

Lecture Overview

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

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“Evening at FEE”

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Liberty Fund’s Online Economics Resources

The Library of Economics and Liberty (Econlib) <<http://www.econlib.org>>

- EconTalk <<http://www.econtalk.org>>
- EconLog <<http://econlog.econlib.org>>

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

- Economics Collection (380 vols)
- Major Scholarly Collections (Smith, Ricardo, Mill, Mises, Hayek)
- Study Guides and MP3 audio
- Images of Liberty and Power

Useful Links on Bastiat

At my website <<http://homepage.mac.com/dmhart/>>

- lecture resources on Bastiat
<<http://homepage.mac.com/dmhart/Teaching/2010/Bastiat/index.html>>
- biography, works by him and about him (mainly in French)
<<http://homepage.mac.com/dmhart/FrenchClassicalLiberals/Bastiat/index.html>>
- A Chronology of his Life and Work
<<http://homepage.mac.com/dmhart/Teaching/2010/Bastiat/Chronology.html>>
- The World of French Political Economy in the 1830s and 1840s
<<http://homepage.mac.com/dmhart/FrenchClassicalLiberals/Bastiat/Glossary.html>>

At the OLL website <<http://oll.libertyfund.org>>:

- the Bastiat page at the Online Library of Liberty <<http://oll.libertyfund.org/person/25>>
- Essays on Bastiat at The Forum
<http://oll.libertyfund.org/index.php?option=com_content&task=blogcategory&id=78&Itemid=281>
- Images of Liberty: Monuments to Two 19th Century Free Traders: Frédéric Bastiat (1801-1850) & Richard Cobden (1804-1865)
<http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1568&Itemid=263>

A modern day “Bastiat”? - Prof. Don Boudreaux (GMU) at Café Hayek <<http://cafehaye.com/>>

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I. Bastiat's Place in the History of Economic Thought [see webpage for details]

- 17th and 18thC theories of Mercantilism or “Colbertism”
- 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)

Marx's Hostility towards Bastiat and Free Market Ideas

- “the most superficial and therefore the most successful representative of apologetic vulgar economics”
- “the modern bagman of free trade”
- “a dwarf economist”

II. The importance of Frédéric Bastiat

- impact on the French classical liberal movement in mid-19th century
- combined single-issue activism, journalism, election to political office, theoretical work in a coherent whole
- recognition as a brilliant stylist and polemicist
- leading figure in French free trade movement
- major theoretical opponent of socialism and protectionism
- converted Michel Chevalier to free trade (Cobden-Chevalier Treaty of 1860)

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

- Leonard E. Read (1898-1983) - Foundation for Economic Education (FEE)
- Henry Hazlitt (1894-1993) - WSJ, NYT
- Murray N. Rothbard (1926-1995)
- Pres. Ronald Reagan (1911-2004) - president 1981-1989

IV. Chronology of Bastiat's Life and Work (see Timeline handout)

Location of town of Mugron and Department of Les Landes in SW France

The early "Unseen" Bastiat (1801-1844) [see timeline for details]

- in the provinces as provincial magistrate and landowner
- his intellectual influences
 - positive: Turgot (Physiocrats), Adam Smith, JB Say, Comte & Dunoyer, Destutt de Tracy, R. Cobden
 - negative: French monarchists/conservatives, Bonapartists, protectionists and socialists of 1840s

The "Seen" Bastiat (1844-1850) [see timeline for details]

- the Free Trade organizer and journalist
- the politician during the 1848 Revolution and 2nd Republic
- the theorist

V. Bastiat's Key Ideas

Theory of Liberty

- natural rights, property rights, absence of coercion
- economics has a moral foundation - property, liberty, non-coercion
- ultra-limited state
- rule of law

The Economy is a Harmonious Network

- free exchange solves complex coordination problems
- maximizes benefits to consumers
- comparative advantage increases output
- all exchanges are services for services

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

Theory of the State

- ultra-minimalist view of legitimate state functions
- interventions by state create unseen and unintended consequence (“broken window fallacy”)
- inventions for vested interest groups harm consumers (Petition of Candle Makers)
- state actions a form of “legal plunder” of property owners
- classical liberal class analysis
- proto-Public Choice analysis of politics

VI. Bastiat’s Major Works

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* (Part 1 1845, Part 2 1848)
- "Petition of the Candle-makers"

1846 - editor of *Le libre échange* (Free Exchange or Free Trade) (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)

1849

- “Protectionnisme et communisme” (Protectionism and Communism)
- “Capitale 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 the Law)
- “La loi” (The Law)
- “Baccalauréat et socialisme”(Baccalaureat (or High School) and Socialism)
- “Ce qu’on voit et ce qu’on ne voit pas” (The Seen and the Unseen)

VII. Key Quotes from Bastiat's Writings [see handout]

- 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 (The State)

VIII. Bastiat's Death & Enduring Legacy

19thC Legacy

- died Christmas eve 1850 in Rome
- classical liberalism in France lost key figure
- magnum opus *Economic Harmonies* published posthumously incomplete
- collected works published in mid-1850s and remained in print throughout 19thC
- monuments to Cobden and Bastiat (Mugron, 1878)

20thC Legacy

- the FEE editions of his works (1960s)
- Jacques de Guenin's edition of the *Oeuvres complètes* (French)
- LF's edition of his Collected Works (English trans.)

IX. Some Fun Stuff: Limericks & Songs about Bastiat and Free Trade

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.

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.

We need to form a retro-50s rock n' roll band to be called "Freddie and the Free Traders" to play 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")



Le Monument élevé à la mémoire de l'économiste Bastiat sur la place de Mugron.

(Dessin de M. Bocourt, d'après la photographie de M. Soubagné.)