



**“FRÉDÉRIC BASTIAT (1801-1850): CAMPAIGNER FOR FREE TRADE, POLITICAL ECONOMIST, & POLITICIAN IN A TIME OF REVOLUTION”**

**Dr. David M. Hart**

**A Lecture in the David S. Saurman Provocative Lecture Series  
Department of Economics, San Jose State University  
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## **This Lecture:**

**<http://homepage.mac.com/dmhart/>**

## **Bastiat on the OLL:**

**<http://oll.libertyfund.org/person/25>**

## Why I think the Life & Thought of Frédéric Bastiat is Important (i)



- a fervent **advocate of individual political & economic liberty** in a society which did not value these ideals highly
- a **humble & shy man** who did what he thought was right & didn't know how much he knew or how good he was at what he did
- a **brilliant economic journalist & popularizer** who was also capable of writing serious academic papers which showed deep insights
- a man of **wit & humour** who developed a distinctive personal "style" with which to defend liberty - "**a rhetoric of liberty**"
  - used sarcasm, parody, puns, literary references to make economics less "dull & dry"
  - used "**the sting of ridicule**" to excellent effect in exposing the follies of those in power

## Why I think the Life & Thought of Frédéric Bastiat is Important (ii)

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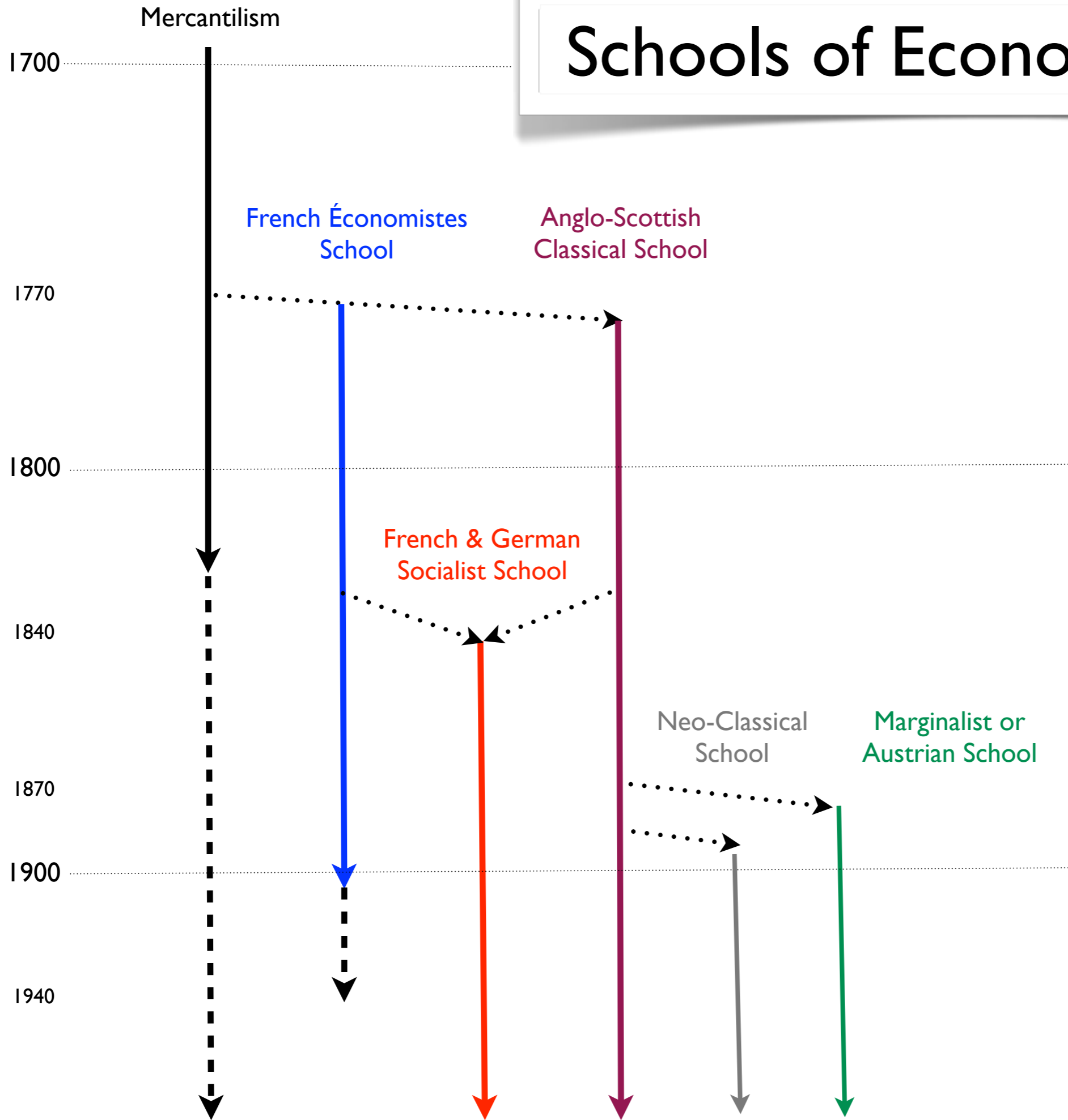
- a very **courageous & determined man** who continued to fight for what he believed in despite significant setbacks:
  - lack of popular support for free trade
  - a Revolution which turned increasingly statist & socialist
  - took to the streets of Paris in revolution to advocate his views & to defend those he opposed from being shot
  - a terminal throat condition which killed him at 49
- his ability to combine **multiple areas of activity**
  - single issue agitation - French Free Trade Assoc.
  - economic journalism to debunk fallacies
  - political activity as member of Chamber of Deputies in a Revolution - VP of Finance Committee
  - writing a major theoretical treatise (unfinished) - Ec. Harmonies
  - a planned work of history - “A History of Plunder”

## LECTURE OVERVIEW



- I. Bastiat's Place in the History of Economic Thought
- II. Brief Biography of the Life & Work of Frédéric Bastiat
- III. Some Key Ideas of FB
  - a. Individual Liberty
  - b. Limited Government & the Rule of Law
  - c. The Harmony of the Free Market
  - d. Free Trade & Peace
  - e. The State & Legal Plunder
- IV. FB's Use of Humour in Popularizing Economic Ideas

# Schools of Economic Thought



**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)**

# The Intellectual Importance of Frédéric Bastiat



**Leonard E. Read (1898-1983)**



**Pres. Ronald Reagan (1911-2004)**

- profound impact on the French & European classical liberal movements in mid-19th century
  - leading figure in French free trade movement - converted Michel Chevalier (1806-1879) who persuaded Napoleon III to sign free trade treaty with England (**Cobden-Chevalier Treaty of 1860**)
  - works quickly translated in major European languages
- brilliant stylist, polemicist and popularizer of economic ideas (debunker of fallacies or “sophisms”)
- impact on US economic thinking
  - Amasa Walker (1799-1875) & his Bastiat School
  - **Leonard E. Read (1898-1983)** - FEE
  - **Henry Hazlitt (1894-1993)** - WSJ, NYT; *Economics in One Lesson* (1946)
  - Pres. **Ronald Reagan (1911-2004)**
  - **Modern Libertarian movement**

