



“IDEAS AND THE INTERNET: THE PROSPECTS FOR LIBERTY”

Mannkal Economic Education Foundation

July 2011

Dr. David M. Hart

Images of Liberty and Power



This is the art work used to advertise the lecture I gave at the "Liberty & Power" lecture series at the University of Alabama last year. [[More on my lecture](#)] [[More on the lecture series](#)] [[Image Archive](#)]

Upcoming Lectures & Talks

- July 5-8, Melbourne: a paper at the History of Economic Thought Society of Australia (HETSA) annual meeting - [Frédéric Bastiat's Rhetoric of Liberty in the *Economic Sophisms* \(1846-1850\)](#)
- July 11, Perth: Seminar at the [Mannkal Economic Education Foundation](#) on "Ideas and the Internet: The Prospects for Liberty" [material to come]
- July 11, Perth: Mannkal Sun Downer Lecture on "The State and the Ruling Class" [material to come]
- July 12, Fremantle: Seminar at Notre Dame University on [Frédéric Bastiat's Rhetoric of Liberty in the *Economic Sophisms* \(1846-1850\)](#)
- July 12: St. George's College, University of Western Australia- [Frédéric Bastiat \(1801-50\): Campaigner for Free Trade, Political Economist, and Politician in a Time of Revolution](#)

Updated June 28, 2011



David M. Hart

David Hart is an historian and a libertarian with interests in the history of the classical liberal tradition (especially the French), war and culture, libertarian class theory, and film. He has a PhD from King's College, Cambridge, a masters from Stanford University, and a BA Honours degree from Macquarie University in Sydney, Australia. He taught in the Department of History at the University of Adelaide in South Australia for 15 years before moving to the US where he now works for a non-profit foundation. [[More](#)]

Recently Added Material

- June 15: a paper given at the History of Economic Thought Society of Australia (HETSA) - [Frédéric Bastiat's Rhetoric of Liberty in the *Economic Sophisms* \(1846-1850\)](#).
- June 11-12: new look website design for a new hosting service
- June 5: bio & collected works

<<http://davidmhart.com/>>

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FRÉDÉRIC BASTIAT
THE MAN AND THE STATESMAN
The Correspondence and Articles on Politics
By Frédéric Bastiat
Jacques de Guenin, General Editor
Introduction by Jacques de Guenin and Jean-Claude Paul-Dejean
Dennis O’Keeffe, Translation Editor
David M. Hart, Academic Editor

Liberty Fund’s new six-volume The Collected Works of Frédéric Bastiat series, of which *The Man and the Statesman* is the first volume, may be considered the most complete edition of Bastiat’s works published to date, in any country, and in any language. The main source for this translation is the seven-volume *Oeuvres complètes de Frédéric Bastiat*, published in the 1850s and 1860s.

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- 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



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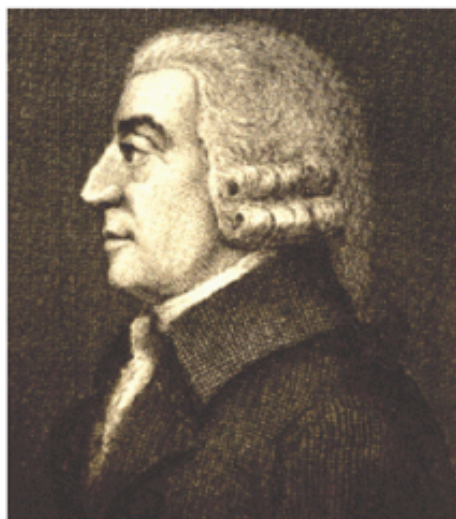
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Quotations about Liberty and Power



Adam Smith on the greater productivity brought about by the division of labor and technological innovation (1760s)



In an early draft of the *Wealth of Nations* (1776) which Adam Smith wrote in the 1760s he discusses the very great increases in productivity brought about by incremental improvements in technology such as the plough and the corn mill, often brought about by the users of the machines who stood to benefit from them:

Every body must be sensible how much labour is abridged and facilitated by the application of proper machinery. By means of the plough two men, with the assistance of three horses, will cultivate more ground than twenty could do with the spade. A miller and his servant, with a wind or water mill, will at their ease grind more corn than eight men could do, with the severest labour, by hand mills. To grind corn in a hand mill was the severest work to which the antients commonly applied their slaves, and to which they seldom condemned them unless when they had been guilty of some very great fault. A hand mill, however, is a very ingenious machine which greatly facilitates labour, and by which a great

