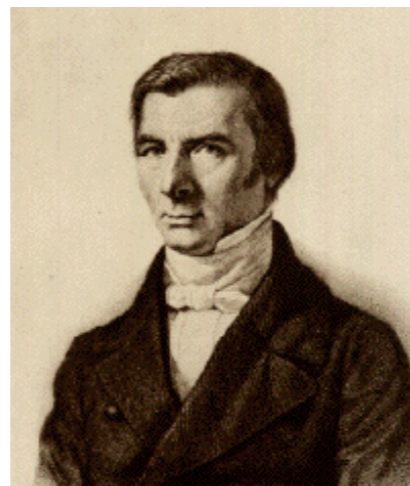
Academic Editor - David M. Hart



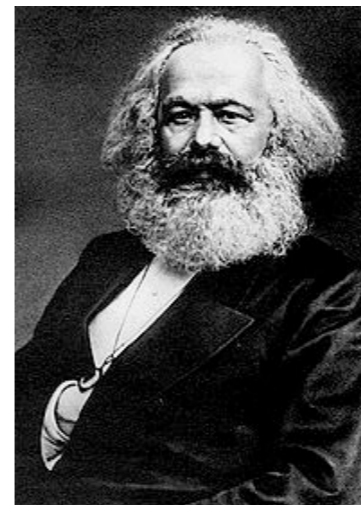




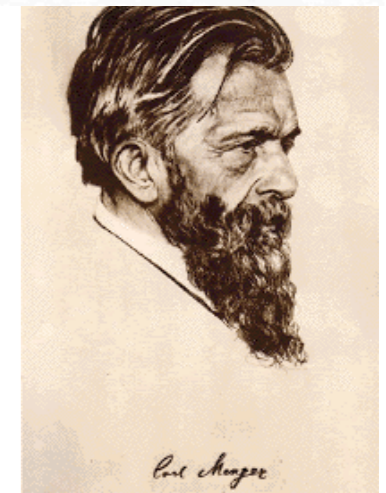
**The Anglo-Scottish  
Classical School**  
Adam Smith (1723-1790)  
David Ricardo (1772-1823)  
J.S. Mill (1806-1873)



**The French School (“les  
économistes”)**  
Turgot (1727-1781)  
J.B. Say (1767-1832)  
F. Bastiat (1801-1850)

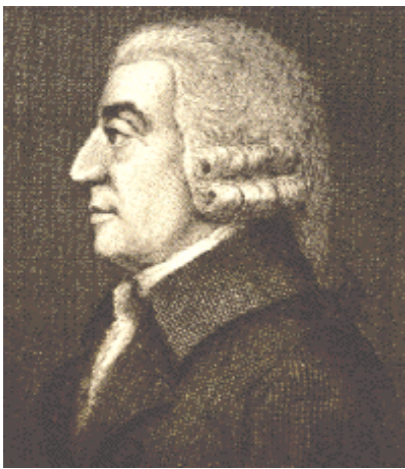


**The Socialist School**  
H. de Saint-Simon  
(1760-1825)  
P.J. Proudhon (1809-1865)  
Karl Marx (1818-1883)



**The Marginalist/  
Austrian School**  
Léon Walras (1834-1910)  
W.S. Jevons (1835-1882)  
Karl Menger (1840-1921)

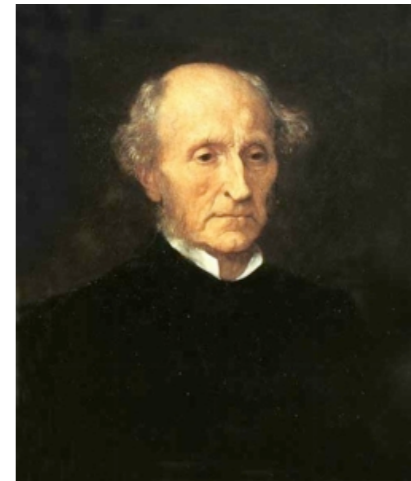
## Schools of Political Economy in the 19th Century



**Adam Smith (1723-1790)**



**David Ricardo (1772-1823)**



**J.S. Mill (1806-1873)**

## **Key Ideas**

- theory of value or price
  - a “natural” price which reflects deep underlying determinants of the economy (land, labour, cost of production)
  - a “market” price which reflects temporary, local fluctuations or changes theory of value or price, tends towards “natural price”
- money and banking
  - money as a “medium of exchange”, note issue based on gold
- trade
  - opposed mercantilism and favoured free trade and deregulation
- population
  - Malthusian idea of over-population
- theory of the state
  - utilitarianism (regulation to increase public utility); defence, police, public goods

