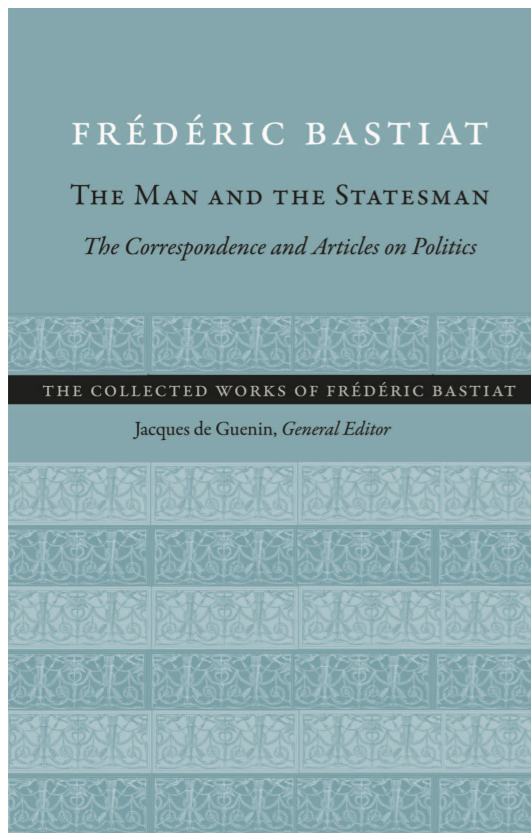




**“Frédéric Bastiat (1801-1850): Campaigner for Free Trade, Political Economist, & Politician in a Time of Revolution”
Dr. David M. Hart**

Liberty Fund's Resources on Economics and Bastiat (i)



- The Library of Economics and Liberty (Econlib)
- The Online Library of Liberty (OLL)
- the online book catalog
- new 6 volume translation of the *Collected Works of Bastiat*, (2011)

Liberty Fund's Resources on Economics and Bastiat (ii)

Library of Economics and Liberty (Econlib)

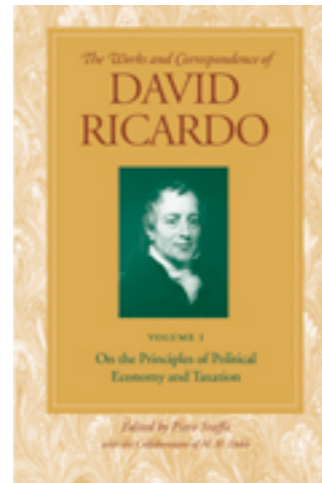
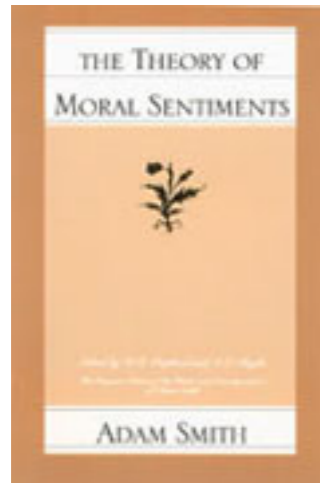
<<http://www.econlib.org/>>



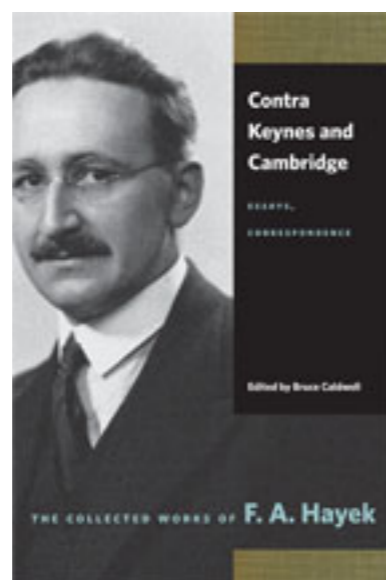
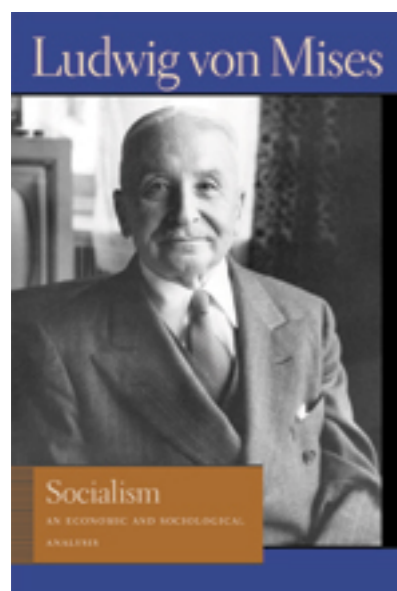
- EconTalk - Russell Robert's podcast interviews <<http://www.econtalk.org>>
- EconLog - moderated blog by Bryan Caplan, Arnold Kling, and David Henderson <<http://econlog.econlib.org>>
- Encyclopedia

Liberty Fund's Resources on Economics and Bastiat (iii)

The Online Library of Liberty (OLL) - <<http://oll.libertyfund.org>>



- Economics Collection (380 volumes)
<<http://oll.libertyfund.org/collection/42>>
- Major Scholarly Collections
 - Glasgow ed. of the Works of Adam Smith
 - Sraffa ed. of Works of David Ricardo
 - U. Toronto P. of Works of J.S. Mill
 - U. Chicago P. Works of Friedrich Hayek
 - LF's ed. of the works of Ludwig von Mises



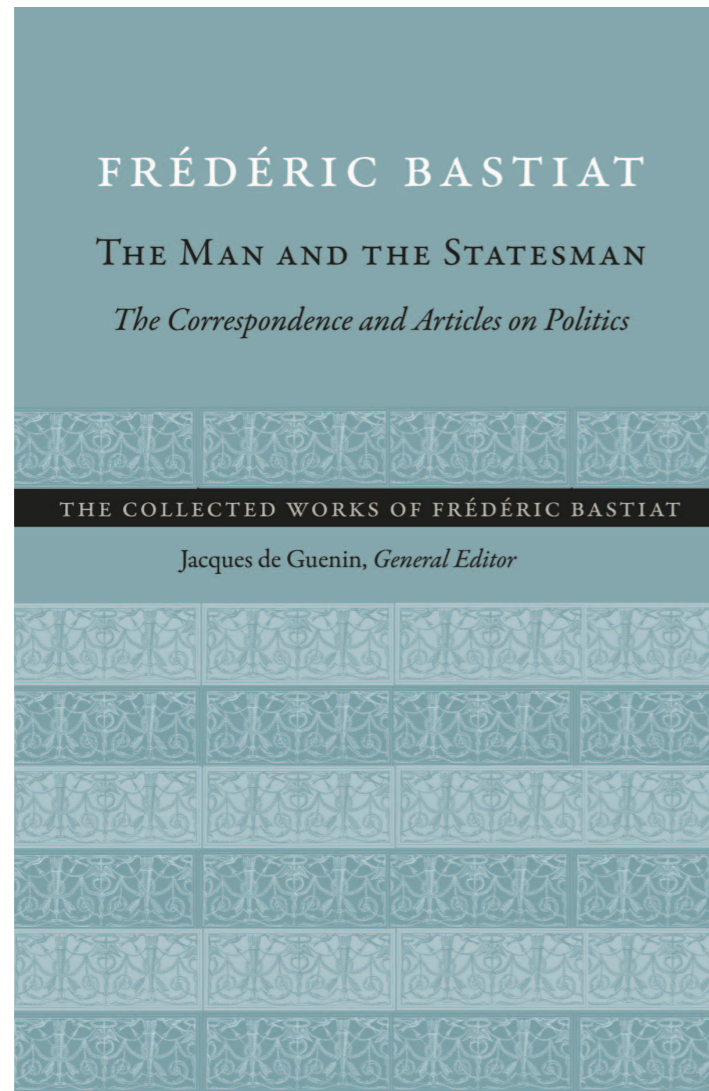
Liberty Fund's Resources on Economics and Bastiat (iv)

The Online Library of Liberty (OLL) - <<http://oll.libertyfund.org>>



- FEE edition of Bastiat's works
- Other Resources: timelines, biographies, bibliographies, reading lists
- MP3 Audio: Intellectual Portrait Series, Legacy of Hayek
- Images of Liberty and Power
- Forthcoming: LF's 6 volume edition of the *Collected Works of Bastiat*