Images of Liberty and Power



March (ploughing the fields)
From the *Très riches heures du Duc de Berry* (1416)
[See a [larger & full version](#) of this image 450 px]

The snow has melted and the peasants go about preparing the soil for the spring planting. In the background we can see the Château de Lusignan (in the Department of Vienne) on a hill top dominating the farmland about. The Chateau was a formidable defensive structure with multiple defensive walls and was probably at its height when owned by the Duc de Berry in the early 15th century. To the left we can see the barbican tower (the gatehouse), in the center the clocktower with its external privy, and to the right a tower with a protective golden dragon on its roof. On the slopes below the castle we can see various peasant activities: at the top left we can see a shepherd and his dog looking after a flock of sheep; below this are three peasants pruning the vines; to their right is a vineyard which has already been prepared for the spring growing season; at the far right is a peasant sifting a bag of seed corn; and in the foreground we see a peasant ploughing a field with 2 oxen. Given its prominent place in the picture and the extraordinary detail with which it is painted, the Limburg brothers were keen to show how important agriculture was to the peasant economy and how dependent upon it for their upkeep were the castles and chateaux of the aristocracy. We have selected an appropriate quotation from the works of members of the Scottish Enlightenment to go with the illustrations from the *Très Riches Heures*. We have done this because the *Très Riches Heures* is a marvellous depiction of many aspects of social and economic life in Europe in the early 15th century and it was a feature of the Scottish Enlightenment to explore how European societies made the transition from a system of peasant agriculture dominated by an aristocratic class to a modern market society in which mass production and the division of labor satisfied the needs of consumers in a voluntary fashion. [\[More\]](#)

[See other works from [The Scottish Enlightenment](#)]

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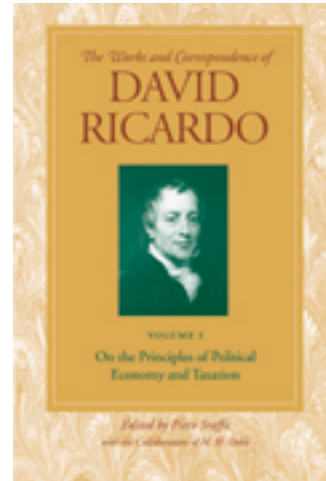


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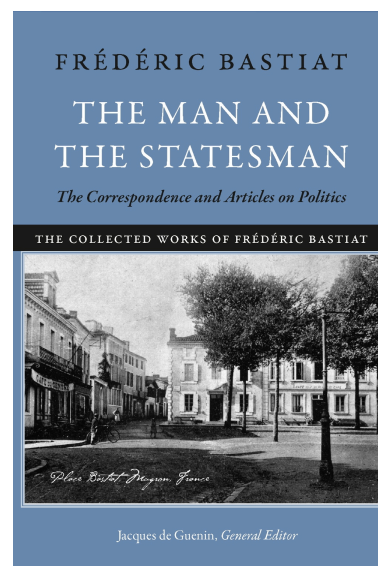
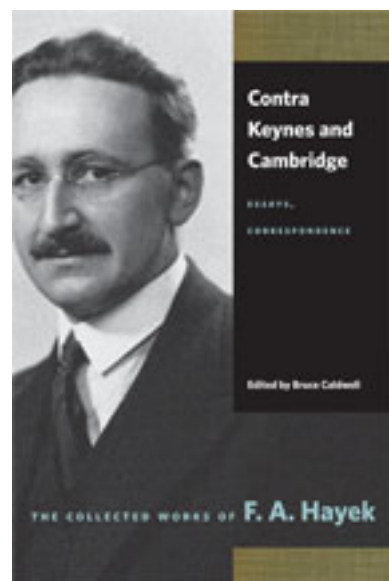
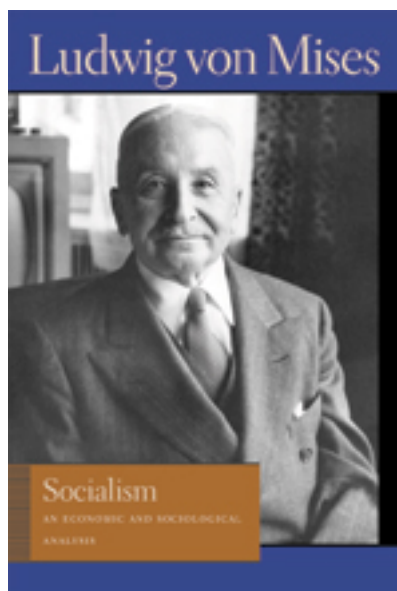
The Online Library of Liberty (OLL) - <<http://oll.libertyfund.org>>



Economics Collection (380 volumes)
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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
- (forthcoming) Collected Works of F. Bastiat



Liberty Fund's Resources on Economics

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- 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.