**Schools of Political Economy in the 19th Century:  
The Anglo-Scottish School**

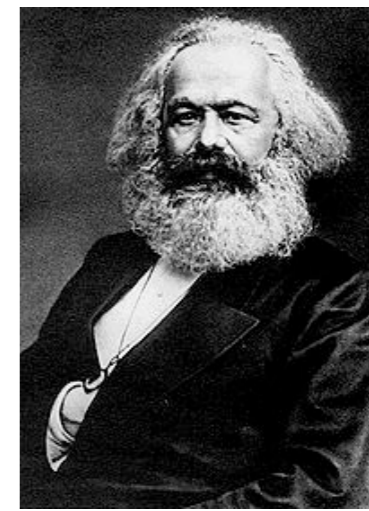




**H. de Saint-Simon (1760-1825)**



**P.J. Proudhon (1809-1865)**



**Karl Marx (1818-1883)**

## **Key Ideas**

- theory of value or price
  - “labour theory of value” - working class exploited because they do not receive the “full value” of their labour via wages
  - interest, profit, rent all “unearned income” of “capitalist class”
- money and banking
  - nationalization of banks to provide “cheap credit”
- trade
  - state regulation to develop “national economy”
- population
  - no particular theory of pop.
- theory of the state
  - nationalization of all factors of production (land, industry, banking) to ensure “equality”
  - dispossession of “capitalist class” through violent revolution or legislation

**Schools of Political Economy in the 19th Century:  
The Socialist School**



**Turgot (1727-1781)**



**J.B. Say (1767-1832)**



**F. Bastiat (1801-1850)**

## **Key Ideas**

- theory of value or price
  - 18thC Physiocrats favoured land as “sole” productive agent
  - most in 19thC followed classical view of value
  - Bastiat developed “pre” or “proto” Austrian notions of value/rent
- money and banking
  - hard money banking; free banking (Coquelin)
- trade
  - radical free trade and deregulation; free trade vs. war; anti-socialist
- population
  - Malthusian idea of over-population
- theory of the state
  - natural rights defence of liberty; more radical limited state than Anglo-school (Bastiat); early free market anarchists (Molinari); class theory of exploited productive class vs. parasitic state and its cronies

**Schools of Political Economy in the 19th Century:  
The French School (Les Économistes)**





**Léon Walras (1834-1910)**



**W.S. Jevons (1835-1882)**



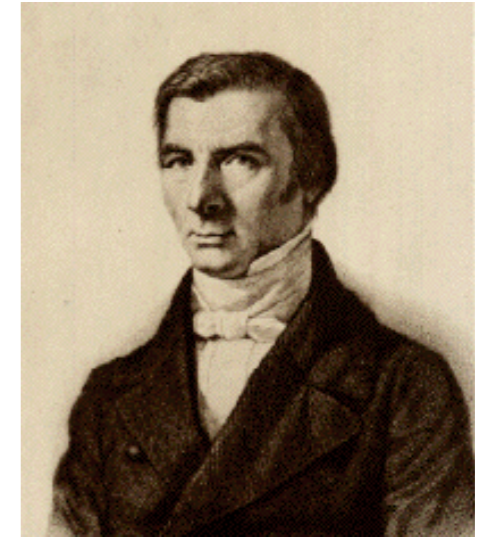
**Karl Menger (1840-1921)**

## **Key Ideas**

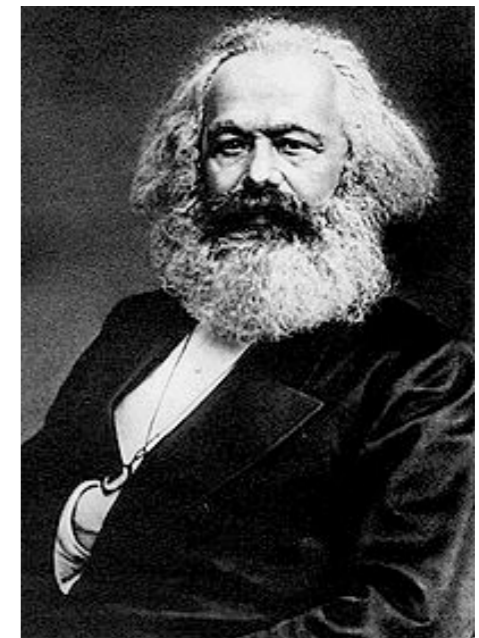
- theory of value or price
  - “subject theory of value” - individuals place a personal, subjective value on goods and services based upon their “preferences”
  - market prices send “signals” to producers concerning how and what is produced
- money and banking
  - government monopoly of banking and money causes business cycle by manipulating interest rate
  - need for gold standard, competitive issue of money
- trade
  - free trade and laissez-faire in all areas
- population
  - economic production not limited by size of population
- theory of the state
  - ultra-minimal “nightwatchman” state (or no state - Rothbardians)

**Schools of Political Economy in the 19th Century:  
The Marginalist/Austrian School**

From Marx's *Das Kapital* vol. I (1867)



- “the most superficial and therefore the most successful representative of apologetic vulgar economics”
- “the modern bagmen of free trade”
- “a dwarf economist” (like Bastiat)