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



General Editor - Jacques de Guenin

Academic Editor - Dr. David M. Hart



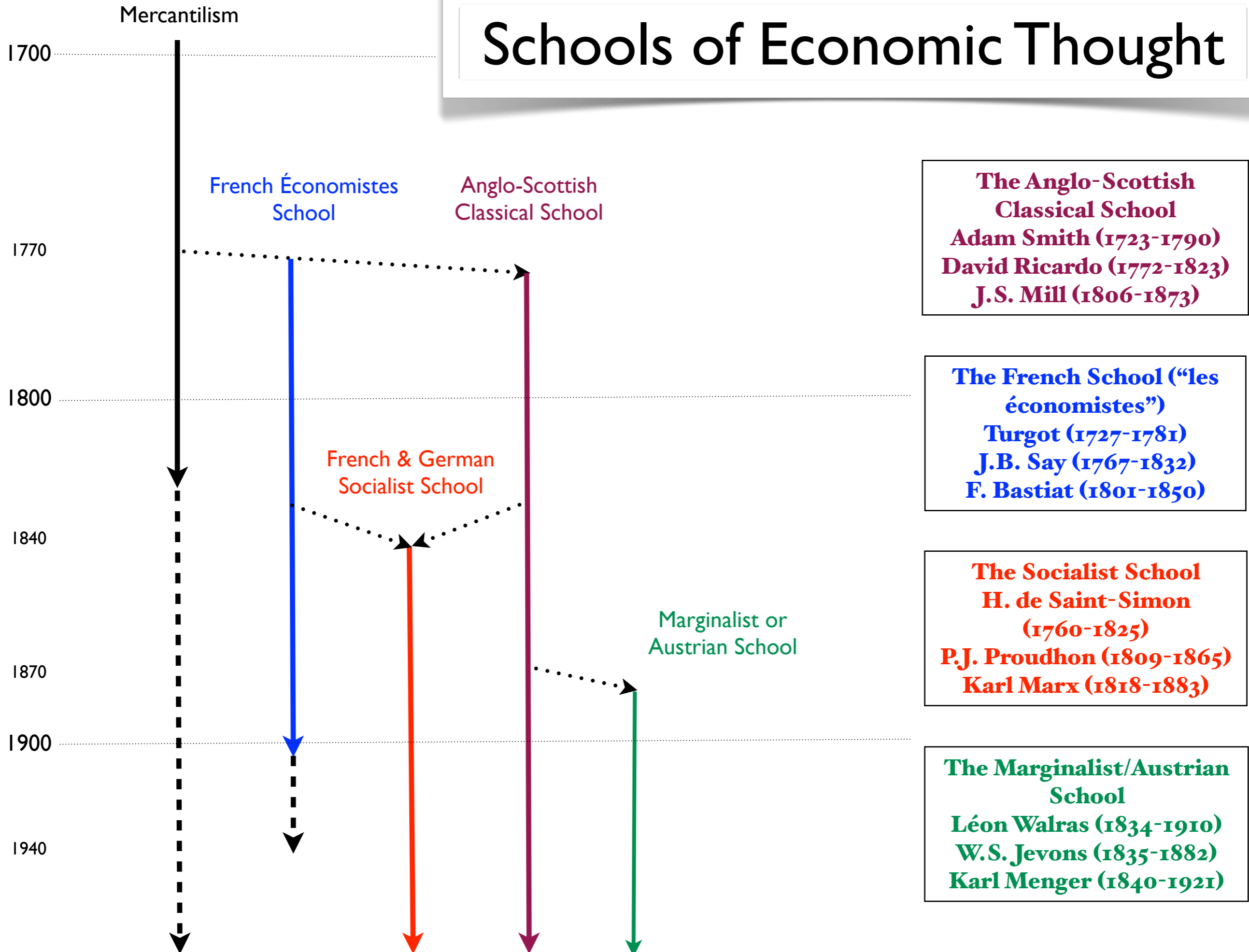
Under Construction

Lecture Overview

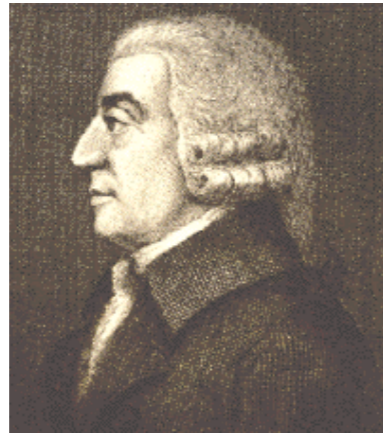


- I. Bastiat's Place in the History of Economic Thought
- II. The Importance of Frédéric Bastiat
- III. The Rediscovery of Bastiat in the Post-WW₂ Era
- IV. Chronology of Bastiat's Life and Work
- V. Bastiat's Key Ideas & Key Quotes
- VI. Bastiat's Death & Enduring Legacy
- VII. Some Fun Stuff: Limericks & Songs about Bastiat and Free Trade

Schools of Economic Thought

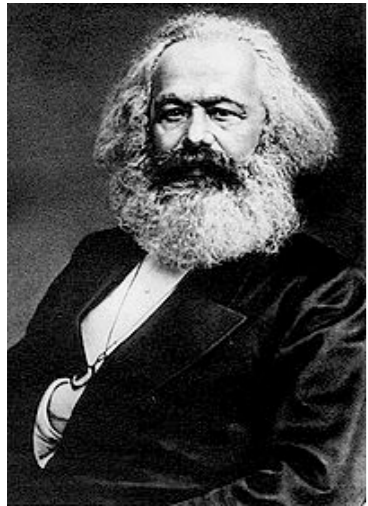


I. Bastiat's Place in the History of Economic Thought (i)



- Mercantilism or “Colbertism” - orthodox views of empire, war industries, regulation of trade and commerce (protectionism), taxation, state subsidies for industry, emerged during 17th and 18thC
- 2 schools of free market economic thought emerged out of 18thC
 - Anglo-Scottish “Classical” School (Smith, Ricardo)
 - French “Économistes” (Turgot, Say)
- emergence in 1830s-1850s of Socialist schools of thought (Proudhon, Marx)

I. Bastiat's Place in the History of Economic Thought (ii)

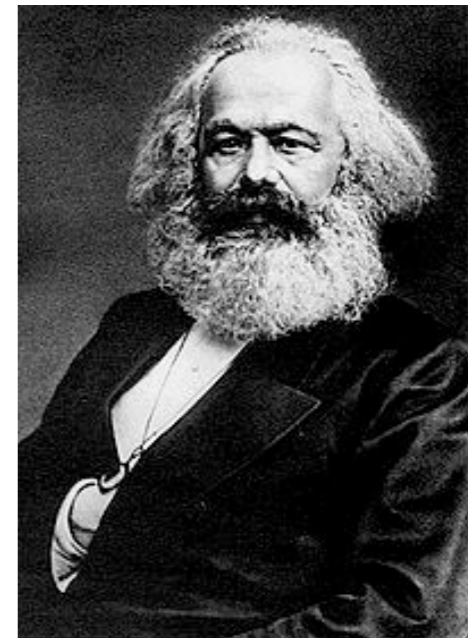
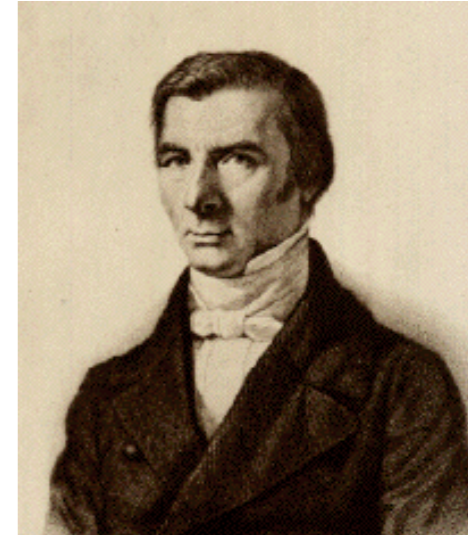


- FB engaged in several ideological battles in 1840s
 - against traditional mercantilism/protectionism
 - against rising new socialist ideas
 - reformulating key aspects of classical free market ideas
- FB is a key transitional figure between classical school and Austrian/Marginalist School
- emergence in 1870s of Marginalist School (Jevons, Menger, Walras)
- emergence in 1890s of Neo-Classical School (Marshall)

I. Bastiat's Place in the History of Economic Thought (iii)

Socialists like Karl Marx hated Bastiat - 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)



II. The Importance of Frédéric Bastiat (i)



- profound impact on the French & European classical liberal movements in mid-19th century
 - combined single-issue activism (free trade), journalism, election to political office, theoretical work in a coherent whole
 - brilliant stylist and polemicist and popularizer of economic ideas (debunker of fallacies or “sophisms”)
 - leading figure in French free trade movement (modeled on R. Cobden) and pan-European pacifist movement
 - major theoretical opponent of socialists and protectionists
 - works quickly translated in major European languages
 - influenced other economic reformers such as John Prince Smith in German states

John Prince-Smith's
Gesammelte Schriften.

Erster Band.

Zur Physiologie des Verkehrs. Staat und Volkshaushalt.
Ueber das Denken. Zur Münzreform. Zur Lohnfrage.
Die Sozialdemokratie.

Herausgegeben

von
Dr. Otto Michaëlis,

berühmtesten Mitglieds der Societät des Humanitarismus
in St. Petersburg.

BERLIN.

Verlag von F. A. Herbig.

1877.