FRÉDÉRIC BASTIAT
THE MAN AND
THE STATESMAN

The Correspondence and Articles on Politics

THE COLLECTED WORKS OF FRÉDÉRIC BASTIAT



Jacques de Guenin, *General Editor*

General Editor - Jacques de Guenin

Academic Editor - Dr. David M. Hart

LECTURE OVERVIEW

I. The Problem of Creating a Truly Liberal Society

i. History, Opportunities, and Strategies

II. The Problem of the Rise of the State in the 20thC

i. War, Welfare, and Dependency

III. The Classical Liberal Revival after WW2

i. FEE, Mont Pèlerin Society, and the IEA

IV. Hayek's Strategy in "The Intellectuals and Socialism" (1949)

i. the Structure of Production of Goods & Ideas

V. Assessing our Progress to Date

i. Torture, Habeas Corpus, & the Constitution since 9/11

ii. Free Market Nobel Laureates vs. Zombie Keynesianism

iii. the Index of World Freedom

VI. The Opportunities offered by the Internet for Spreading Ideas about Liberty



[James Gillray, "The British Atlas" (1816)]

THE PROBLEM OF ACHIEVING RADICAL LIBERAL POLITICAL, IDEOLOGICAL, AND ECONOMIC CHANGE



[Eugène Delacroix, “Liberty leading the
People at the Barricade” (1830)]

Historical Examples of Successful Movements
towards Liberty (pre-20thC)

Factors to Consider:

- in maintaining the power of the state
- in challenging the power of the state

The Conditions Necessary for a “Libertarian
Moment” in History

Strategies for Achieving Radical Liberal Change

- political
- ideological
- economic

THE PROBLEM OF ACHIEVING RADICAL LIBERAL POLITICAL, IDEOLOGICAL, AND ECONOMIC CHANGE

Historical Examples of Successful Movements towards Liberty (pre-20thC)

- the Protestant Reformation (1517-)
- the Dutch Revolt (1568-1609)
- the English Revolution (1640-60)
- the Enlightenment (18thC)
- the American Revolution (1775-1783)
- the French Revolution (1789-1815)
- the Abolition of Slave Trade (1808) & Slavery (1833, 1848, 1865)
- the Anti-Corn Law League (1846)
- the Abolition of Serfdom (1848, 1861)
- the 1848 Revolutions



[French Declaration of the Rights of Man and the Citizen (1789)]

THE PROBLEM OF ACHIEVING RADICAL LIBERAL POLITICAL, IDEOLOGICAL, AND ECONOMIC CHANGE

Factors to Consider:

- in **maintaining the power of the state**
 - the power of the state/ruling elite & their willingness to use that power
 - the strength/organization of the groups who benefit from state privileges
 - the robustness of the ideological defence of its legitimacy
 - the strength and dynamism of the economy
- in **challenging the power of the state**
 - how divided the ruling elite is; their unwillingness to use state power
 - the strength/organization of oppressed or excluded groups who challenge the ruling elite
 - the robustness of the ideological challenge to the state's legitimacy
 - the extent of crises (economic, military) which threaten the regime

THE PROBLEM OF ACHIEVING RADICAL LIBERAL POLITICAL, IDEOLOGICAL, AND ECONOMIC CHANGE

When Radical Change becomes possible:

- a **system-wide crisis** or crises (economic) has lowered standards of living, confounded the ruling elite, and challenged their legitimacy
- the **ruling elite is divided** or uncertain, and unwilling or unable to use their power
- oppressed or **excluded groups are well organised** and determined to change the status quo
- the **legitimacy** of the state has been challenged, undermined, or otherwise weakened
- people have an **alternative view** of how politics, society, and the economy can and should be organised

When all these factors are present (especially when notions of individual liberty, limited government, rule of law, free markets provide the alternative view) then movement in a libertarian direction becomes possible (in other words a **“Libertarian Moment”** has arrived in history).

