A Selection of Quotations by Frédéric Bastiat

"Frédéric Bastiat (1801-1850): Campaigner for Free Trade, Political Economist, & Politician in a Time of Revolution" A Lecture by Dr. David M. Hart <u>dmhart@mac.com</u> and <u>http://homepage.mac.com/dmhart/</u>

Department of Economics George Mason University, Fairfax, VA February 17, 2011

1. The Benefits of Free Exchange: The Provisioning of Paris

On coming to Paris for a visit, I said to myself: Here are a million human beings who would all die in a few days if supplies of all sorts did not flow into this great metropolis. It staggers the imagination to try to comprehend the vast multiplicity of objects that must pass through its gates tomorrow, if its inhabitants are to be preserved from the horrors of famine, insurrection, and pillage. And yet all are sleeping peacefully at this moment, without being disturbed for a single instant by the idea of so frightful a prospect. On the other hand, eighty departments have worked today, without co-operative planning or mutual arrangements, to keep Paris supplied. 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. We put our faith in that inner light which Providence has placed in the hearts of all men, and to which has been entrusted the preservation and the unlimited improvement of our species, a light we term *self-interest*, which is so illuminating, so constant, and so penetrating, when it is left free of every hindrance. Where would you be, inhabitants of Paris, if some cabinet minister decided to substitute for that power contrivances of his own invention, however superior we might suppose them to be; if he proposed to subject this prodigious mechanism to his supreme direction, to take control of all of it into his own hands, to determine by whom, where, how, and under what conditions everything should be produced, transported, exchanged, and consumed? Although there may be much suffering within your walls, although misery, despair, and perhaps starvation, cause more tears to flow than your warmhearted charity can wipe away, it is probable, I dare say it is certain, that the arbitrary intervention of the government would infinitely multiply this suffering and spread among all of you the ills that now affect only a small number of your fellow citizens.

[Frédéric Bastiat, *Economic Sophisms*, trans. Arthur Goddard, introduction by Henry Hazlitt (Irvington-on-Hudson: Foundation for Economic Education, 1996). *First Series, Chapter 18: There Are No Absolute Principles*, pp. 97-98. Accessed from <u>http://oll.libertyfund.org/title/276/23364/1573686</u> on 2010-10-12.]

2. Restrictions on Trade Harm Consumers: The Petition of the Candlemakers

A Petition

From the Manufacturers of Candles, Tapers, Lanterns, Candlesticks, Street Lamps, Snuffers, and Extinguishers, and from the Producers of Tallow, Oil, Resin, Alcohol, and Generally of Everything Connected with Lighting.

To the Honorable Members of the Chamber of Deputies.

Gentlemen:

You are on the right track. You reject abstract theories and have little regard for abundance and low prices. You concern yourselves mainly with the fate of the producer. You wish to free him from foreign competition, that is, **to reserve the domestic market for domestic industry**.

We come to offer you a wonderful opportunity for applying your—what shall we call it? Your theory? No, nothing is more deceptive than theory. Your doctrine? Your system? Your principle? But you dislike doctrines, you have a horror of systems, and, as for principles, you deny that there are any in political economy; therefore we shall call it your practice—your practice without theory and without principle.

We are suffering from the ruinous competition of a foreign rival who apparently works under conditions so far superior to our own for the production of light that he is flooding the domestic market with it at an incredibly low price; for the moment he appears, our sales cease, all the consumers turn to him, and a branch of French industry whose ramifications are innumerable is all at once reduced to complete stagnation. This rival, which is none other than the sun, is waging war on us so mercilessly that we suspect he is being stirred up against us by perfidious Albion (excellent diplomacy nowadays!), particularly because he has for that haughty island a respect that he does not show for us.

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.**

[Frédéric Bastiat, *Economic Sophisms*, trans. Arthur Goddard, introduction by Henry Hazlitt (Irvington-on-Hudson: Foundation for Economic Education, 1996). First Series, Chapter 7: A Petition. Accessed from <u>http://oll.libertyfund.org/title/276/23342</u> on 2010-10-12.]