II. The Importance of Frédéric Bastiat (ii)



- seen as rising star by French Société d'Économie Politique - wanted to make him editor of JDE, seen as equal of Turgot, Smith, Say
- works remained in print throughout 19thC
- converted Michel Chevalier (1806-1879) to free trade - powerful figure in Second Empire, persuaded Napoleon III to sign free trade treaty with England (Cobden-Chevalier Treaty of 1860)
- large impact on economic thinking in US - Amasa Walker (1799-1875) & his Bastiat School



III. The Rediscovery of Bastiat in the Post-WW2 Era (i)



Leonard E. Read (1898-1983) - FEE



Henry Hazlitt (1894-1993) - WSJ, NYT

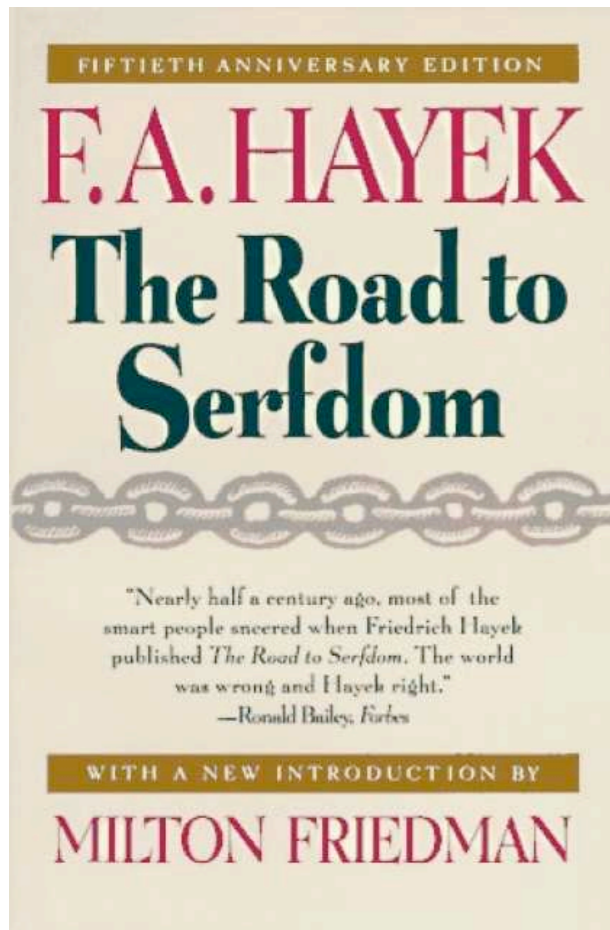


Murray N. Rothbard (1926-1995)



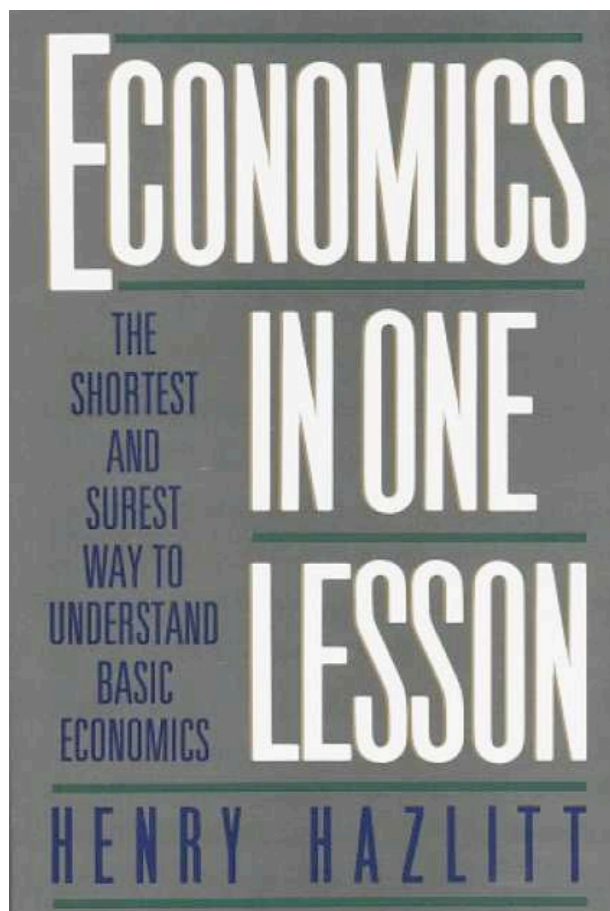
Pres. Ronald Reagan (1911-2004)

III. The Rediscovery of Bastiat in the Post-WW2 Era (ii)



Henry Hazlitt (1894-1993)

- free market journalist who wrote for WSJ, NYT
- founding VP of Foundation for Economic Education
- founding member of Mont Pelerin Society 1947
- helped introduce Austrian economic ideas to America with review of Hayek's *Road to Serfdom* (1944)
- influenced by FB - acknowledged in Preface to *Economics in One Lesson* (1946) intellectual debt to FB's pamphlet "The Seen and the Unseen" (1850)

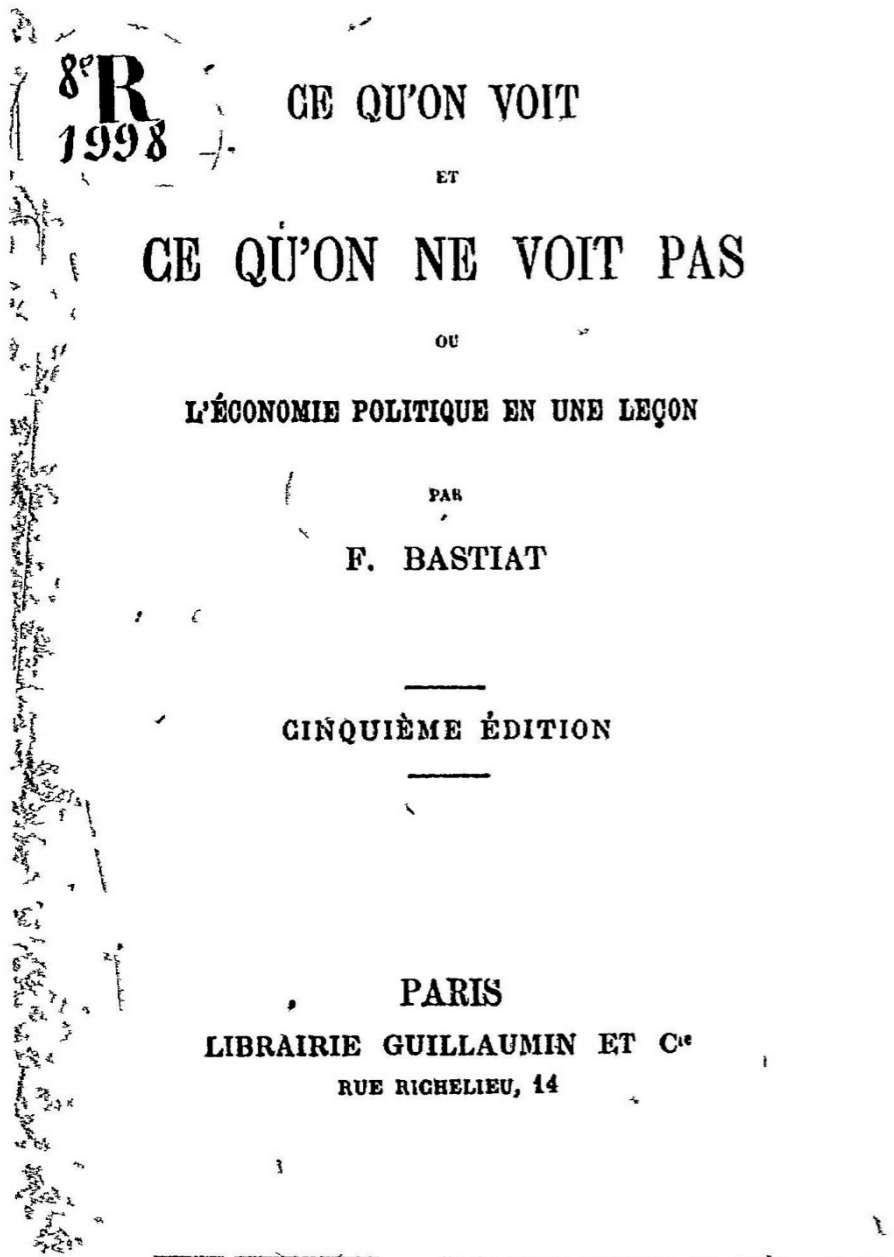


III. The Rediscovery of Bastiat in the Post-WW2 Era (iii)

Preface to *Economics in One Lesson* (1946):

“My greatest debt, with respect to the kind of expository framework on which the present argument is being hung, is to Frédéric Bastiat’s essay *Ce qu’on voit et ce qu’on ne voit pas*, now nearly a century old [1st ed. Guillaumin 1850)]. The present work may, in fact, be regarded as a modernization, extension, and generalization of the approach found in Bastiat’s pamphlet.”

- 1st chapter entitled “The Broken Window” is based on one of FB’s sophisms.
- Later editions of FB’s work in French carried the subtitle “ou l’économie politique en une leçon” which probably inspired HH’s title.