**Marx's Hostility towards Bastiat & Free Market Ideas**





Leonard E. Read (1898-1983) - FEE



Henry Hazlitt (1894-1993) - WSJ, NYT



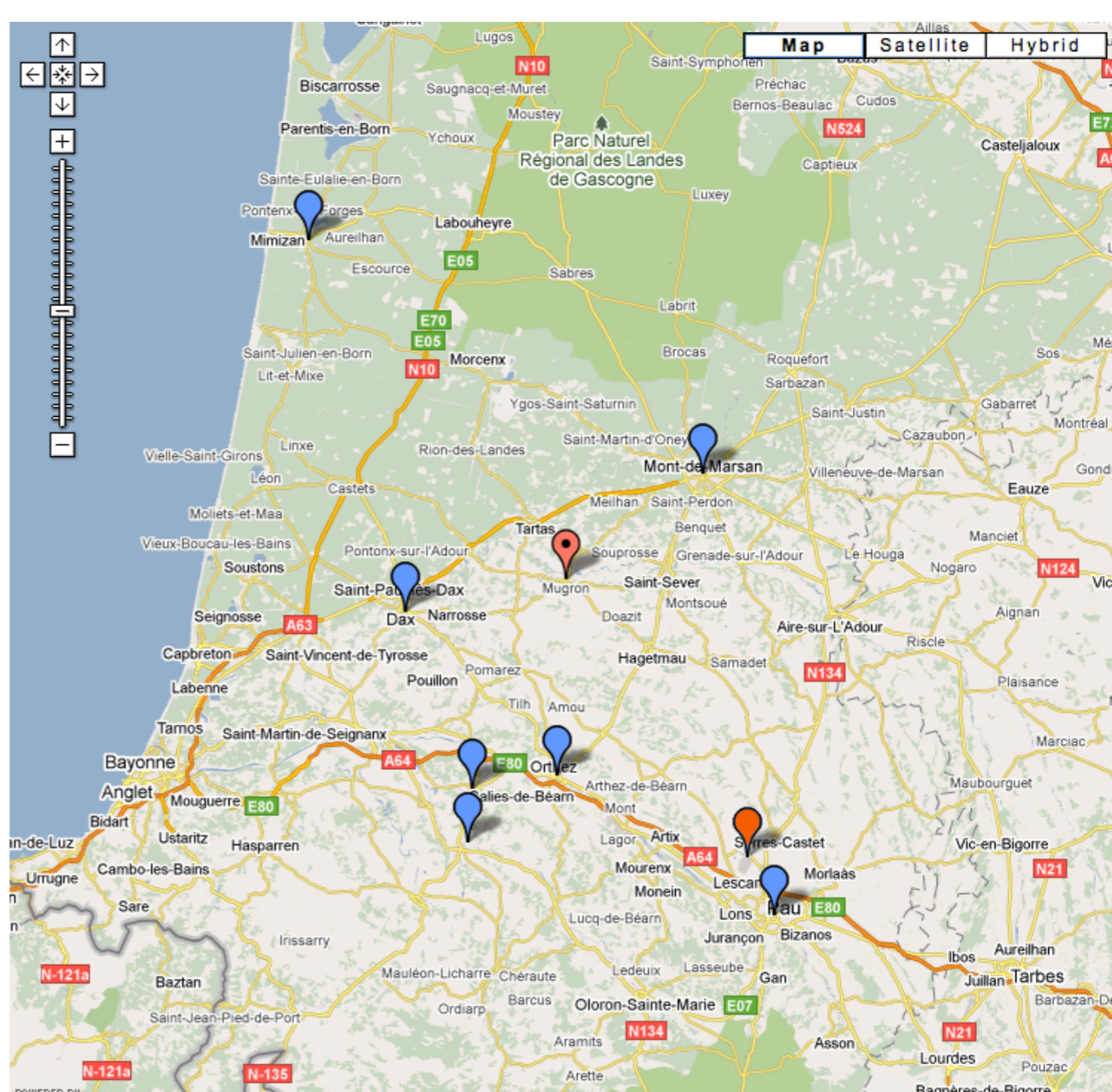
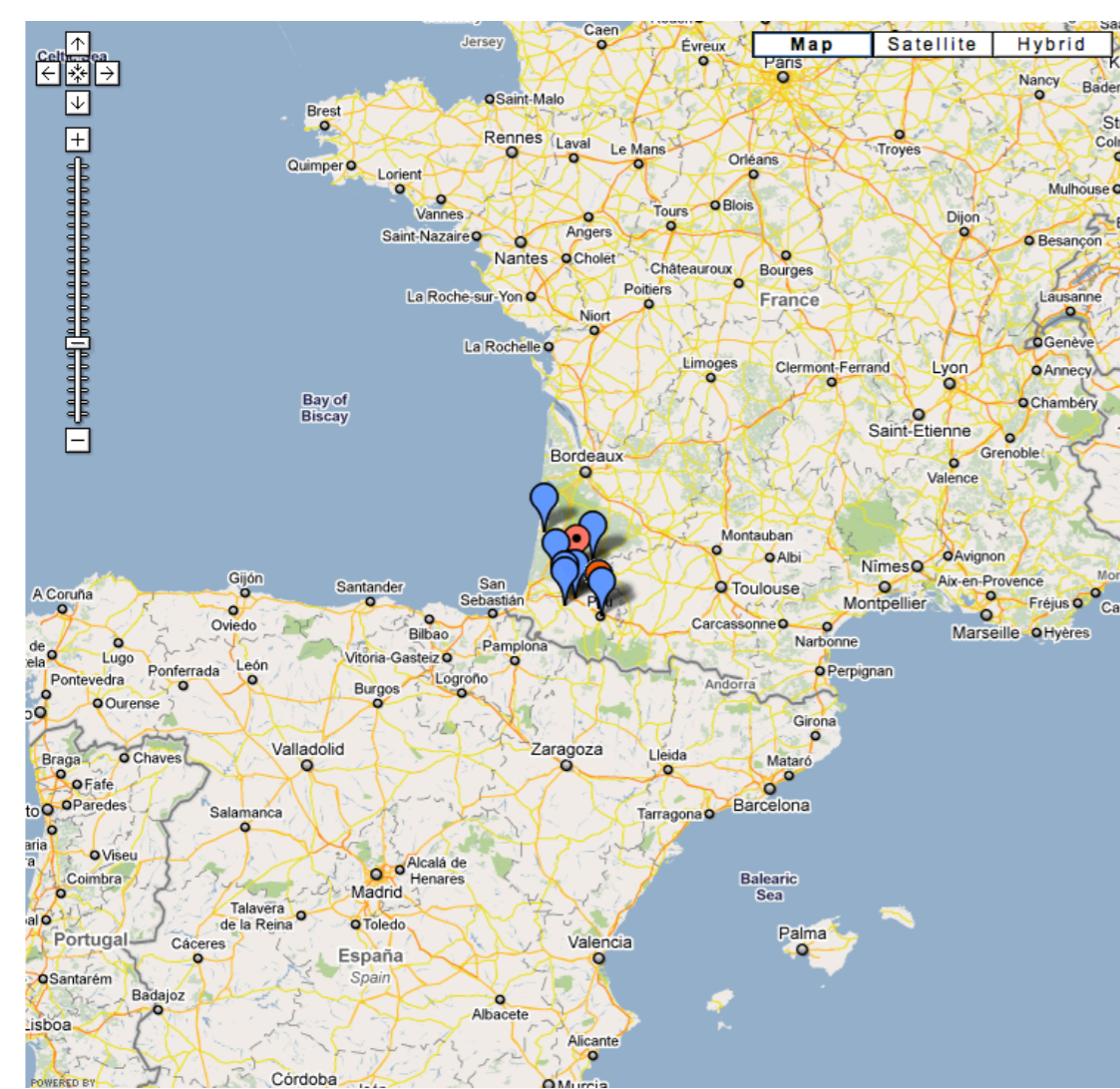
Murray N. Rothbard (1926-1995)