## II. BRIEF BIOGRAPHY OF THE LIFE & WORK OF FRÉDÉRIC BASTIAT



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

### **II. Brief Biography of the Life & Work of Frédéric Bastiat**

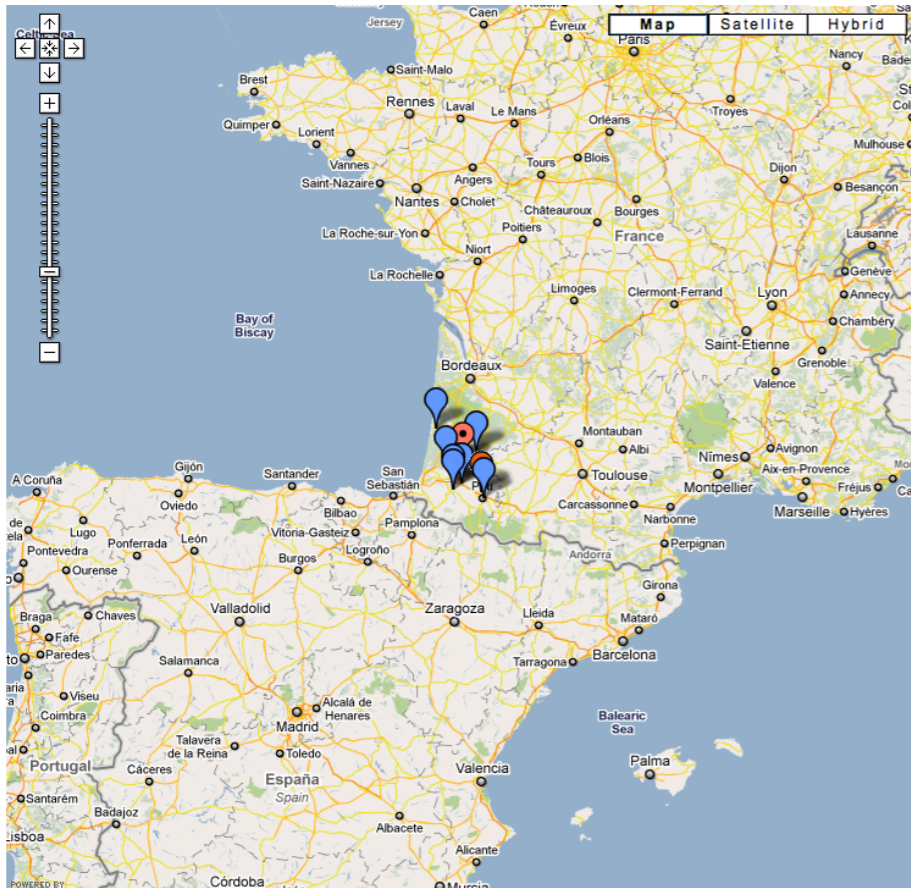
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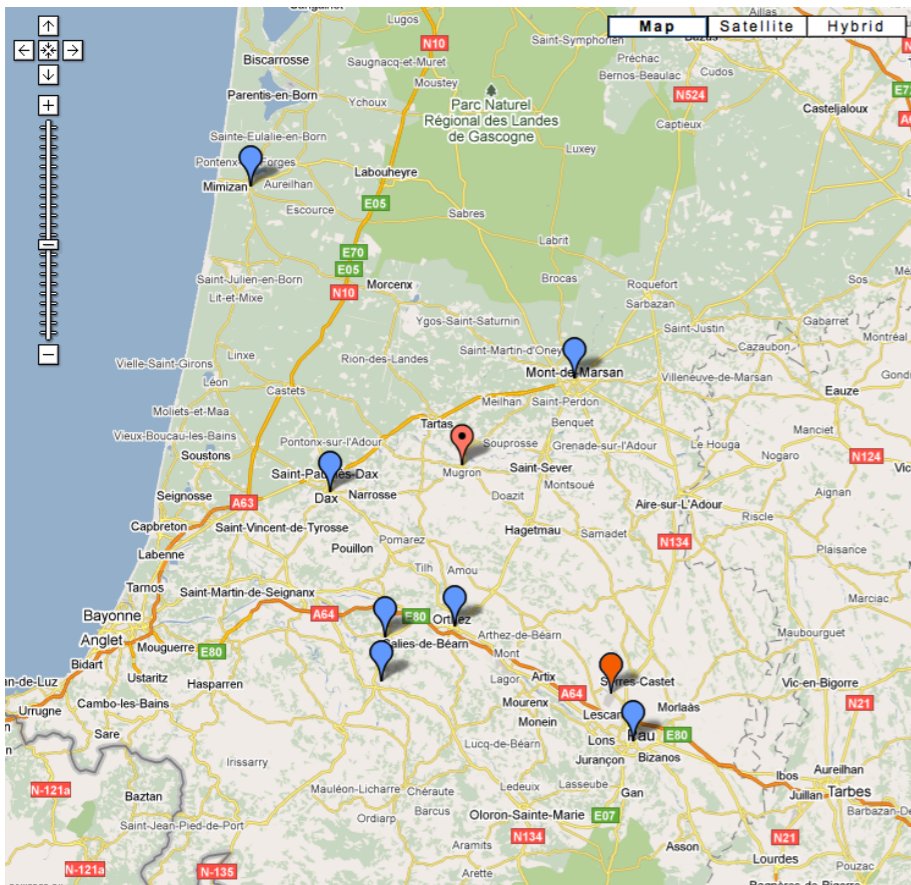
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# Bastiat's Childhood & Early Adulthood (1801-1825)



- FB born June 30, 1801 in Bayonne - mouth of Ardour 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