CE QU'ON VOIT
ET
CE QU'ON NE VOIT PAS

OU
L'ÉCONOMIE POLITIQUE EN UNE LEÇON

PAR
F. BASTIAT

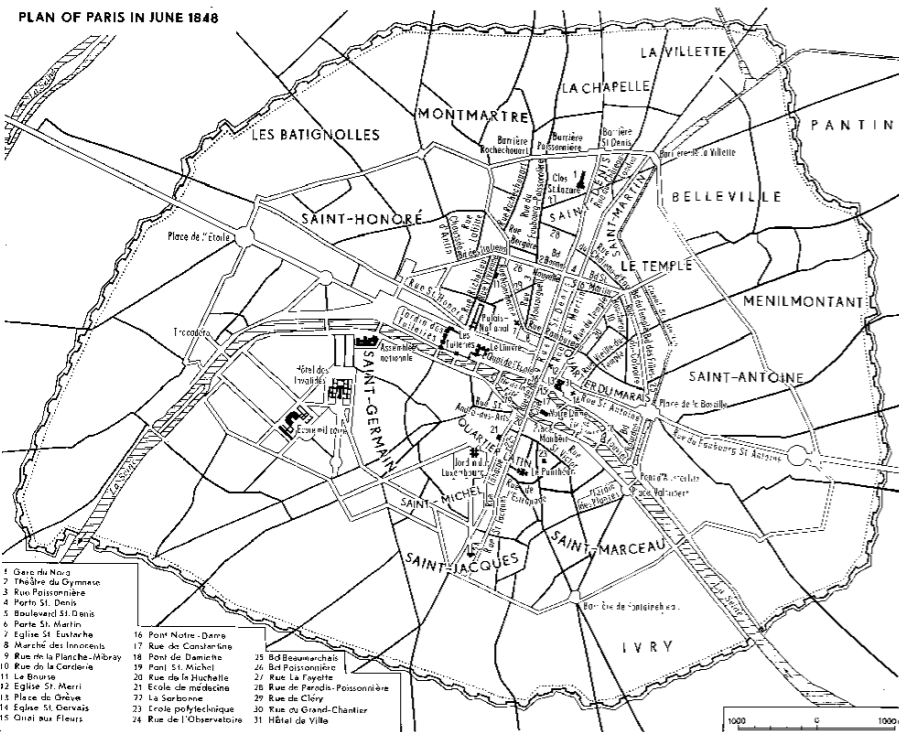
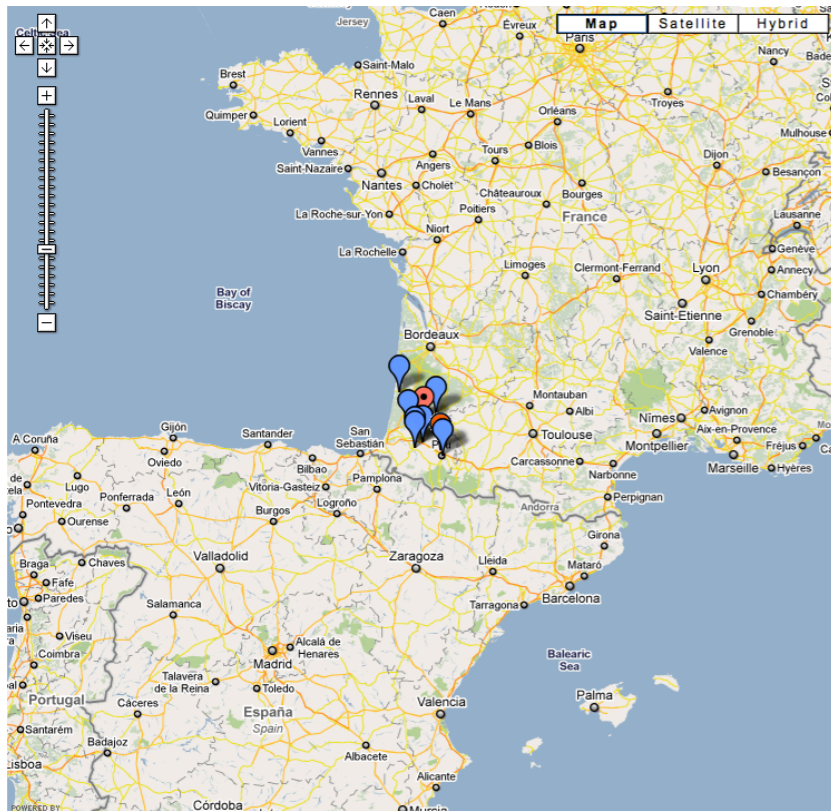
CINQUIÈME ÉDITION

PARIS
LIBRAIRIE GUILLAUMIN ET C^{ie}
RUE RICHELIEU, 14

**“That which is Seen and that which is Unseen, or
Political Economy in One Lesson” (1850)**

IV. Chronology of Bastiat's Life and Work

1. The early “Unseen” Bastiat (1801-1844) in the Provinces



2. The “Seen” Bastiat (1844-1850) in the metropole of Paris

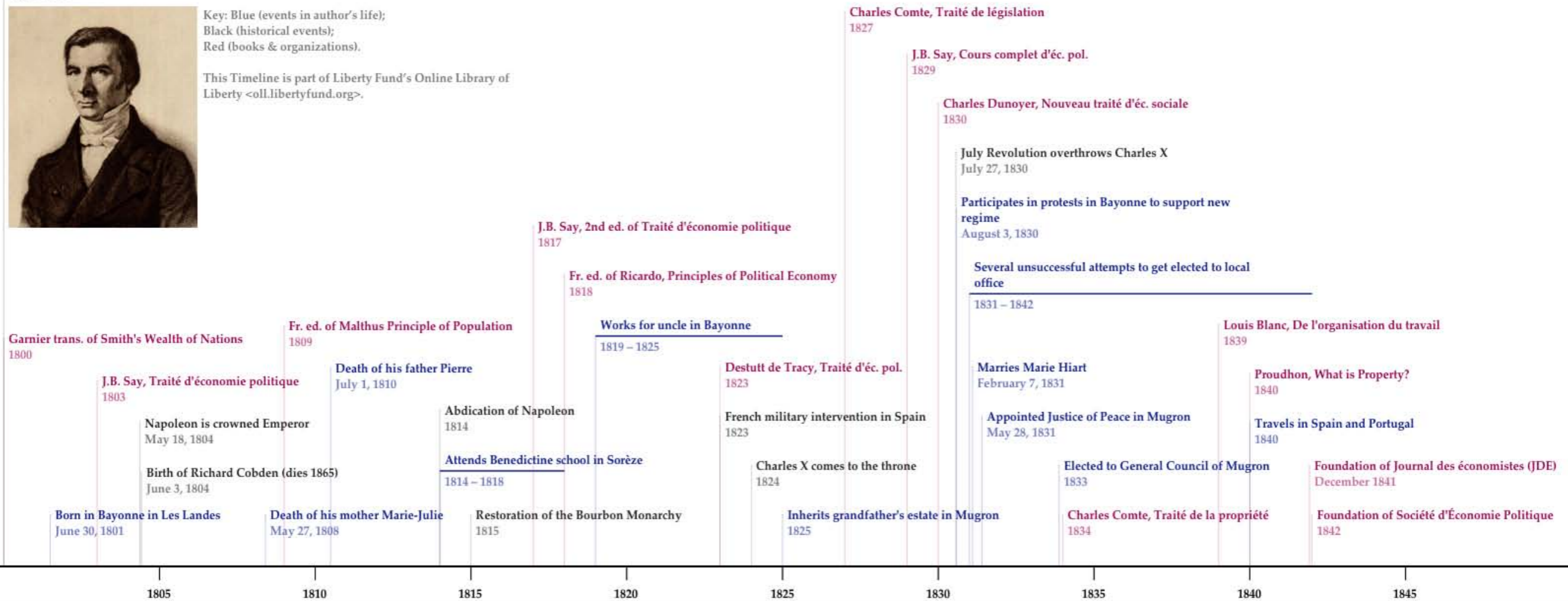
The Life and Times of Frédéric Bastiat I: "The Unseen" (1801-1844)

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)

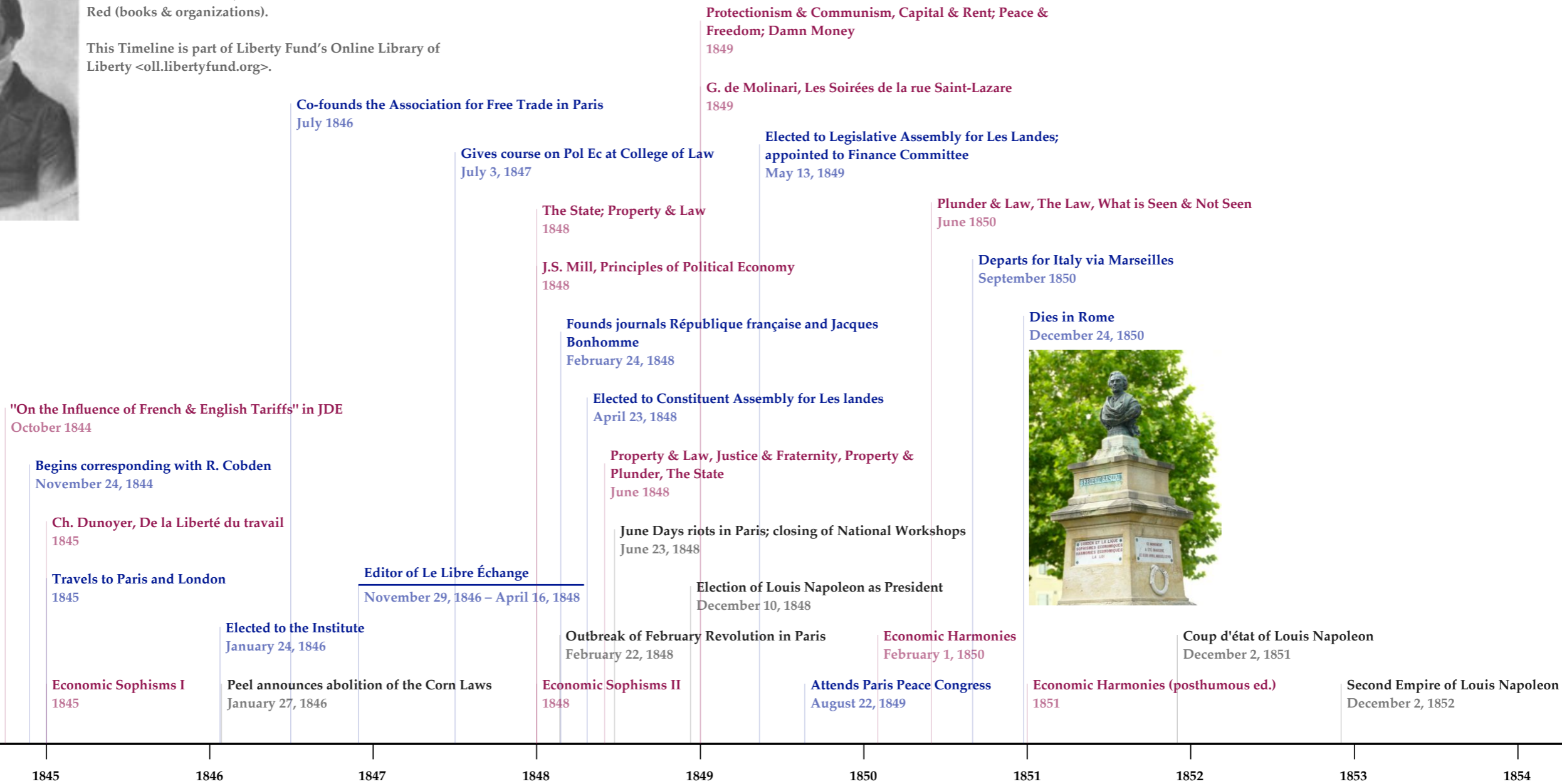
The Life and Times of Frédéric Bastiat II: The "Seen" (1844-1850)