Pres. Ronald Reagan (1911-2004)

**The Rediscovery of Bastiat in the Post-WW2 Era**





Where the hell is Mugron?





**STATISTIQUE**  
DIVISION ADMINISTRATIVE.

*Le département des Landes est formé de la partie occidentale de la Gascogne et du département de la Gironde sur le littoral de son territoire. Sa population est de 269,225 habitants sur une étendue de 3,515 lieues carrées ou 9,145 kilomètres carrés.*

**ÉTENDUE DU TERRITOIRE**  
Superficie totale 3,515 lieues carrées ou 9,145 kilomètres carrés.

**POPULATION**  
En 1854, le département des Landes comptait 269,225 habitants.

**ÉTENDUE DU TERRITOIRE**  
Superficie totale 3,515 lieues carrées ou 9,145 kilomètres carrés.

**POPULATION**  
En 1854, le département des Landes comptait 269,225 habitants.

**ÉTENDUE DU TERRITOIRE**  
Superficie totale 3,515 lieues carrées ou 9,145 kilomètres carrés.

**POPULATION**  
En 1854, le département des Landes comptait 269,225 habitants.

**PRODUCTIONS**  
Le climat des Landes est très sec, la culture de la vigne est impossible et celle du blé de peu de rendement. On y cultive le maïs, le sorgho, les légumes secs, les céréales d'hiver et le chanvre. Les productions principales sont le maïs, le sorgho, les légumes secs, les céréales d'hiver et le chanvre.

**SIGNES**

○	Limites de département
○	Limites d'arrondissement
○	Limites de canton
○	Communes
○	Routes Nationales et départemens
○	Rivers
○	Chemins de grande communication
○	Routes de poste aux chevaux
○	Routes de poste aux messagers
○	Routes de poste aux diligences
○	Chemins vicinaux