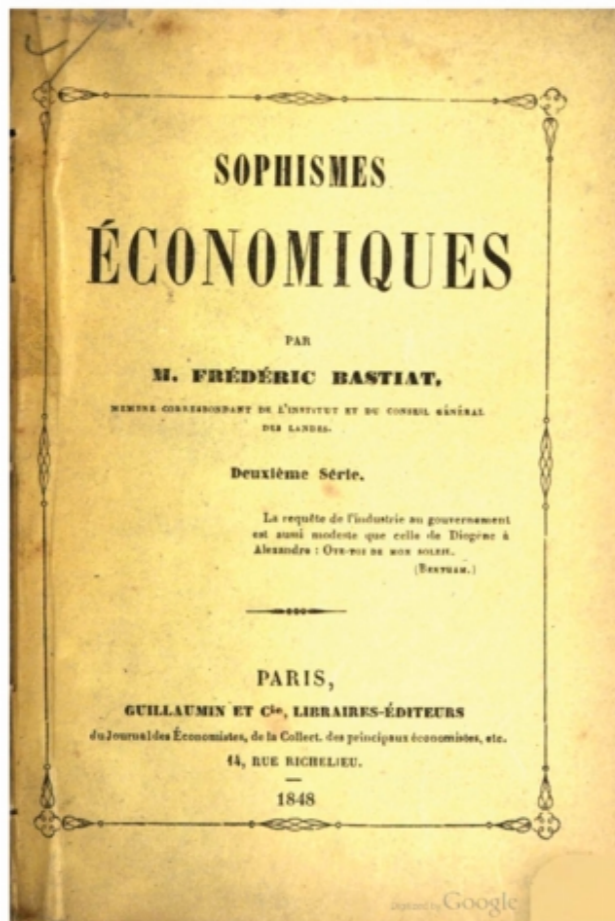
## Bastiat: Gentleman Farmer & Provincial Magistrate (1825-1844)



{Delacroix, “Liberty leading the People at the Barricade” (1830)}

- spends time reading voraciously in political economy
- participates in **July Revolution of 1830** in Bayonne
- appointed JP 1831 then Councillor General 1833 in Mugron canton
- 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

## Bastiat: Free Trade Organizer & Economic Journalist (1845-1847)



- **1845** - goes to Paris, joins Société d'économie politique
- writes book on *Cobden and the League*
- writes articles debunking economic fallacies or “sophisms” - *Economic Sophisms I*
- **1846** - 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
- lectures on political economy (become *Economic Harmonies*) at the School of Law

## Bastiat: Revolutionary Politician & Economist (1848-1850)



Meissonier, *The Barricade, rue de la Mortellerie, June 1848*

- **1848** - *Economic Sophisms* Series II (Jan.)
- abdication of King Louis Philippe 24 Feb. 1848 ends “July Monarchy”
- declaration of 2nd Republic 25 February
- FB immediately founds *Jacques Bonhomme* ed. by Charles Coquelin and G. de Molinari
- 23 April 1848 FB elected deputy of Les Landes to Constituent Assembly
- publishes pamphlets: “Property and Law,” “Property and Plunder,” “The State”

## Death of an Important Free Market Economist (1850)



### Death

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

### Memorial

- 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]**



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

## III. SOME KEY IDEAS OF FRÉDÉRIC BASTIAT



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## Bastiat's Theory of the State (i): Limited Government

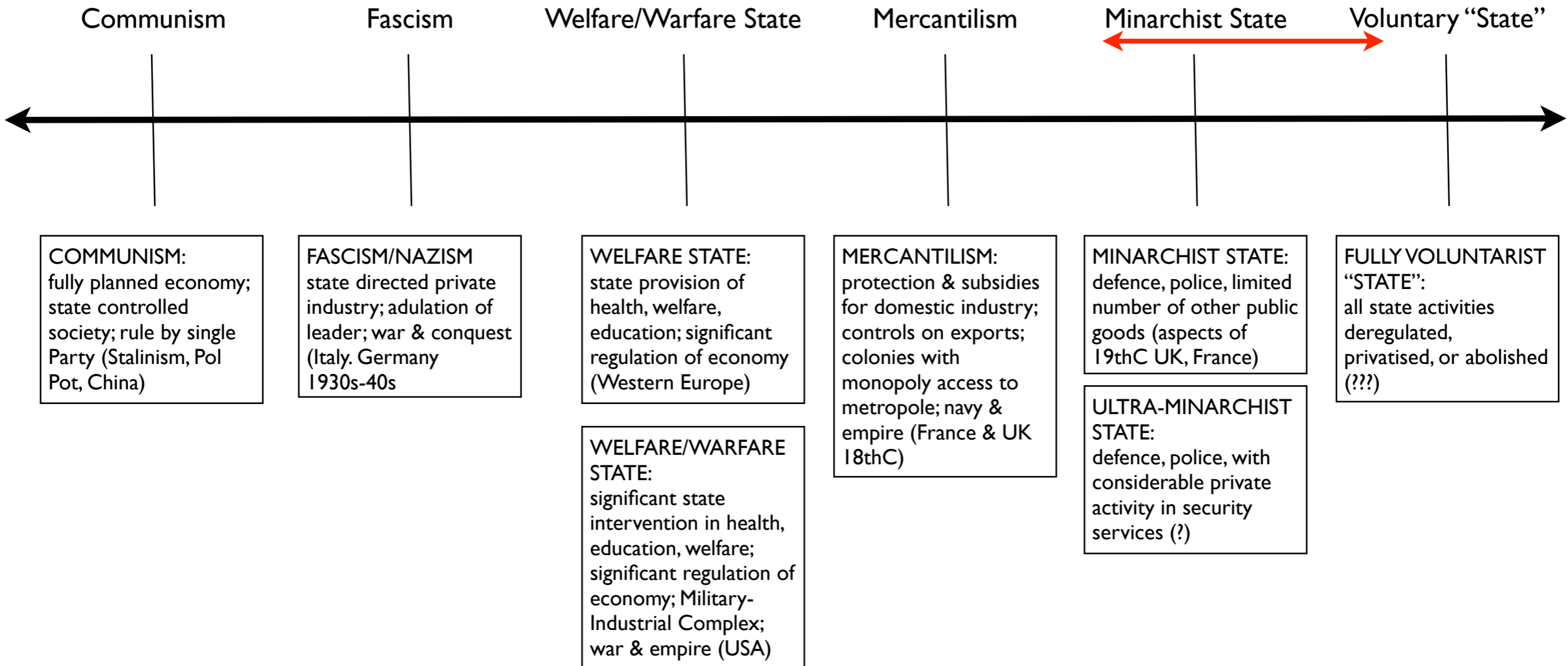


- **limited state** (“minarchist”) view of legitimate state functions (Smithian tradition)
  - **police** to protect domestic liberty and property
  - **defence** to protect nation
  - **some public goods** (highways, money)
- **rule of law**
- **no regulation** of the economy (other than enforce contracts & punish fraud)
- **low taxes** on very few items
- small professional (standing) army - **local militias**
- **abolition** of most government ministries & bureaucracies

# Spectrum of State Power

POWER

LIBERTY



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## The Harmony of the Free Market (i)