1844 – 1850



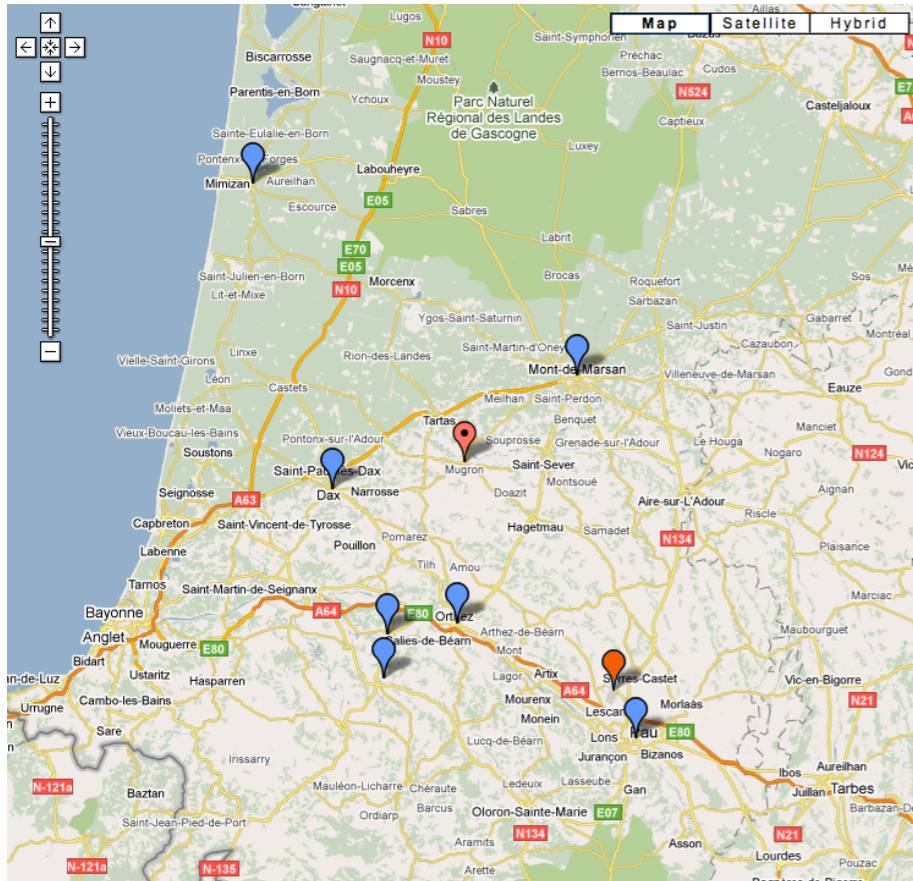
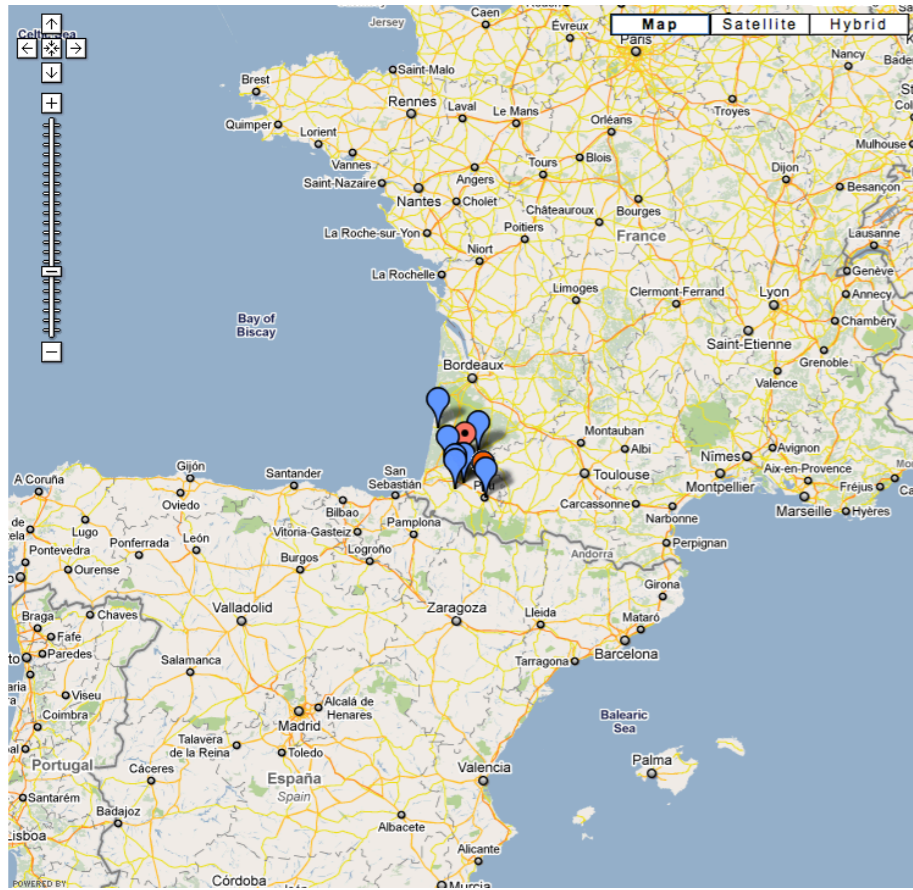
Key: Blue (events in author's life);
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The "Seen" Bastiat: Free Trade Organizer, Politician, Economist (1844-1850)

The “Unseen” Bastiat: Provincial Magistrate & Landowner (1801-1844)



- FB born June 30, 1801 in Bayonne - mouth of Adour R. - Department of Les Landes in SW France
- father merchant in Spanish trade
- orphaned at age 9, brought up by aunt
- innovative education at Saint-Sever, modern languages, music
- entered uncle's business before finishing school
- inherited grandfather's estate 1825 and became gentleman farmer in Mugron
- participates in July Revolution of 1830 in Bayonne
- appointed JP 1831 the Councillor General 1833 in Mugron canton
- failed attempt to start insurance company 1840
- spends time reading voraciously in political economy & participates in Mugron discussion group
- discovers Richard Cobden's Anti-Corn Law League 1838-1846
- writes article on French and English free trade for JDE 1844 and becomes famous in political economy circles

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



1845

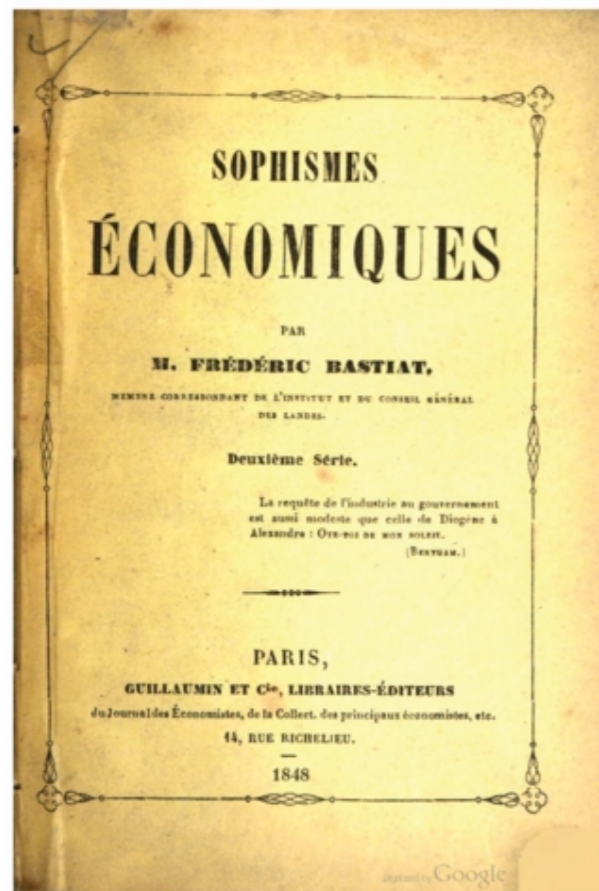
- goes to Paris, joins Société d'économie politique
- visits R. Cobden in England, writes book on *Cobden and the League*
- writes articles debunking economic fallacies or “sophisms” concerning government intervention (satire, reductio ad absurdum) - *Economic Sophisms I*
- many articles appeared in leading French journal - the *Journal des Économistes* (founded 1841)

1846

- elected member of the Institute
- starts Bordeaux Free Trade Association and National Free Trade Association in Paris
- begins journal *Le libre-échange* (1846-48)