**DÉPT DES LANDES.**

**A Contemporary Map of Les Landes Département (1854)**

Lemercier Imp. Paris





**A Contemporary Map of Les Landes Département (1854) - Mugron & Ardour R.**



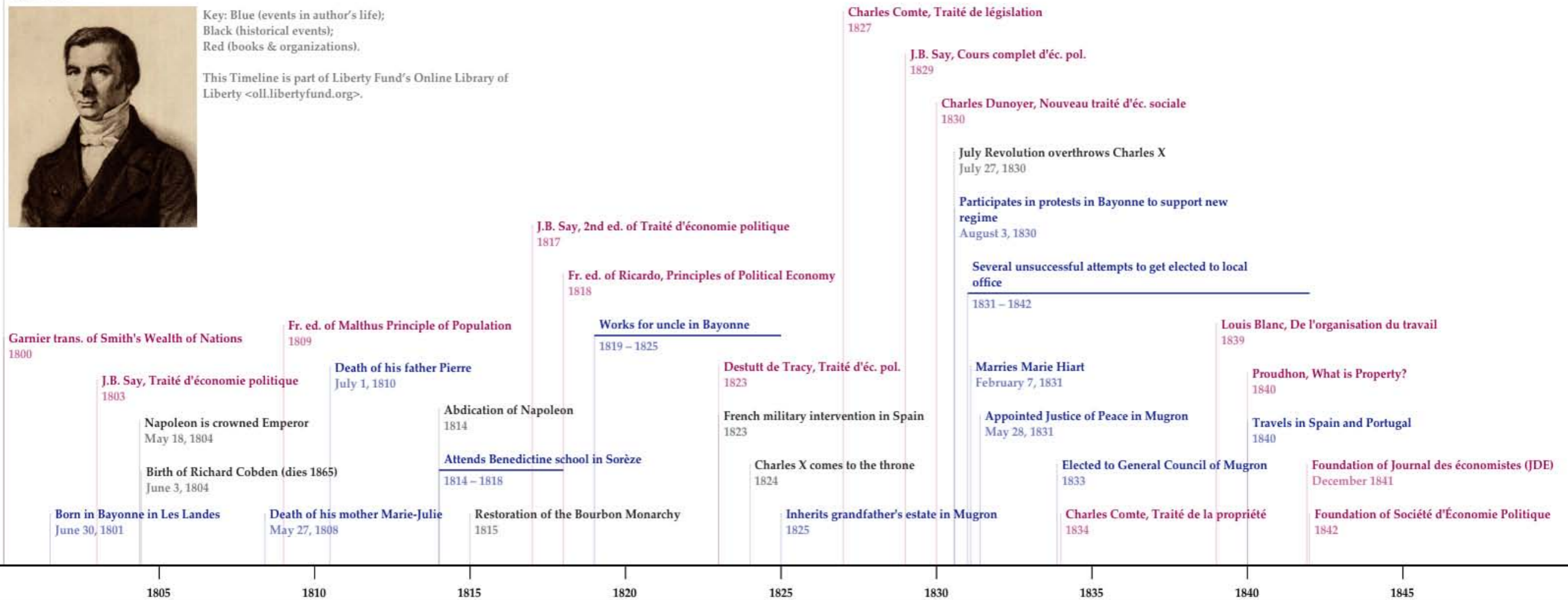
The Life and Times of Frédéric Bastiat I: "The Unseen" (1801-1844)

1800 – 1844



Key: Blue (events in author's life);  
Black (historical events);  
Red (books & organizations).

This Timeline is part of Liberty Fund's Online Library of Liberty <oll.libertyfund.org>.



## The "Unseen" Bastiat: Provincial Magistrate & Landowner (1801-1844)

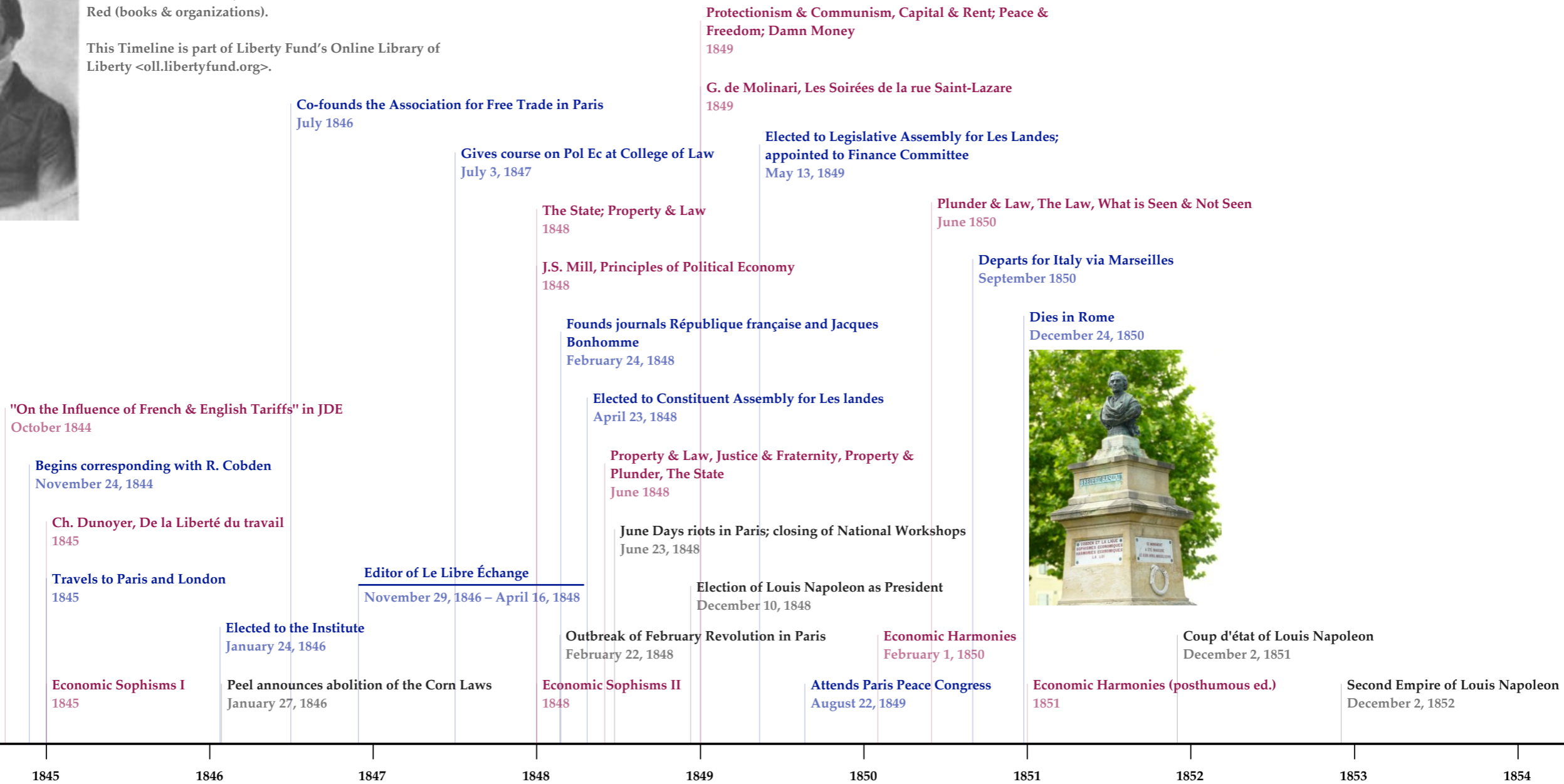
The Life and Times of Frédéric Bastiat II: The "Seen" (1844-1850)