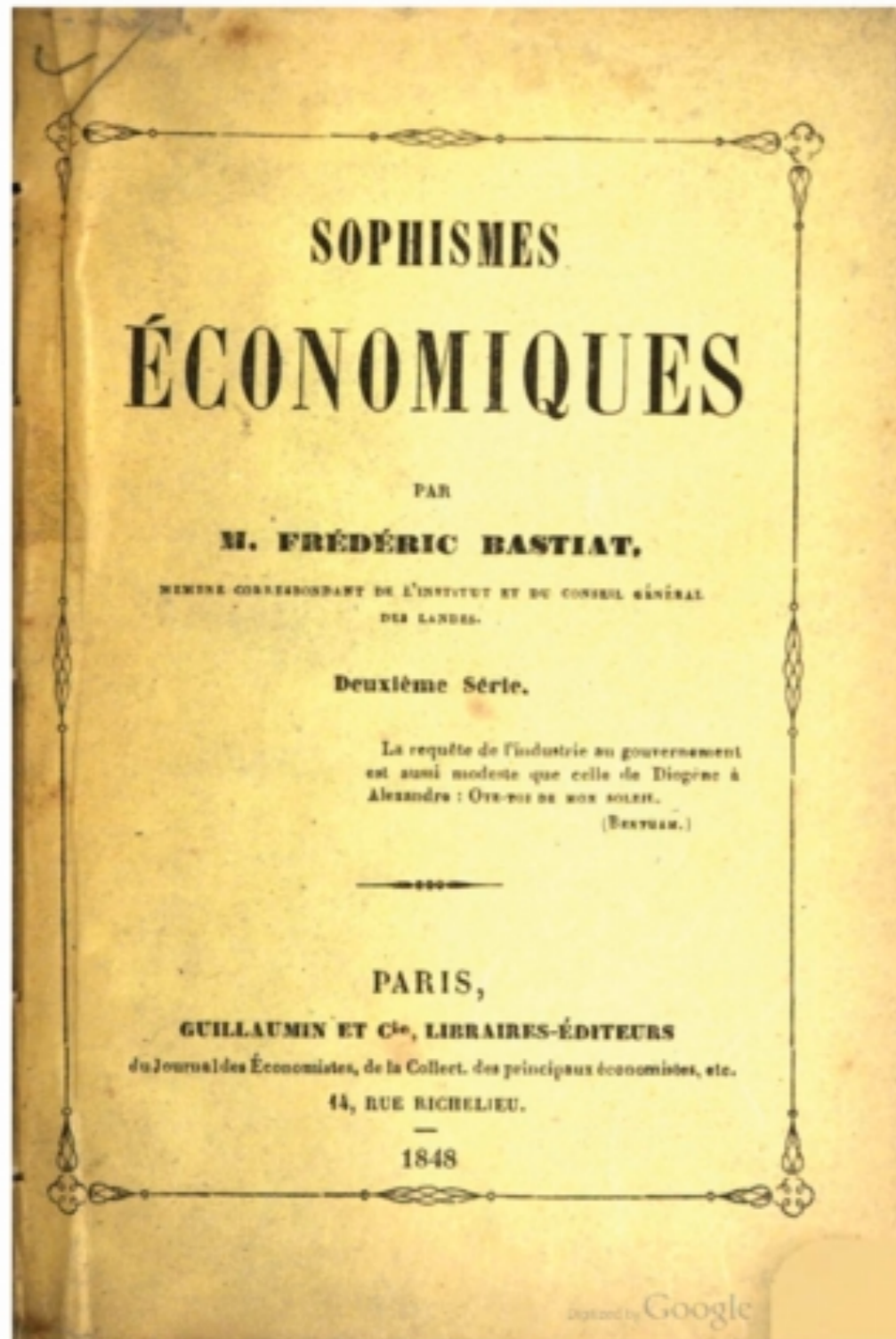
[Les Halles Market, Paris]

- the economy is a vast **network of “harmonious” voluntary exchanges**
- free exchange solves **complex coordination problems** (feeding Paris)
  - self-interest and free market pricing solves coordination problem (Hayek, Mises - socialist calculation debate)
  - no need for central planners
  - local knowledge used to satisfy consumer needs
- voluntary inter-personal exchanges **benefit both parties**

## The Harmony of the Market: 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?”**

**Quote 3a. The Harmony of the Market: The Provisioning of Paris - Economic Sophisms I, Chapter 18: There Are No Absolute Principles, pp. 97-98.**



- FB spent much of his time in mid-1840s refuting popularly held **economic “fallacies”** or **“sophisms”**
  - govt policy can **increase national production** and wealth (subsidies, protective tariffs)
  - govt policy can **increase no. of jobs** (make work schemes, National Workshops)
  - destruction of property (natural disasters) can lead to increased production & prosperity - **“broken window fallacy”**
- these economic fallacies are just as common today as in FB’s time - the “economic zombies that will not die”
- Bryan Caplan’s “myth of the rational voter”
- FB’s classic refutations of Economic Sophisms:
  - “The Petition of the Candle Makers”
  - “The Seen and the Unseen”
  - “The Broken Window”

“The Petition of the Candlemakers”



[King Louis Philippe]

- good example of FB’s satirical style and use of **reductio ad absurdum** argument
- FB takes a standard argument used by some **vested interest** to justify government intervention in their favour, e.g. request by textile manufacturers to keep out foreign (Belgian, British) imports
- shows how it hurts consumers and its illogicality if applied to other industries
- FB much impressed by Adam Smith’s argument that producers often conspire to use state for their own benefit
- cloak **selfish motive** behind “national interest” arguments



## Private Vested Interests who seek Government Favours in the “National Interest”:

### “The Petition of the Candlemakers”

“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...

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.**”

**Quote 3b. “The Petition of the Candlemakers”**  
*Economic Sophisms I, Chapter 7.*

## “The Broken Window Fallacy” (1850)

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<sup>e</sup>  
RUE RICHELIEU, 14

- all economic activities produce a **complex series of effects** - some immediately obvious (“the seen”) & some others occur later & are “unintended” (“the unseen”)
- FB’s famous story of Jacques Bonhomme (“Joe Sixpack”), the Glazier, & the Shoe Maker
- what is immediately “**seen**” - JB has to fix a broken window & pays a Glazier to do so. This is a stimulus to the Glazier’s business
- what is “**unseen**” - JB is out of pocket & the money he would have spent on other things (say a pair of shoes) has gone to the Glazier; the loss of potential business of the Shoemaker is “not seen”
- Result: a gain for the Glazier (seen), but a “**double incidence of loss**” for JB and the Shoemaker (unseen)
- FB refuting some economists who thought the Great Fire of London (1666) stimulated English economy because of reconstruction