1847

- French Chamber of Deputies debates free trade bill and it is defeated
- FB lectures on political economy (become *Economic Harmonies*) at the School of Law



Bastiat as a Revolutionary Activist and Politician (1848-1850) (i)



FB the Revolutionary

- abdication of King Louis Philippe 24 Feb. 1848 ends “July Monarchy”
- declaration of 2nd Republic 25 February
- FB immediately founds *La République française* (then *Jacques Bonhomme* ed. by Charles Coquelin and G. de Molinari) after outbreak of revolution; designed to appeal to ordinary people and to show them the dangers of socialism and protectionism

Bastiat as a Revolutionary Activist and Politician (1848-1850) (ii)



FB the Politician

- 23 April 1848 FB elected deputy of Les Landes to Constituent Assembly
- 13 May 1848 reelected to Legislative Assembly and appointed vice-president of Finance Committee
- Aug. 1849 attends Paris Peace Congress organised by V. Hugo
- legislative activities
 - supports motion to prevent civil servants also serving as elected representatives
 - opposes government motions for “right to work”, limiting working day to 10 hours, unemployment subsidies in National Workshops
 - opposes govt policy to convict socialist Louis Blanc for activities during June Days uprising
 - votes in favour of new constitution and Gen. Cavaignac for president
 - votes against ban on voluntary trade unions
 - votes against imposition of martial law
 - opposes govt. proposal to send troops to Rome to protect Pope
 - opposes govt. education policy (Falloux Law)

Bastiat as an Author in a Time of Revolution (1848-1850) (ii)

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^e, LIBRAIRES-ÉDITEURS
du Journal des Économistes, de la Collect. des princip. économistes, etc.,
14, RUE RICHELIEU.

1849

HARMONIES
ÉCONOMIQUES

PAR
M. FR. BASTIAT

Membre correspondant de l'Institut,
Représentant du Peuple à l'Assemblée Législative.

Digitus Dei est hic.

PARIS

GUILLAUMIN ET C^e, LIBRAIRES
Éditeurs du Dictionnaire du Commerce et des Marchandises, du Journal des
Économistes, de la Collection des principaux Économistes, etc.
14, RUE RICHELIEU.

1850

1848

- “Property and Law”
- “Property and Plunder”
- “The State”

1849

- “Protectionism and Communism”
- “Peace and Liberty”
- “Damn Money!”

1850

- *Economic Harmonies* (Part 1)
- “Plunder and the Law”
- “The Law”
- “What is Seen and What is Not Seen”

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OEUVRES COMPLÈTES
DE
FRÉDÉRIC BASTIAT

MISES EN ORDRE,
REVUES ET ANNOTÉES D'APRÈS LES MANUSCRITS DE L'AUTEUR

TOME PREMIER

CORRESPONDANCE

MÉLANGES

PARIS

GUILLAUMIN ET C^{IE}, LIBRAIRES,

Éditeurs du Journal des Économistes, de la Collection des principaux Économistes,
du Dictionnaire de l'Économie politique, etc.

RUE RICHELIEU, 14.

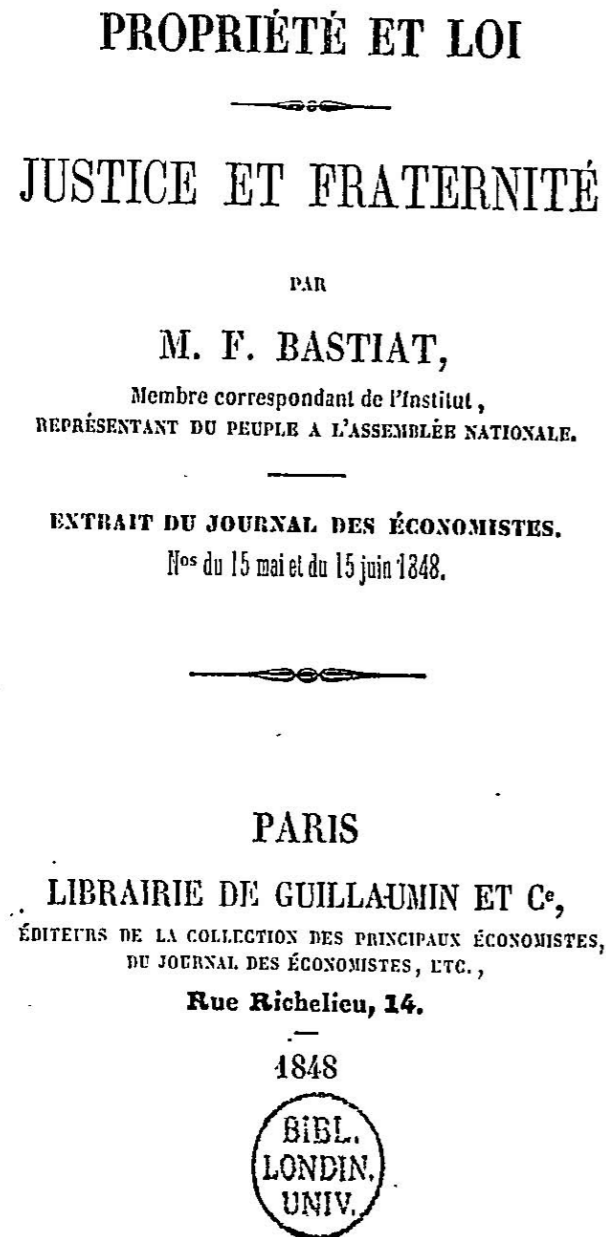
1855

V. Bastiat's Key Ideas

- 1.theory of liberty: individual rights, limited government, rule of law
- 2.economy is a harmonious network of voluntary exchanges
- 3.free trade and peace
- 4.theory of the state: legal plunder



V. Bastiat's Key Ideas: Theory of Liberty



FB's Theory of Liberty

- based on a natural rights theory of individual liberty, individual property rights, absence of coercion (vague notion of “creator” but essentially secular)
- economics has a moral foundation - property, liberty, non-coercion
- limited state (“minarchist”) - accepts public goods arguments of classical school
- rule of law
- even revolution had to be done “legally” (founding the magazine *La République française* in February 1848)

Spectrum of State Power

POWER

LIBERTY

Communism

Fascism

Welfare/Warfare State

Mercantilism

Minarchist State

Voluntary "State"

COMMUNISM:
fully planned economy;
state controlled
society; rule by single
Party (Stalinism, Pol
Pot, China)

FASCISM/NAZISM
state directed private
industry; adulation of
leader; war & conquest
(Italy, Germany
1930s-40s)

WELFARE STATE:
state provision of
health, welfare,
education; significant
regulation of economy
(Western Europe)

**WELFARE/WARFARE
STATE:**
significant state
intervention in health,
education, welfare;
significant regulation of
economy; Military-
Industrial Complex;
war & empire (USA)

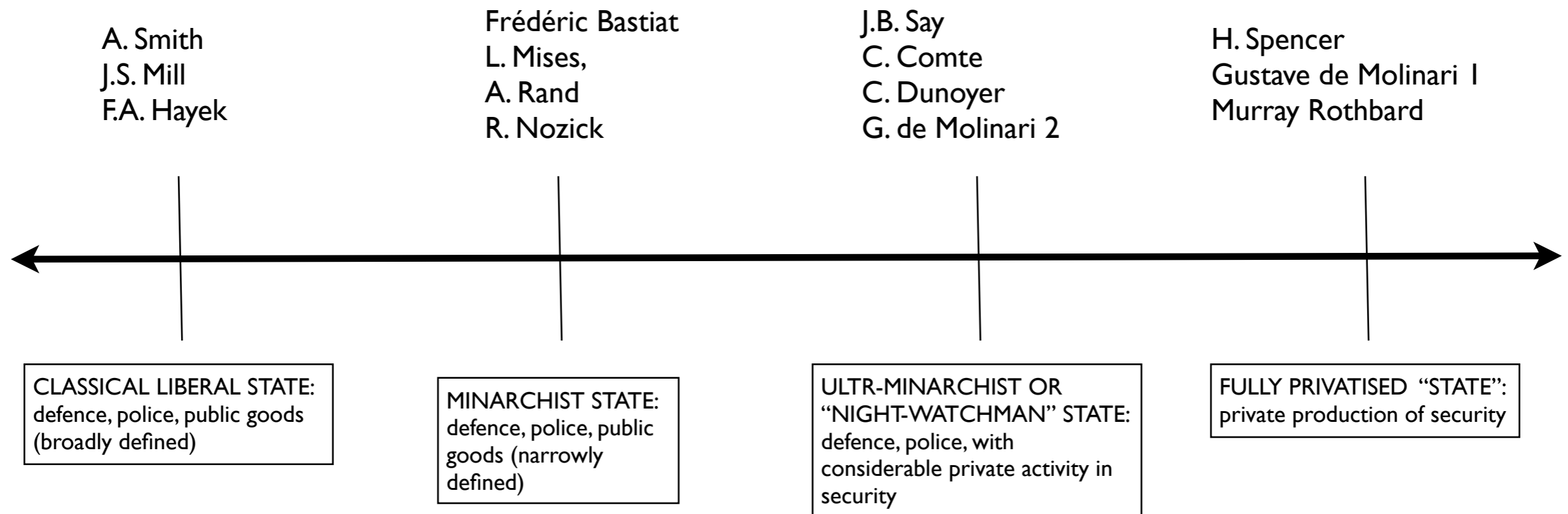
MERCANTILISM:
protection & subsidies
for domestic industry;
controls on exports;
colonies with
monopoly access to
metropole; navy &
empire (France & UK
18thC)