If one or more of these factors are missing then there is the danger of a coup d'état, dictatorship, the emergence of a “strong leader” (in other words another **“Statist Moment”** has arrived in history)

STRATEGIES FOR ACHIEVING RADICAL LIBERAL CHANGE

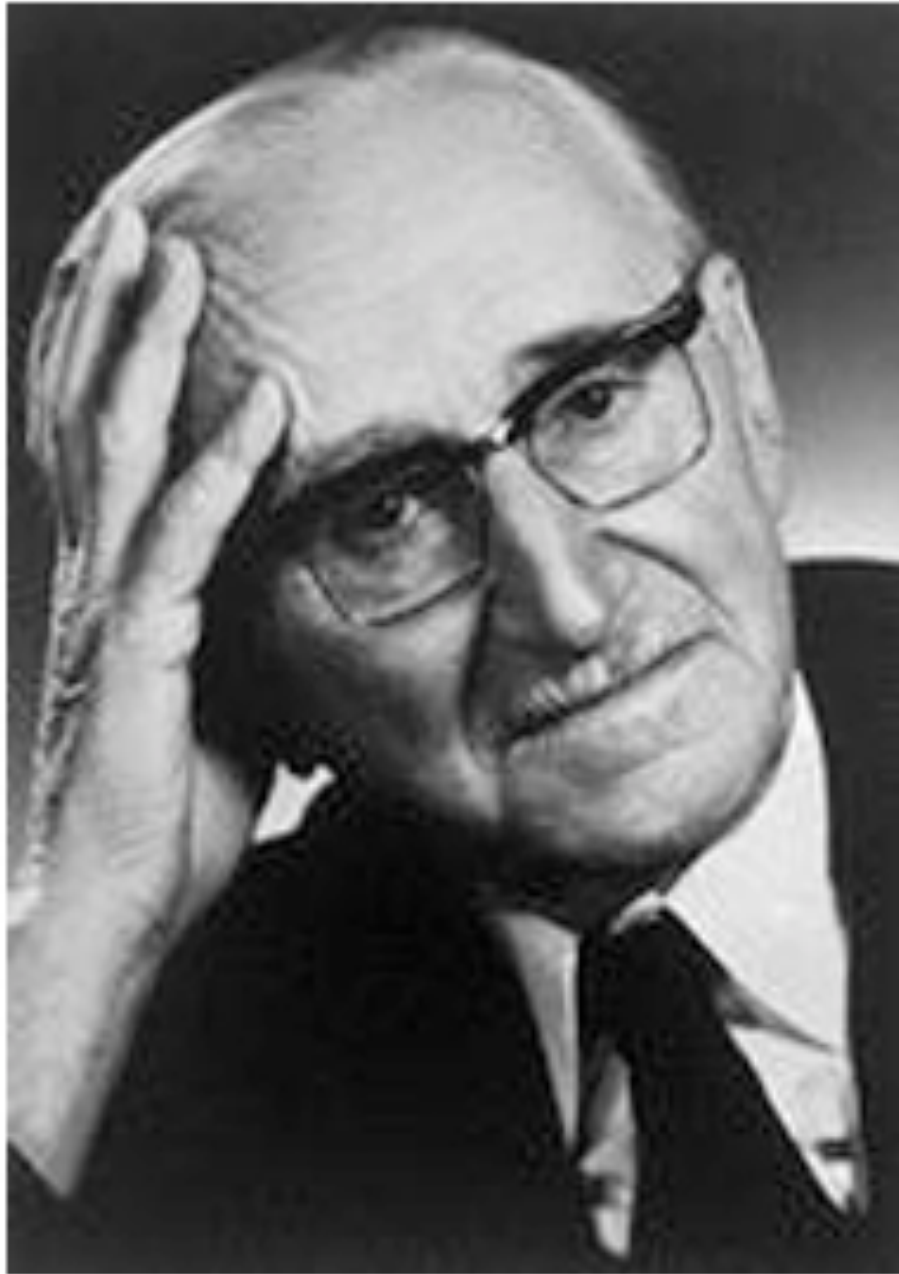
Workers Party.