3. Legal and Illegal Plunder (La Spoliation)

I do not use it, as is so often done, in a vague, indeterminate, approximate, or metaphorical sense; I use it in its precise, scientific sense, as expressing the idea opposed to that of property. 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. In this case, however, it is not the one that profits from the act of plunder who is responsible for it; it is the law, the legislator, society itself, and it is in this that the political danger consists....

But what kind of plunder did he mean? For there are two kinds. There is extralegal plunder and legal plunder.

As for extralegal plunder, such as theft or fraud, which is defined, provided for, and punished by the Penal Code, I do not think that we can, in all truth, decorate it with the name of socialism. It is not this that systematically menaces the foundations of society. Besides, the war against this type of plunder has not awaited the signal from M. de Montalembert or of M. Carlier. It has been waged since the beginning of the world; France had provided for it long before the February Revolution, long before the appearance of socialism, by a whole apparatus of courts, police, gendarmes, prisons, dungeons, and gallows. It is the law itself that carries on this war, and what would be desirable, to my mind, is that the law should always maintain this attitude toward plunder.

But this is not the case. 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, and it is no doubt this that M. de Montalembert is talking about.

This kind of plunder may be merely an exceptional blemish on a nation's legislation, in which case, the best thing to do, without too many tirades and jeremiads, is to eliminate it as soon as possible, despite the outcries of the vested interests. How is it to be recognized? Very simply. All we have to do is to see whether the law takes from some what belongs to them in order to give it to others to whom it does not belong. We must see whether the law performs, for the profit of one citizen and to the detriment of others, an act which that citizen could not perform himself without being guilty of a crime. Repeal such a law without delay. It is not only an iniquity in itself; it is a fertile source of iniquities, because it invites reprisals, and if you do not take care, what begins by being an exception tends to become general, to multiply itself, and to develop into a veritable system. No doubt the person benefited by the law will raise loud cries of protest; he will invoke his acquired rights. He will say that the state has an obligation to protect and encourage his industry; he will allege that it is

good that the state should enrich him, because, when he is richer, he spends more and thus showers wages on the poor workers. Take care not to listen to this sophist, for it is precisely by the systematic elaboration of these arguments that legal plunder will itself be systematized.

This is, in fact, what has happened. 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. And it is the aggregate of all these plans, in respect to what they have in common, legal plunder, that goes under the name of socialism...

This question of legal plunder must be decided once for all, and there are only three solutions:

That the few plunder the many.

That everybody plunders everybody else.

That nobody plunders anybody.

Partial plunder, universal plunder, absence of plunder—one must choose. The law can follow only one of these three possible courses.

Partial plunder is the system that prevailed as long as the electorate was partial, the system to which some wish to return in order to avoid the invasion of socialism.

Universal plunder is the system with which we have been threatened since the suffrage became universal, the masses having conceived the idea of legislating on the same principle as the legislators who preceded them.

Absence of plunder is the principle of justice, of peace, of order, of stability, of harmony, of good sense, which I shall proclaim with all the power (alas! so inadequate) of my lungs, until my last breath.

And, in all sincerity, can anything more be asked of the law? Can the law, having force as a necessary sanction, be reasonably employed for anything else than safeguarding the rights of everyone? I question whether the law may be extended beyond this domain without turning it, and consequently without turning force, against human rights. And as this is the most disastrous, the most illogical social disturbance imaginable, we must recognize clearly that the true solution, so much sought after, of the social problem is comprised in these simple words: The law is organized justice...

[Frédéric Bastiat, *Selected Essays on Political Economy*, trans. Seymour Cain, ed. George B. de Huszar, introduction by F.A. Hayek (Irvington-on-Hudson: Foundation for Economic Education, 1995). Chapter: 2: The Law. Accessed from <u>http://oll.libertyfund.org/title/956/35439</u> on 2010-10-12.]