1844 – 1850



Key: Blue (events in author's life);  
Black (historical events);  
Red (books & organizations).

This Timeline is part of Liberty Fund's Online Library of Liberty <oll.libertyfund.org>.



The "Seen" Bastiat: Free Trade Organizer, Politician, Economist (1844-1850)



- 1844 - “De l’influence des tarifs français et anglais sur l’avenir des deux peuples” in JDE Oct. 1844
- 1845
  - *Cobden et al ligue* [*Cobden and the League*]
  - part 1 of *Economic Sophisms* with 22 essays (part 2 appears in 1848- with 17 essays)
  - "Petition of the Candle-makers"
- 1846 - editor of *Le libre échange* (until 16 Apr. 1848)
- 1848
  - “Propriété et loi” [Property and Law]
  - “Justice et fraternité” [Justice and Fraternity]
  - “Propriété et spoliation” [Property and Plunder]
  - “L’État” [The State]

## Bastiat’s Major Writings I

### COBDEN ET LA LIGUE

OU

L'AGITATION ANGLAISE

POUR LA

LIBERTÉ DU COMMERCE;

PAR

M. Fréd. BASTIAT,

Membre du Conseil-général des Landes.

PARIS.

GUILLAUMIN, LIBRAIRE,

Éditeur du Dictionnaire du Commerce et des Marchandises, du Journal des Économistes, de la Collection des principaux Économistes, etc., etc.,  
RUE RICHELIEU, 14.

1845.

L'ÉTAT

MAUDIT ARGENT

PAR

M. FRÉDÉRIC BASTIAT,

Représentant du peuple,

MEMBRE CORRESPONDANT DE L'INSTITUT,  
ET DU CONSEIL GÉNÉRAL DES LANDES.

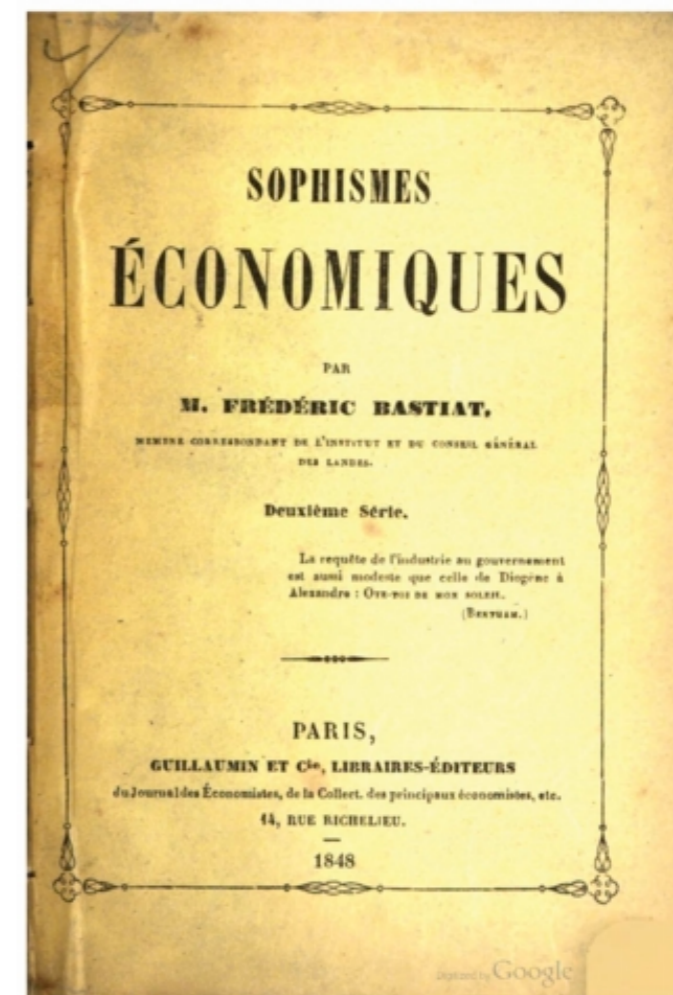


PARIS

GUILLAUMIN ET C<sup>e</sup>, LIBRAIRES-ÉDITEURS  
du Journal des Économistes, de la Collect. des princip. économistes, etc.,  
14, RUE RICHELIEU.