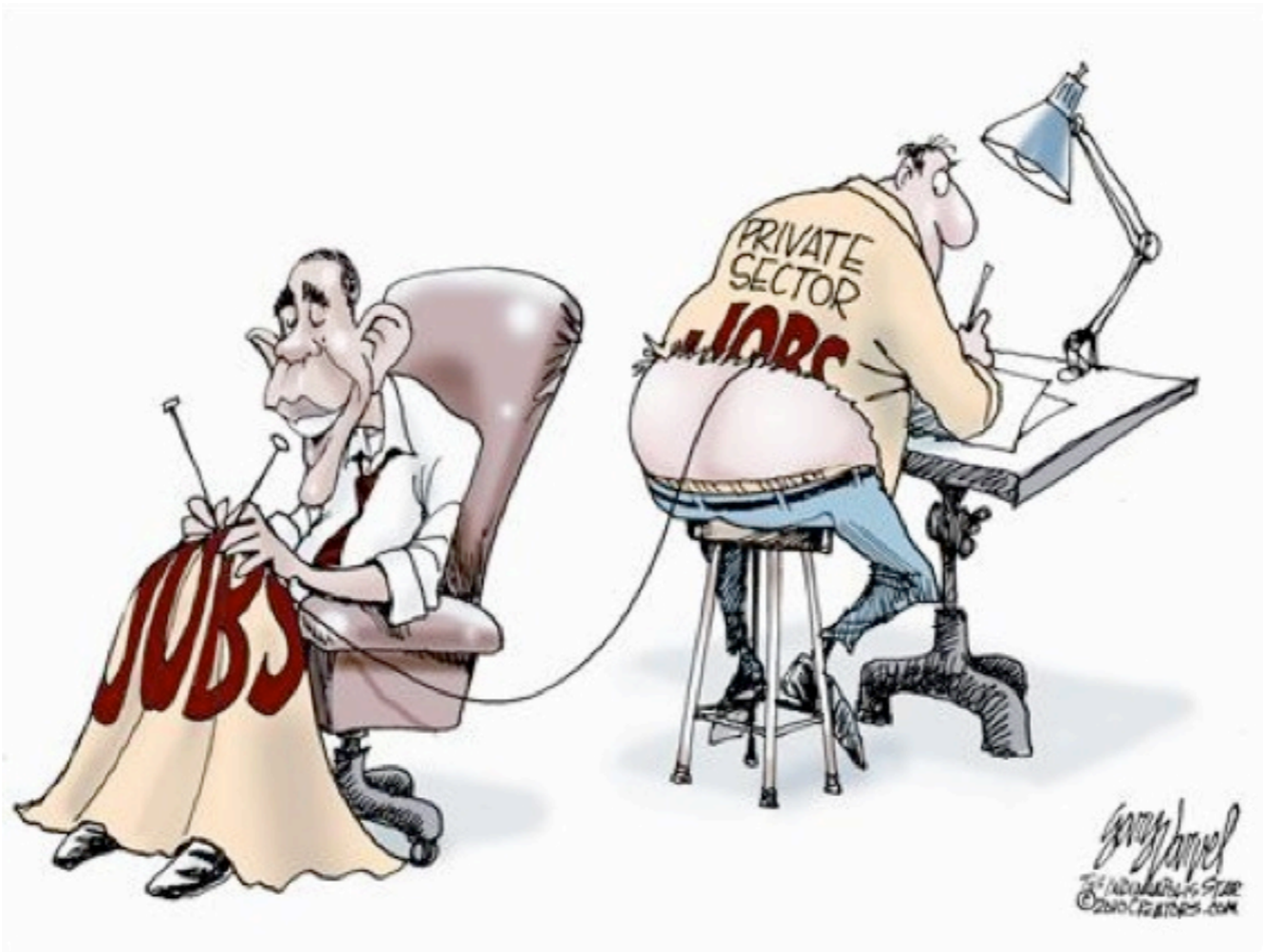
**“The Seen and the Unseen” in Obama’s America:  
What is “Seen”: The Obama Administration “creating” New Jobs  
by Government Expenditure**



**“The Seen and the Unseen” in Obama’s America:  
What is “Unseen”: The Obama Administration “creating” New  
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# The Seen and the Unseen: The Obama Administration “creating” New Jobs