4. Unseen Unintended Consequences: The Broken Window Fallacy (Sophism)

In the economic sphere an act, a habit, an institution, a law produces not only one effect, but a series of effects. Of these effects, the first alone is immediate; it appears simultaneously with its cause; it is seen. The other effects emerge only subsequently; they are not seen; we are fortunate if we foresee them.

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. Whence it follows that the bad economist pursues a small present good that will be followed by a great evil to come, while the good economist pursues a great good to come, at the risk of a small present evil...

Suppose that it will cost six francs to repair the damage. If you mean that the accident gives six francs' worth of encouragement to the aforesaid industry, I agree. I do not contest it in any way; your reasoning is correct. The glazier will come, do his job, receive six francs, congratulate himself, and bless in his heart the careless child. That is what is seen.

But if, by way of deduction, you conclude, as happens only too often, that it is good to break windows, that it helps to circulate money, that it results in encouraging industry in general, I am obliged to cry out: That will never do! Your theory stops at what is seen. It does not take account of what is not seen.

It is not seen that, since our citizen has spent six francs for one thing, he will not be able to spend them for another. It is not seen that if he had not had a windowpane to replace, he would have replaced, for example, his worn-out shoes or added another book to his library. In brief, he would have put his six francs to some use or other for which he will not now have them.

Let us next consider industry in general. The window having been broken, the glass industry gets six francs' worth of encouragement; that is what is seen.

If the window had not been broken, the shoe industry (or some other) would have received six francs' worth of encouragement; that is what is not seen.

And **if we were to take into consideration what is not seen, because it is a negative factor, as well as what is seen, because it is a positive factor, we should understand that there is no benefit to industry in general or to national employment as a whole, whether windows are broken or not broken.**

[Frédéric Bastiat, Selected Essays on Political Economy, trans. Seymour Cain, ed. George B. de Huszar, introduction by F.A. Hayek (Irvington-on-Hudson: Foundation for Economic Education, 1995). What is Seen and What is Not Seen. Chapter: 1. The Broken Window. Accessed from http://oll.libertyfund.org/title/956/35427 on 2010-10-12.]

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

Citizens, throughout history two political systems have confronted each other, and both of them can be supported by good arguments. According to one, the state should do a great deal, but also it should take a great deal. According to the other, **its double action should be barely perceptible**. Between these two systems, one must choose. But as for the third system, which is a mixture of the two others, and which consists in requiring everything from the state without giving anything to it, it is chimerical, absurd, childish, contradictory, and dangerous. Those who advance it in order to give themselves the pleasure of accusing all governments of impotence and exposing them thus to your violent attacks, flatter and deceive you, or at least they deceive themselves.

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**...

I contend that this personification of the state has been in the past, and will be in the future, a fertile source of calamities and of revolutions.

Here the public, on the one side, the state on the other, are considered as two distinct entities, the latter intent on pouring down upon the former, the former having the right to claim from the latter, a veritable shower of human felicities. What must be the inevitable result?

The fact is, the state does not and cannot have one hand only. It has two hands, one to take and the other to give—in other words, the rough hand and the gentle hand. The activity of the second is necessarily subordinated to the activity of the first. Strictly speaking, the state can take and not give. We have seen this happen, and it is to be explained by the porous and absorbent nature of its hands, which always retain a part, and sometimes the whole, of what they touch. But what has never been seen, what will never be seen and cannot even be conceived, is the state giving the public more than it has taken from it. It is therefore foolish for us to take the humble attitude of beggars when we ask anything of the state. It is fundamentally impossible for it to confer a particular advantage on some of the individuals who constitute the community without inflicting a greater damage on the entire community. ...

The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else.

Or in LF's translation: **THE STATE is the great fiction by which EVERYONE endeavours to live at the expense of EVERYONE ELSE.**

[Frédéric Bastiat, *Selected Essays on Political Economy*, trans. Seymour Cain, ed. George B. de Huszar, introduction by F.A. Hayek (Irvington-on-Hudson: Foundation for Economic Education, 1995). Chapter: 5: The State. Accessed from <u>http://oll.libertyfund.org/title/956/35453</u> on 2010-10-12.]