MINARCHIST STATE:
defence, police, limited
number of other public
goods (aspects of
19thC UK, France)

**ULTRA-MINARCHIST
STATE:**
defence, police, with
considerable private
activity in security
services (?)

**FULLY VOLUNTARIST
"STATE":**
all state activities
deregulated,
privatised, or abolished
(???)

Functions of the Classical Liberal State





V. Bastiat's Key Ideas: Economic Harmony

[Les Halles Market, Paris]

The Economy is a Harmonious Network of Voluntary Exchanges

- free exchange solves complex coordination problems (feeding Paris)
- maximizes benefits to consumers - his is a consumer-centric theory not a producer-centric, state-centric, nation-centric theory (compare Friedrich List)
- individual and national comparative advantage increases output
- all exchanges are services for services (proto-Austrian analysis as individuals subjectively value these services)
- proto-Public Choice analysis of politics (politicians and bureaucrats act in their own self-interest to maximise power & influence)

Q1. The Benefits of Free Exchange: the Provisioning of Paris (Ec. Soph. I)

- self-interest and free pricing solves coordination problem
- no need for central planners
- local knowledge used to satisfy consumer needs



[Paris]

“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.**”

V. Bastiat's Key Ideas: Free Trade and Peace

COBDEN ET LA LIGUE

OU

L'AGITATION ANGLAISE

POUR LA

LIBERTÉ DU COMMERCE;

PAR

M. Frédéric BASTIAT,

Membre du Conseil-général des Douanes.

PARIS.

GUILLAUMIN, LIBRAIRE,

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

108, RUE RICHELIEU, 114.

1845.

Free Trade and Peace

- strong linkage between free trade and peace (Cobdenism)
- free trade maximises individual and national well-being
- encourages peaceful relationships between individuals and nations
- military expenditure net drain on economy
- war destroys property and lives (opposite of free market which creates property and promotes life)

V. Bastiat's Key Ideas: Theory of the State



FB's Theory of the State

- limited state (“minarchist”) view of legitimate state functions
- interventions by state create unseen and unintended consequence (“broken window fallacy”)
- interventions for vested interest groups harm consumers (Petition of Candle Makers)
- state actions a form of “legal plunder” of property owners
- classical liberal class analysis - class of plunders: aristocrats, military, favoured domestic landowners and industrialists, established church, socialists
- proto-Public Choice analysis of politics (politicians and bureaucrats act in their own self interest to maximise power & influence)



Q4. Unseen Negative Unintended Consequences: The Broken Window Fallacy (Seen and Unseen)

- government intervention in the economy has unforeseen unintended consequences
- benefits for some come at costs to others (with additional net losses to economy)
- “bad economists” (like the socialists to the right) refuse to look for the “unseen” consequences



[Louis Blanc, Proudhon]

“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.”

Q2. Restrictions on Trade harm Consumers: the Petition of the Candlemakers (Ec. Soph. I)

- good example of FB's satirical style and use of reductio ad absurdum argument
- producers often conspire to use state for their own benefit
- cloak selfish motive behind “national interest”

“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.”



[King Louis Philippe]

Q3a. Legal and Illegal Plunder (The Law) and The Laws of its Operation (Ec.Soph. II)

- morally there is no difference between “illegal plunder” (committed by thieves, pirates, and highway robbers) and
- “legal plunder” committed by the state or its agents



“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.”

Q3b. Legal and Illegal Plunder (The Law) and The Laws of its Operation (Ec.Soph. II)



“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...”



[Honoré Daumier, "Gargantua" (1831)]

Q3c. 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]



Les Honnêtes gens, par Hon. Daumier

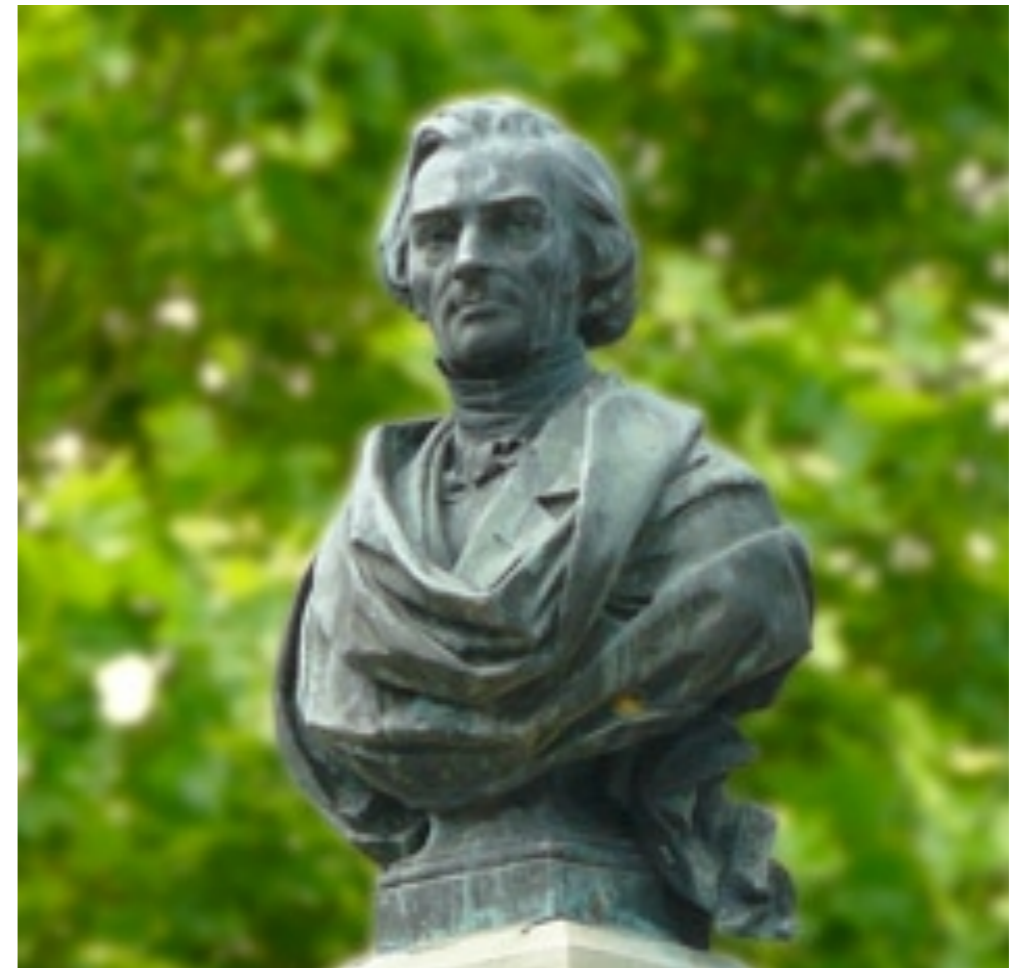
[Honoré Daumier, "We are all Honest People Here" (1834)]

Q5. FB's Definition of the State: The Great Fiction

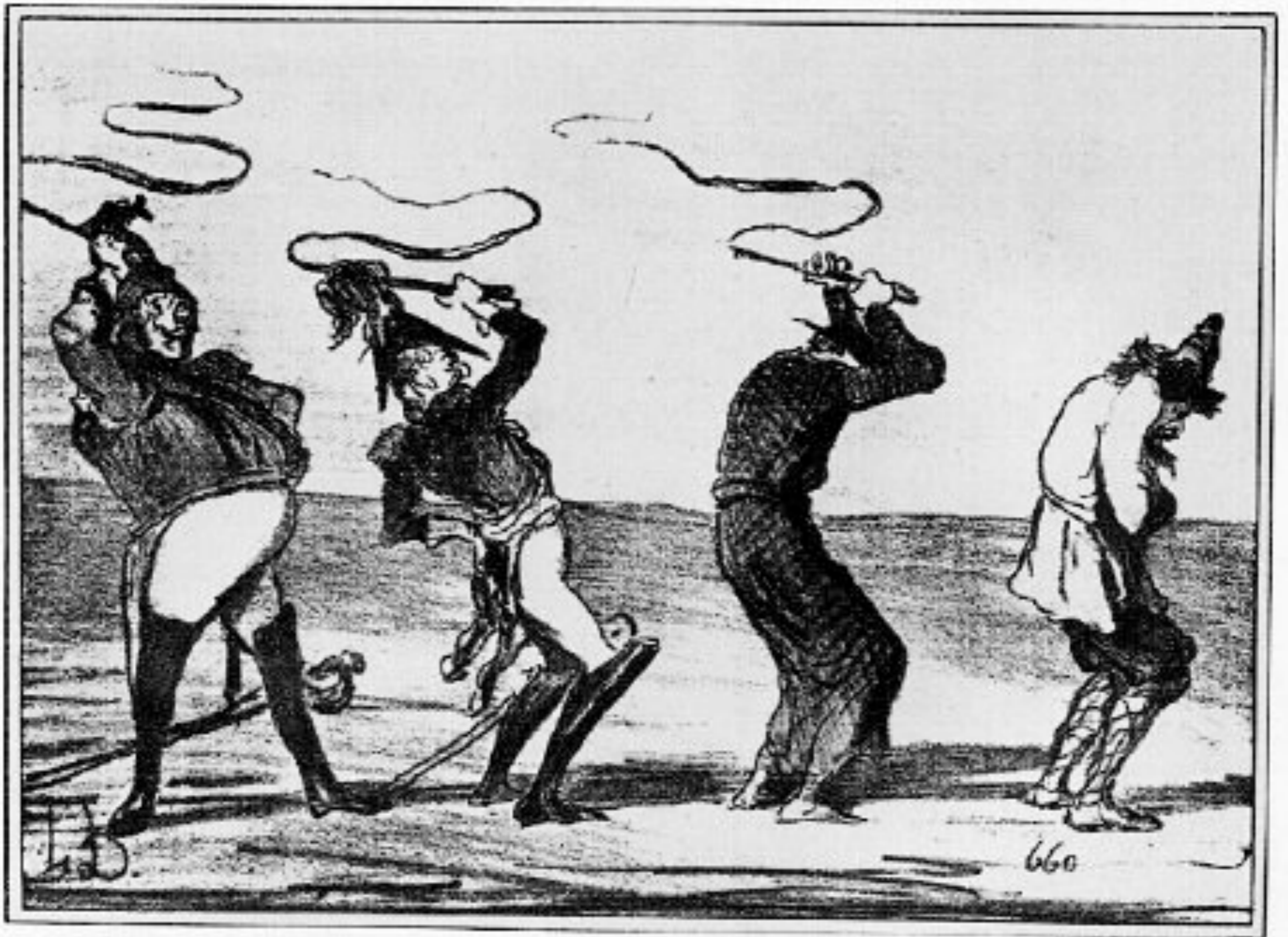
- for every “service” the state provides somebody else must be taxed to provide that service
- when the beneficiaries were a small elite it was naked plunder and class rule
- when the state is ‘democratized’ it becomes a “fiction” to believe everybody can plunder everybody else