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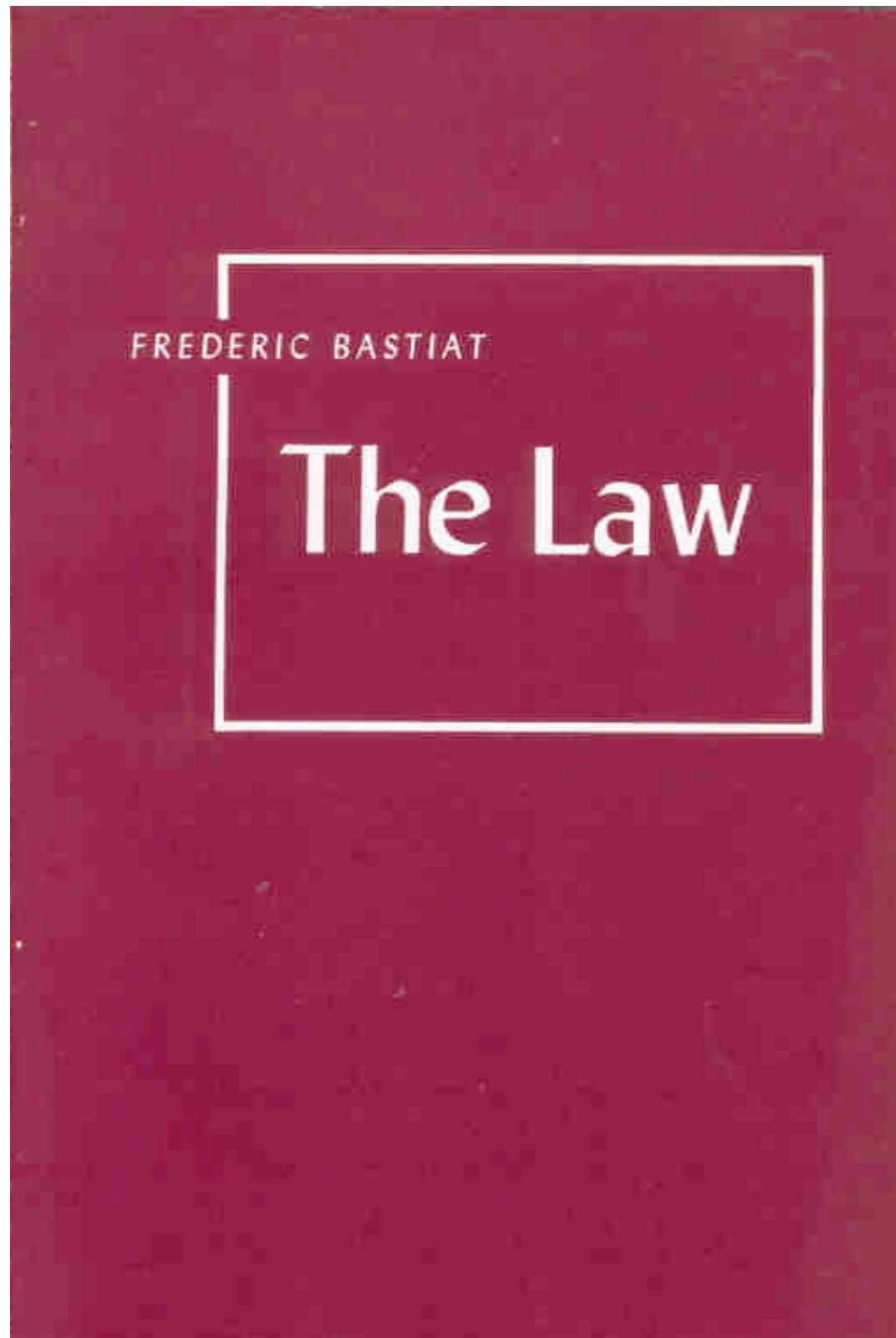
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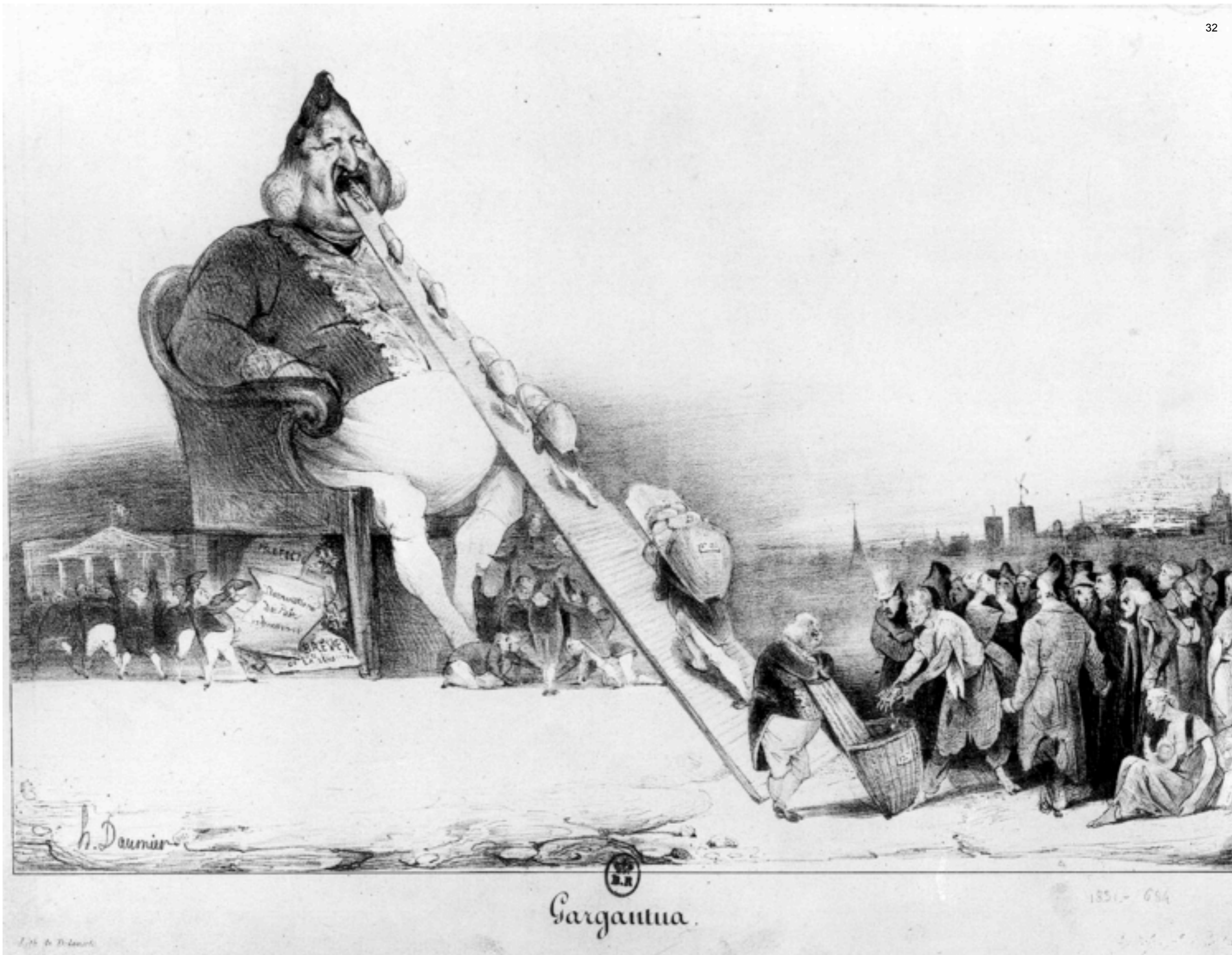
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IV. FB's Use of Humour in Popularizing Economic Ideas



- idea of **Illegal Plunder and Legal Plunder**
- **Illegal Plunder** - violation of an individual's right to property by pirates, highwaymen, bandits and robbers. Strong legal traditions to prevent and punish this
- **Legal Plunder** - violation of an individual's right to property by ruling elites: slave owners, established Church, monarchs and aristocrats, privileged manufacturers, socialist politicians acting in name of the people
  - "theft by subsidy"
  - "theft by customs duties"
- **war** was one of the worst forms of "legal plunder"
- opposite of plunder was **voluntary exchanges** on the free market by property owners



[Honoré Daumier, "Gargantua" (1831)]