1849

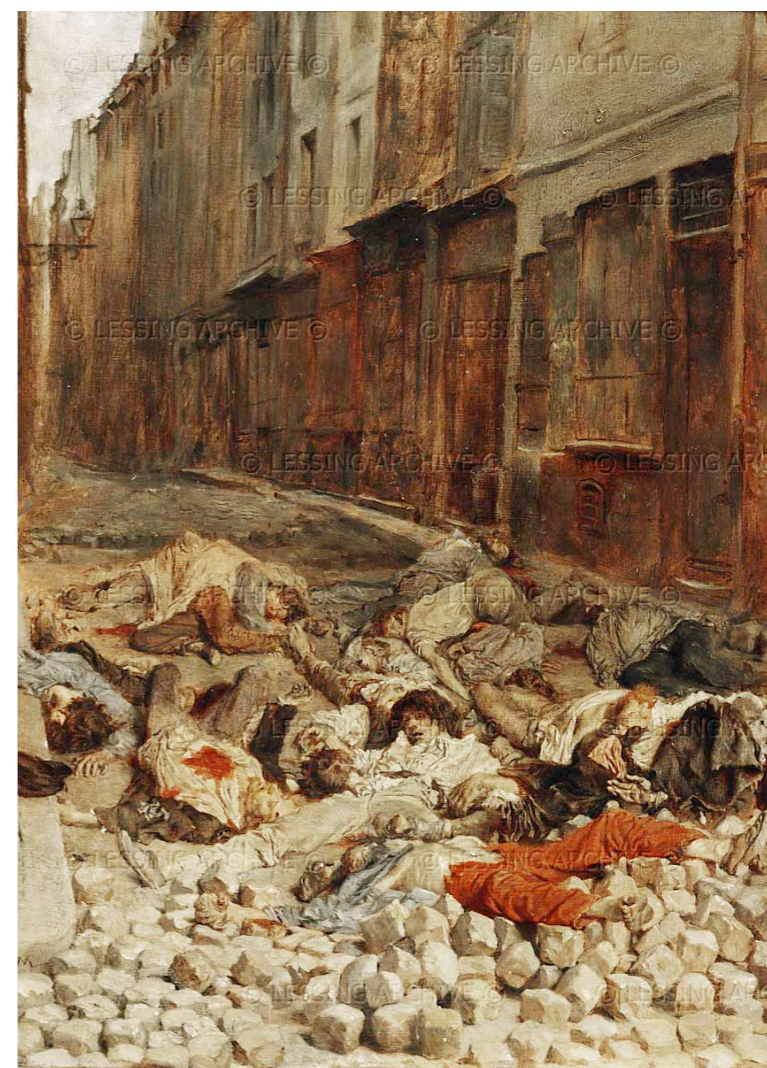
- 1849
  - “Protectionnisme et communisme” [Protectionism and Communism]
  - “Capital et rente” [Capital and Rent]
  - “Paix et liberté ou le budget républicain” [Peace and Liberty, or the Republican Budget]
  - “Les incompatibilités parlementaires” [Parliamentary Conflicts of Interest]
  - “Maudit l’argent!” [Damn Money!]
- 1850
  - part 1 of his magnum opus *Economic Harmonies* (part 2 published posthumously)
  - “Intérêt et principal” [Interest and Principal]
  - “Spoliation et la loi” [Plunder and Law]
  - “La loi” [The Law]
  - “Baccalauréat et socialisme” [Baccalaureat and Socialism]
  - “Ce qu’on voit et ce qu’on ne voit pas” [What is Seen and What is Not Seen]



## Bastiat's Major Writings II



- The Benefits of Free Exchange: the Provisioning of Paris (Ec. Soph. I)
- Restrictions on Trade harm Consumers: the Petition of the Candlemakers (Ec. Soph. I)
- Legal and Illegal Plunder (The Law) and The Laws of its Operation (Ec.Soph. II)
- Unseen Negative Unintended Consequences: The Broken Window Fallacy (Seen and Unseen)
- FB's Definition of the State: The Great Fiction



**Key Quotes from Bastiat's Writings**



How does each succeeding day manage to bring to this gigantic market just what is necessary—neither too much nor too little? **What, then, is the resourceful and secret power that governs the amazing regularity of such complicated movements**, a regularity in which everyone has such implicit faith, although his prosperity and his very life depend upon it? **That power is an *absolute principle*, the principle of free exchange.**



[Paris]