“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]



The Army hierarchy.

[Honoré Daumier, "The Army Hierarchy"] (perhaps also "The State Hierarchy"?)

VI. Bastiat's Death & Enduring Legacy (i)

Death

- possibly TB or throat cancer
- died Christmas eve 1850 in Rome



19thC Legacy

- serious loss for the classical liberal movement in France
- magnum opus *Economic Harmonies* left unfinished at death
- *Oeuvres complètes* published by “The Friends of Bastiat” in mid-1850s (6 vols)
- multiple reprints throughout 19thC
- friends raised money to build monument in Mugron 1878 (desecrated by Nazis in 1942)



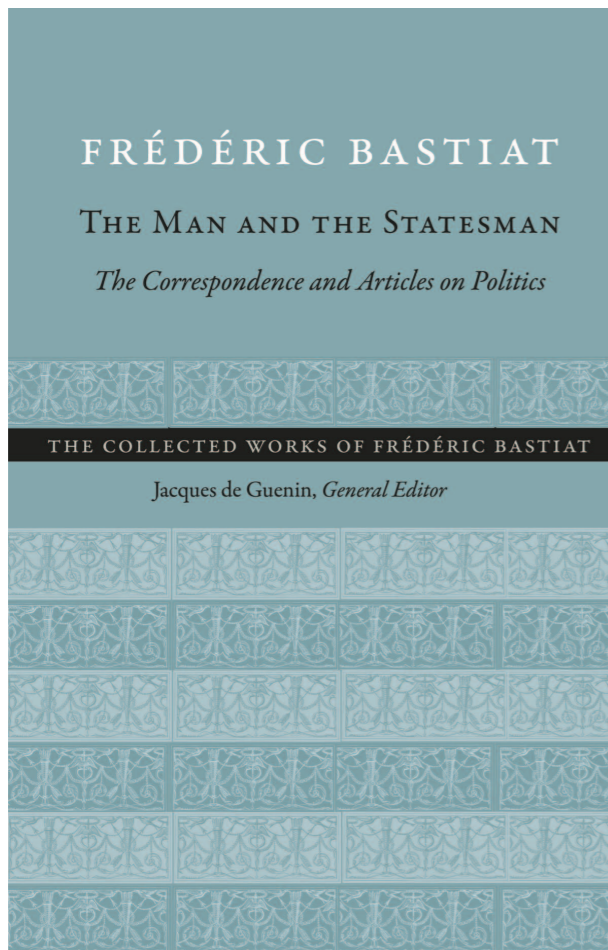
**A Monument erected to the memory of Bastiat in Mugron, 23 April, 1878
[how it appeared in 1878]**



VI. Bastiat's Death & Enduring Legacy (ii)

20thC Legacy

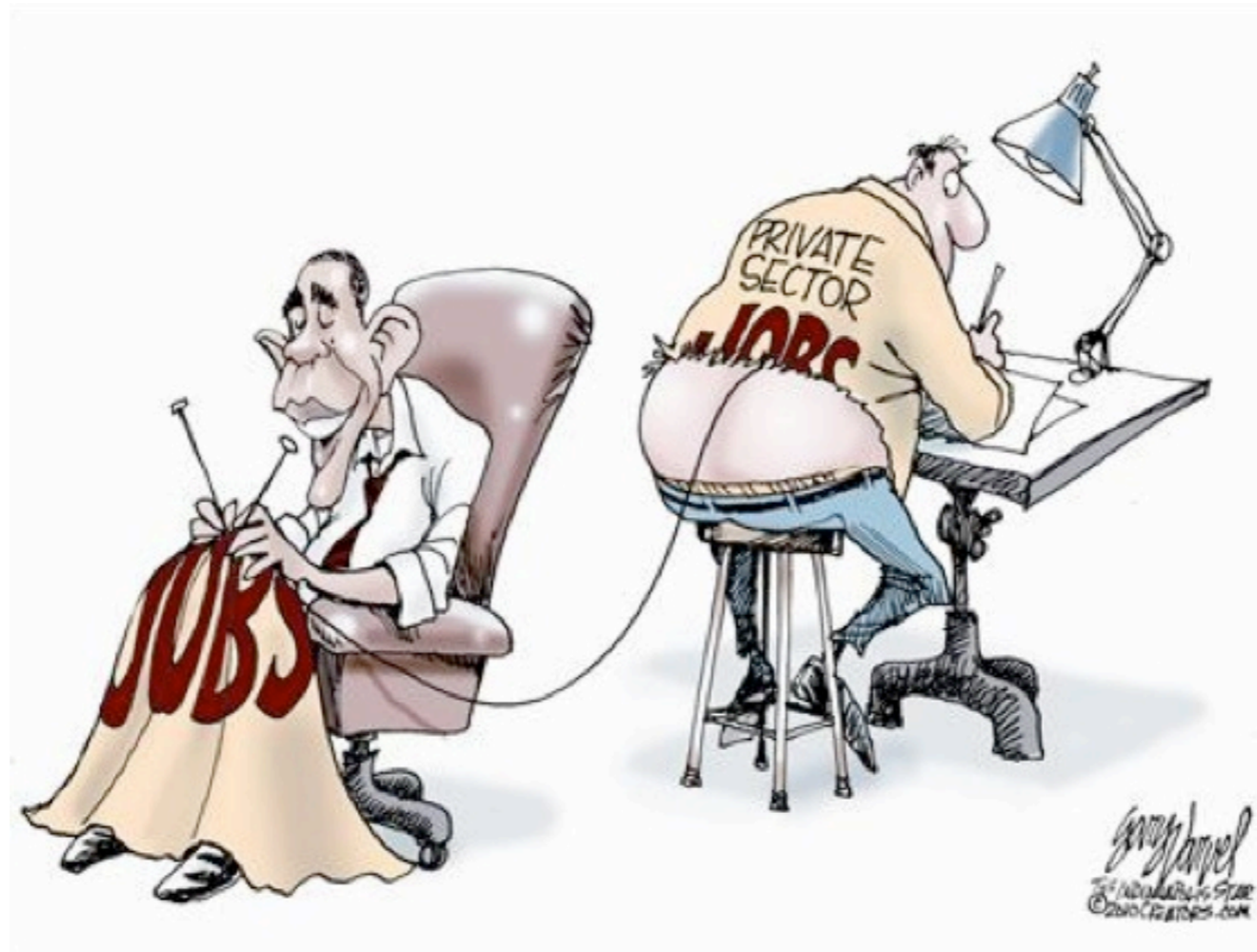
- after WWI classical liberalism went into decline and FB practically forgotten
- rediscovered in US after WW2 - Leonard Read at FEE, Henry Hazlitt at NYT
- restoration of Bastiat monument
- modern Austrian school has very high regard for FB
- Cercle Bastiat in France (Jacques de Guenin); reprint his works in French
- LF translating in 6 vols. his *Collected Works* (2011)





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

VII. Some Fun Stuff: Limericks & Songs about Bastiat and Free Trade (i)



There once was a critic of tariffs,
Who argued restrictions are rip offs,
Consumers are plundered,
Trade rivals are hindered,
And commerce in all quarters drops off.

There once was an arch anti-statist,
Who thought the state's dangers were greatest,
When those whom it favoured,
Ruled those whom it fettered,
With statutes that made them the strongest.

VII. Some Fun Stuff: Limericks & Songs about Bastiat and Free Trade (ii)



“Freddie and the Free Traders” - a retro-50s Rock N’ Roll Band

who do cover versions of famous songs about liberty:

- “I can’t get no Liberation” (to the tune of the Rolling Stones “I can’t get no satisfaction”)
- “Laissez-faire” (to the tune of the Beatles’ “Let it Be”)
- “Stairway to Freedom” (to the tune of Led Zeppelin’s “Stairway to Heaven”)
- “Crazy little thing called trade” (to the tune of Freddie Mercury and Queen’s “Crazy little thing called love”)
- “War, (what is it good for?)” (to the tune of Edwin Starr’s “War”)
- “Taxman” (to the tune of the The Beatles’ “Taxman”)



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 (will miss) 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