*Les Honnêtes gens, par Hon. Daumier*

*L. Daumier del.*

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

## IV. FRÉDÉRIC BASTIAT'S USE OF HUMOUR IN POPULARIZING ECONOMICS



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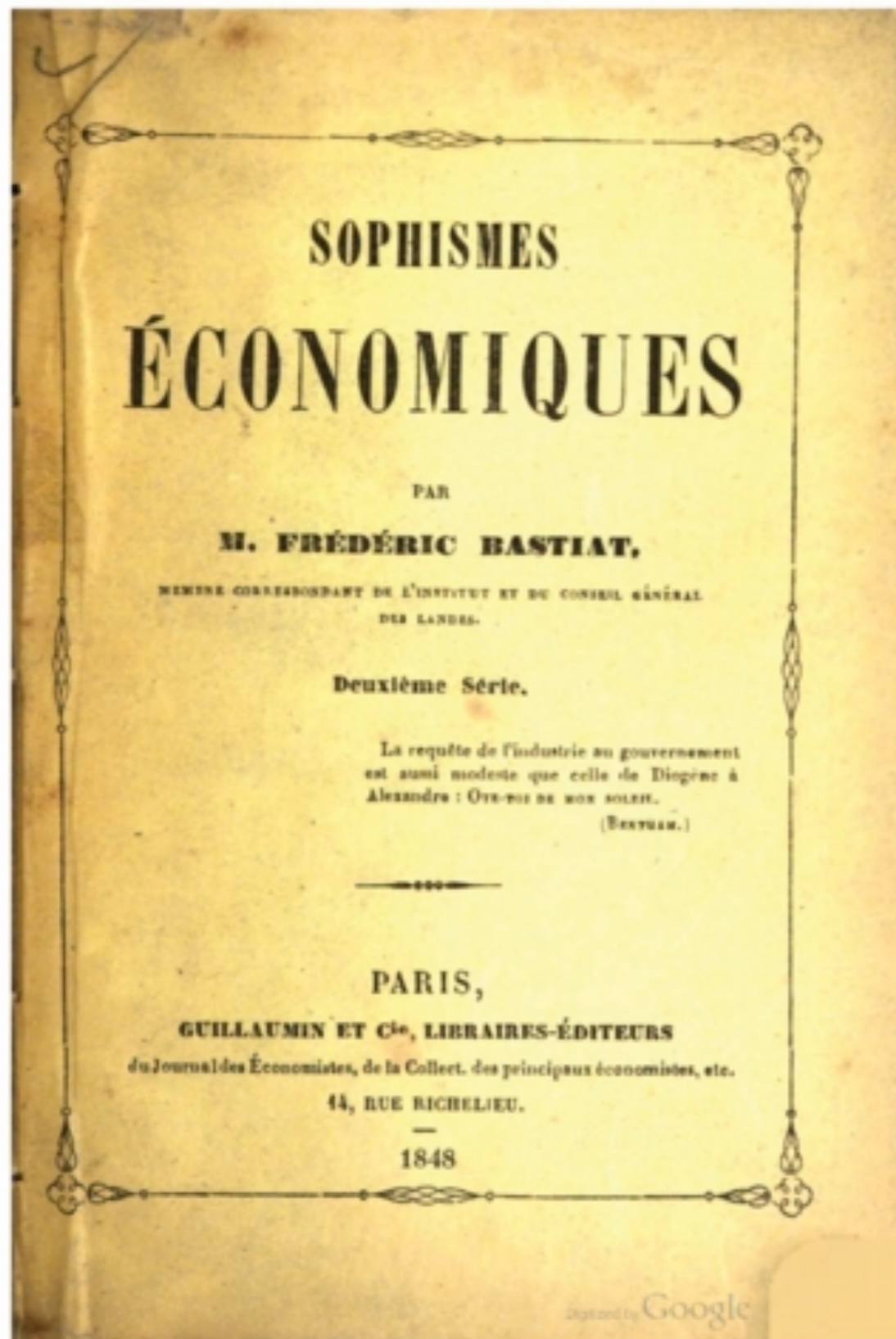
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**IV. FB's Use of Humour in Popularizing Economic Ideas**

## Bastiat's Use of Humour in Popularizing Economics (i)



- FB was a master at exposing the **hypocrisy** and naked **self-serving interest** of the ruling elites of his day
- showed that claims that policy was in the “national interest” really served narrow “private interests”
- Also debunked widely held **popular misunderstandings** of economic principles
- Spread as “**sophisms**” by beneficiaries of govt. policies to mislead public
- FB wrote 2 published collections of “Economic Sophisms” and left a 3rd unpublished at his death

## Bastiat's Use of Humour in Popularizing Economics (ii)

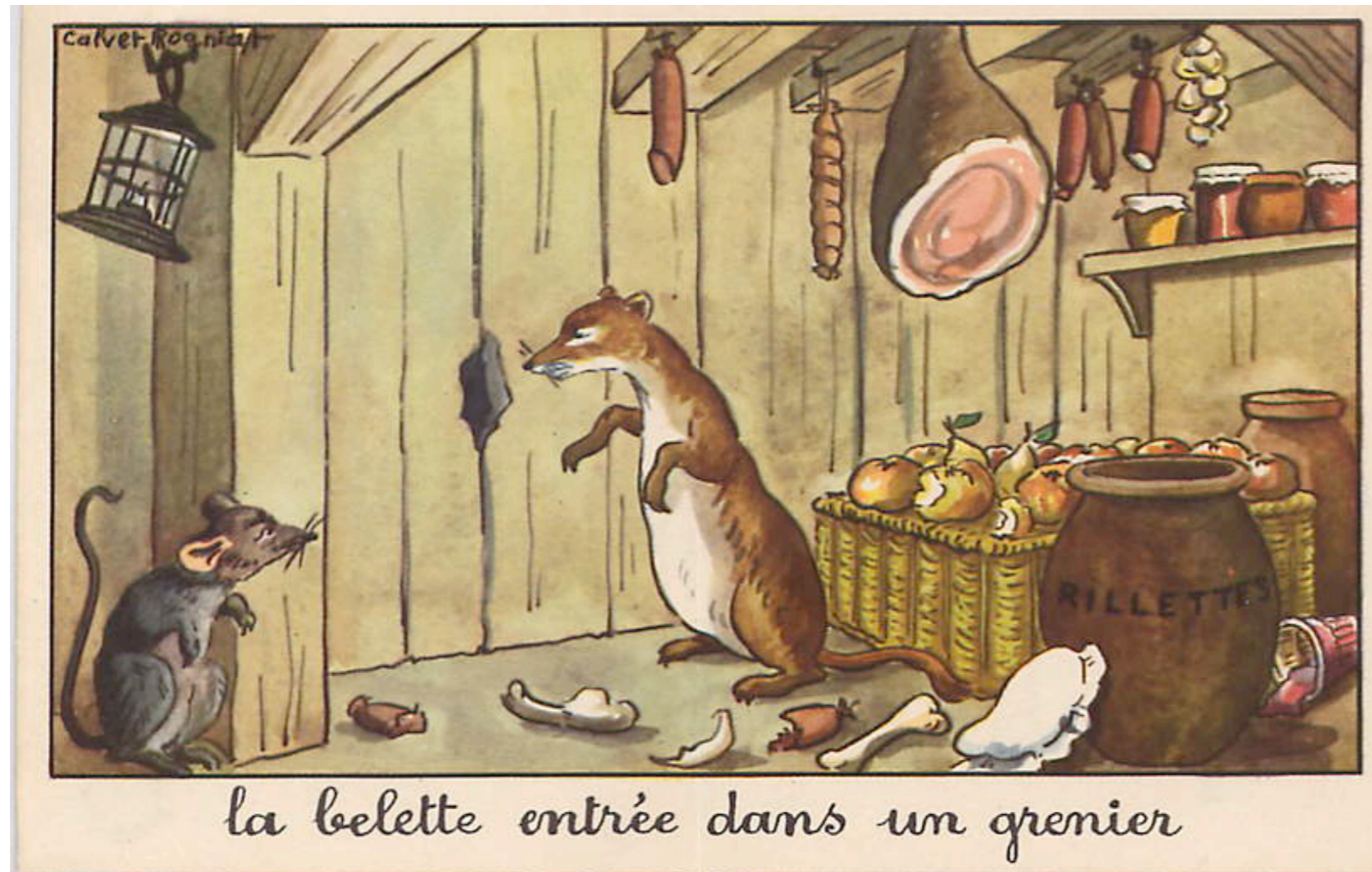


la belette entrée dans un grenier

- FB used sarcasm, parody, puns, satirical songs, economic tales, conversations, reductio ad absurdum arguments to make his points - the “**sting of ridicule**”
- the **witty & clever debunking of myths** or “Sophisms”:
  - “The Petition of the Candle Makers”
  - “The Broken Window”
- the use of **literature** as a source of “**economic tales**” or fables:
  - the story of “The Miller & Frederick the Great”
  - La Fontaine’s Fable of the Weasel
- his use of **humor & satire** to make economics less “dull & dry”:
  - parodies of the plays of Molière
  - political drinking songs of Béranger