## I. The Benefits of Free Exchange: the Provisioning of Paris (Ec. Soph. I)



We ask you to be so good as **to pass a law requiring the closing of all windows, dormers, skylights, inside and outside shutters, curtains, casements, bull's-eyes, deadlights, and blinds—in short, all openings, holes, chinks, and fissures through which the light of the sun is wont to enter houses, to the detriment of the fair industries with which, we are proud to say, we have endowed the country, a country that cannot, without betraying ingratitude, abandon us today to so unequal a combat.**



[Napoleon III]

## **2. Restrictions on Trade harm Consumers: the Petition of the Candlemakers (Ec. Soph. I)**



**When property is transferred without the consent of its owner and without compensation, whether by force or by fraud, from the one who possesses it to anyone who has not created it, I say that property rights have been violated, that plunder has been committed.** I say that this is precisely what the law is supposed to suppress always and everywhere. **If the law itself commits the act that it is supposed to suppress, I say that this is still plunder** and, as far as society is concerned, plunder of an even graver kind.



L'Assemblée en récréation

**The law sometimes sides with the plunderer. Sometimes it commits plunder with its own hands, in order to spare the beneficiary shame, danger, and qualms of conscience. Sometimes it places this whole apparatus of courts, police, constabularies, and prisons at the service of the plunderer, and puts the plundered person, when he defends himself, in the prisoners' dock. In a word, there is legal plunder**



[Constituent Assembly 1848]

### **3a. Legal and Illegal Plunder (The Law) and The Laws of its Operation (Ec. Soph. II)**



**The prevailing illusion of our age is that it is possible to enrich all classes at the expense of one another—to make plunder universal under the pretext of organizing it.** Now, legal plunder can be committed in an infinite number of ways; hence, there are an infinite number of plans for organizing it: **tariffs, protection, bonuses, subsidies, incentives, the progressive income tax, free education, the right to employment, the right to profit, the right to wages, the right to relief, the right to the tools of production, interest-free credit, etc., etc.**

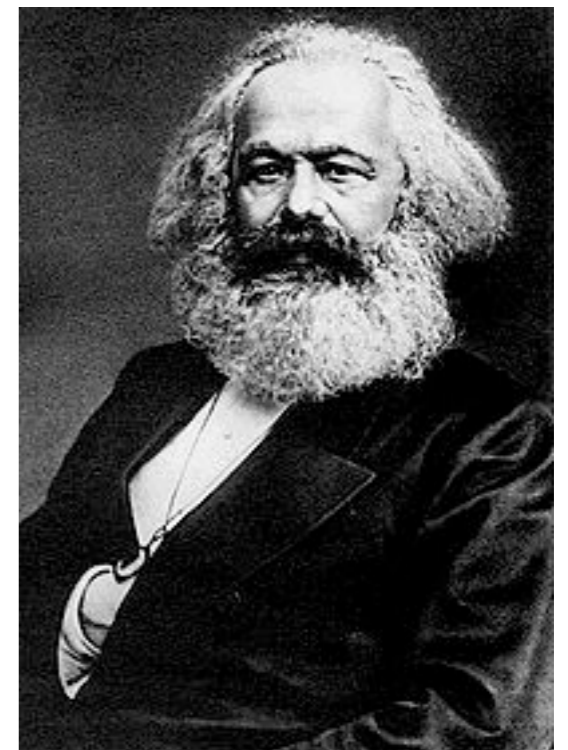


[Paris: octroi (tax) walls]

### **3b. Legal and Illegal Plunder (The Law) and The Laws of its Operation (Ec.Soph. II)**

There is only one difference between a bad economist and a good one: **the bad economist confines himself to the visible effect; the good economist takes into account both the effect that can be seen and those effects that must be foreseen.**

Yet this difference is tremendous; for it almost always happens that when **the immediate consequence is favorable, the later consequences are disastrous**, and vice versa.



[Louis Blanc, Proudhon, Saint-Simon, Marx]

#### 4. Unseen Negative Unintended Consequences: The Broken Window Fallacy

(Seen and Unseen)



As for us, we think that **the state is not and should not be anything else than the common police force** instituted, not to be an instrument of oppression and reciprocal plunder, but, on the contrary, **to guarantee to each his own and to make justice and security prevail...**

**THE STATE is the great fiction by which EVERYONE endeavours to live at the expense of EVERYONE ELSE.**



[Frédéric Bastiat]

## **5. FB's Definition of the State: The Great Fiction**





HERE LIES

FRÉDÉRIC BASTIAT

Representative of the people to Parliament,  
Correspondent of the Institute of France,  
born in Bayonne in 1801,  
died in Rome on 24th December 1850.

Parliament will miss such an enlightened and conscientious representative, political economy, such an eminent exponent of its purest doctrines and of the harmony of its laws. His family will only find consolation for such a painful separation in the memory of his Christian death

*in pace*

**Bastiat's Gravestone in the Church of Saint-Louis de Française in Rome**





**A Monument erected to the memory of Bastiat in Mugron, 23 April, 1878  
[how it appeared in 1878]**





**A Monument erected to the memory of Bastiat in Mugron, 23 April, 1878  
[how it appears to day]**