Platform

Political Strategies

- **Physiocratic** model: “enlighten the despot”
- **Jeffersonian** model: revolution/secession to replace old regime with new regime
- **Cobden** model: single issue mass political movement
- **Workers/Libertarian Party** model: create a new ideologically pure political party
- **Ron Paul** model: work within existing political party
- **Gandhian** model: non-violent refusal to cooperate with the state

STRATEGIES FOR ACHIEVING RADICAL LIBERAL CHANGE



{Friedrich A. Hayek (1899-1992)}

Ideological Strategies

- **Wilberforce** model: popular movement to expose immorality and criminality of state action
- **Hayekian** model: influence those who teach the politicians, bureaucrats, shapers of opinion
- **Rothbardian/Mises Institute** model: push the ideological envelope by being as radical as possible
- **H.L. Mencken** model: ridicule and mock those in power

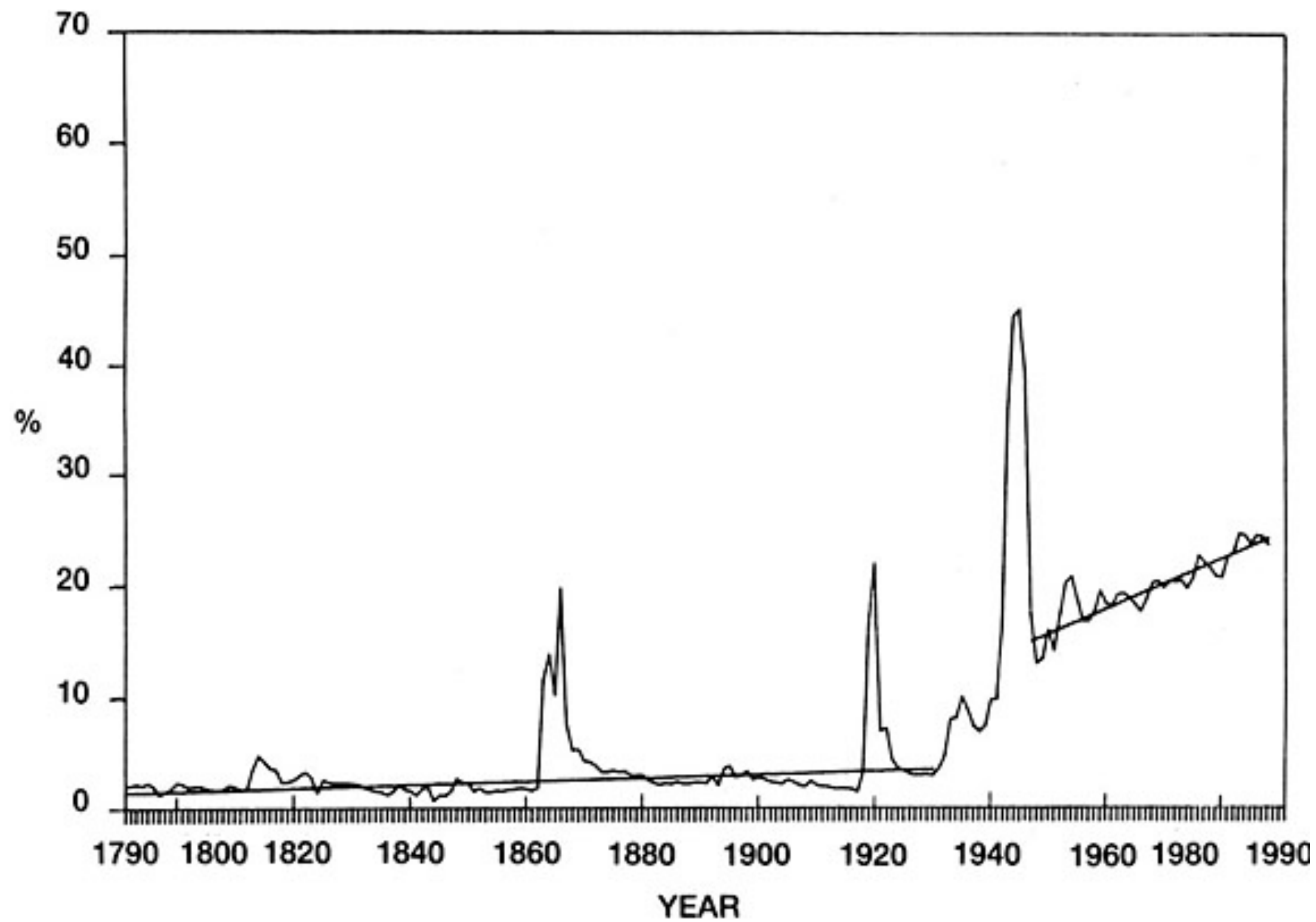
STRATEGIES FOR ACHIEVING RADICAL LIBERAL CHANGE



Economic Strategies

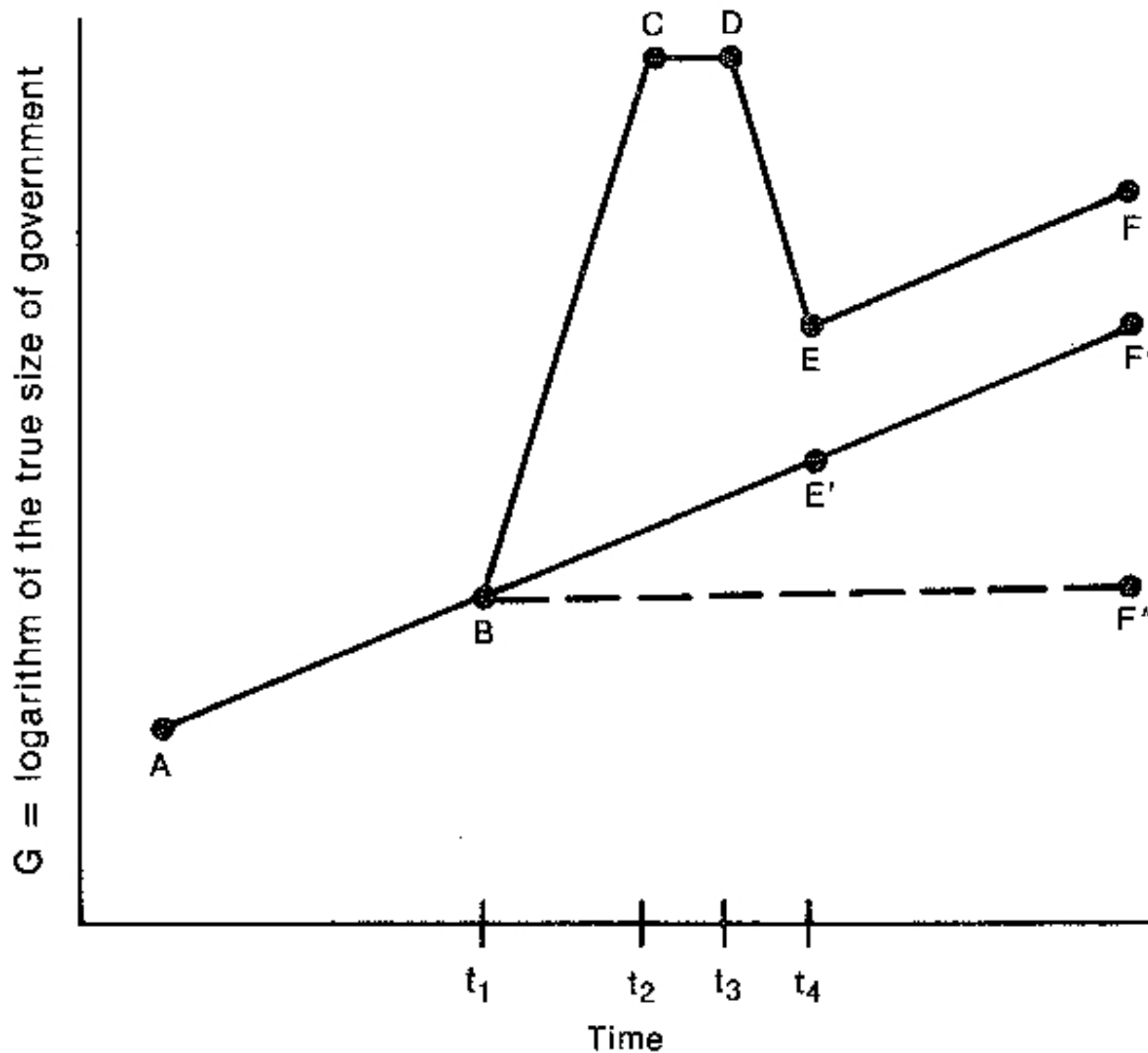
- **Physiocratic** model: “enlighten the despot” (or the advisors to the despot)
- **Misesian** model: create a radically different theory of economics
- **Tullock/Buchanan** model: show how politicians and bureaucrats pursue their self-interests
- **Bastiat/Friedmanite** model: appeal to ordinary people by popularizing economic ideas and exposing fallacies