## The “STING OF RIDICULE”: La Fontaine’s fable, “The Weasel that got caught in the Storeroom”



FB liked the fables of La Fontaine (1621-1695) because they contained poignant moral lessons which could be turned into “**economic tales**” accessible to everybody. This is the story of a greedy **weasel** (a \_ or a military vested interest) who plans to sneak into a **farmer’s** granary (**taxpayers**) to steal his harvest. When he plans the theft the weasel is skinny enough to squeeze through a gap in the wall. After gorging himself on the product of the farmer’s hard work, the weasel has put on too much weight to escape through the same hole. A wise mouse points out his folly.

The “**STING OF RIDICULE**”:  
Béranger, “**Le roi d’Yvetot**” 38

A song of a “**goguettier**” (a political song writer) Pierre-Jean Béranger (1780-1857) mocking a local political lord (Napoleon) who think they are “kings” and lord it over their subjects “The King Yvetot” (1813):

III. No costly regal tastes had he,  
Save thirstiness alone;  
But ere (before) a people blest can be,  
We must support the throne!  
So from each cask new tapp’d he got,  
(His own tax-gath’rer), on the spot,  
A pot!  
Ha! ha! ha! ha! Ho! Ho! Ho! Ho!  
A kingdom match with Yvetot!  
Ho! Ho!

FB probably sang songs like this with the officers of the Bayonne garrison in 1830 when he persuaded them to side with the revolutionaries of 1830.

AIRS  
DES  
CHANSONS DE BÉRANGER

LE ROI D’YVETOT.

Air: *Quand un tendron vient en ces lieux.*

N° 1. *Allegretto.*

Il é--tait un roi d’Y - ve - tot Peu con - nu dans l’his  
toi - re Se le - vant tard se cou - chant tôt Dor - mant fort bien sans  
gloi - re Et cou - ron - - né par Jean - ne - - ton D’un sim - ple  
bon - net de co - - ton dit - on. Oh! oh! oh! oh! ah! ah! ah!  
ah! Quel bon pe - tit roi c’é - tait là la la.

LA BACCHANTE.

Air: *Fournissez un canal au ruisseau.*

N° 2. *Allegretto.*

Cher a - mant je cède à tes dé - sirs De cham -  
pagne en - i - vre Ju - li - e In - ven - tons s’il se peut des plai -

## The “STING OF RIDICULE”: Molière. “The Imaginary Invalid” (1673)



Bastiat parodies Molière’s parody of the granting of a degree of doctor of medicine in *Le malade imaginaire* (The Imaginary Invalid, or the Hypochondriac) (1673).

Molière is suggesting that doctors in the 17thC were quacks who did more harm to their patients than good.

FB in his parody of a “**swearing in**” of a new government tax collector, is suggesting that government officials were thieves who did more harm to the economy than good.

# The “STING OF RIDICULE”: Molière. “The Imaginary Invalid” (1673)



Ego, cum isto boneto Venerabili et doctor,  
Don tibi et concedo Virtutem et puissanciam  
Medicandi,  
Purgandi,  
Seignandi,  
Perçandi,  
Taillandi,  
Coupandi,  
Et occidendi  
Impune per total terram.

I give and grant you **Power and authority** to Practice medicine,  
Purge,  
Bleed,  
Stab,  
Hack,  
Slash,  
and Kill  
**With impunity**  
Throughout the whole world.



## The “STING OF RIDICULE”: Bastiat’s Parody of Molière where a Government Official gives a Tax Collector Permission to violate Traders’ Rights



Dono tibi et concedo  
 Virtutem et puissantiam  
 Volandi  
 Pillandi  
 Derobandi  
 Filoutandi  
 Et escroquandi  
 Impune per totam istam  
 Viam

I give to you and I grant  
**virtue and power**  
 to steal  
 to plunder  
 to filch  
 to swindle  
 to defraud  
**At will**, along this whole  
 road

## Some things we can learn from the Life & Thought of Frédéric Bastiat (i)



- the **importance of economics** (or political economy)
  - its capacity to explain so much (but not all) of what goes on in the world (need moral philosophy, literature, & history as well)
  - so many problems in the world are the result of bad government (economic) policies - is this by accident (ignorance or error) or deliberate (self-interest)?
- the **task of the (political) economist**
  - to expose & debunk bad policy (“sophisms”)
  - to expose the beneficiaries of “bad policies”
  - to teach people sound economic thinking
- “**déjà vu all over again**” - the realization that many of the battles FB was fighting in the 1840s are very similar to those which advocates of free markets & free trade are fighting today

## Some things we can learn from the Life & Thought of Frédéric Bastiat (ii)



- the impressive extent of his research & knowledge
  - **deeply read in the speciality** - works in French, Italian, Spanish, English political economy
  - **broadly read** in the other disciplines - literature, music, popular culture
- the “**rhetoric of liberty**” which he developed to express his ideas
  - his witty & amusing style to avoid making economics “**dull & dry**”
  - his willingness to engage with **all kinds of readers** - academic and popular
  - **optimistic** in the long run even if sometimes pessimistic in short run (Revolution & illness)
  - a **sense of humour** to mock the follies of those in power but also to be able to laugh at oneself

## "Fear the Boom and Bust" a Hayek vs. Keynes Rap Anthem



*Youtube.com* <<http://www.youtube.com/watch?v=donERTFo-Sk>>



### “Freddie and the Free Traders”

a Rock N' Roll Band who do cover versions of famous songs about liberty:

- “Crazy little thing called trade” (to the tune of Freddie Mercury and Queen’s “Crazy little thing called love”)
- **“Do you know the way to Liberty” (to the tune of B. Bacharach’s “Do you know the way to San Jose”)**
- “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”)
- “War, (what is it good for?)” (to the tune of Edwin Starr’s “War”)
- “Taxman” (to the tune of the The Beatles’ “Taxman”)

# With Apologies to Freddie Mercury and Queen