[Frédéric Bastiat (1801-1850)]



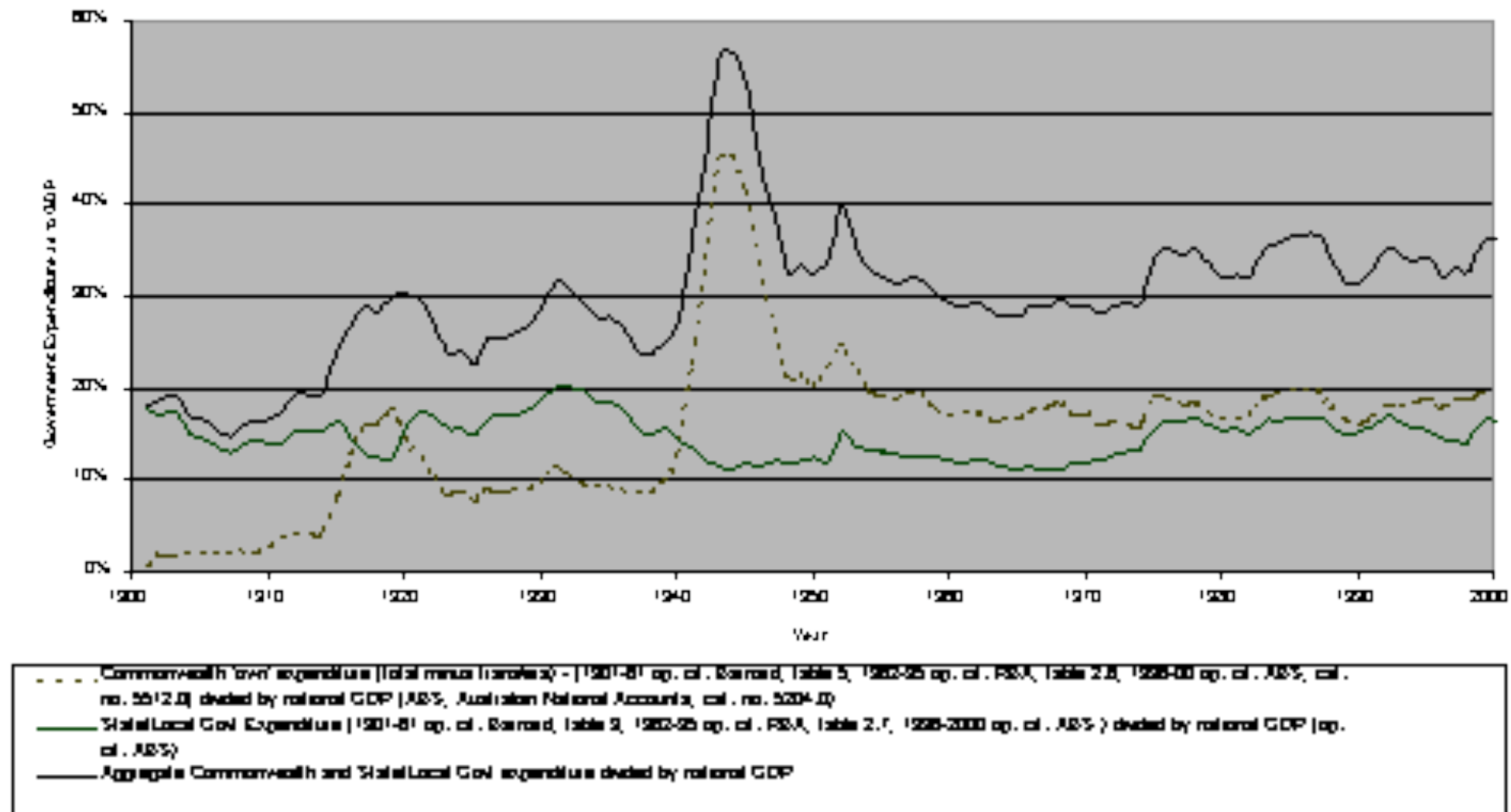
US Government Expenditure from Founding

Figure 4.1 Schematic Representation of the Ratchet



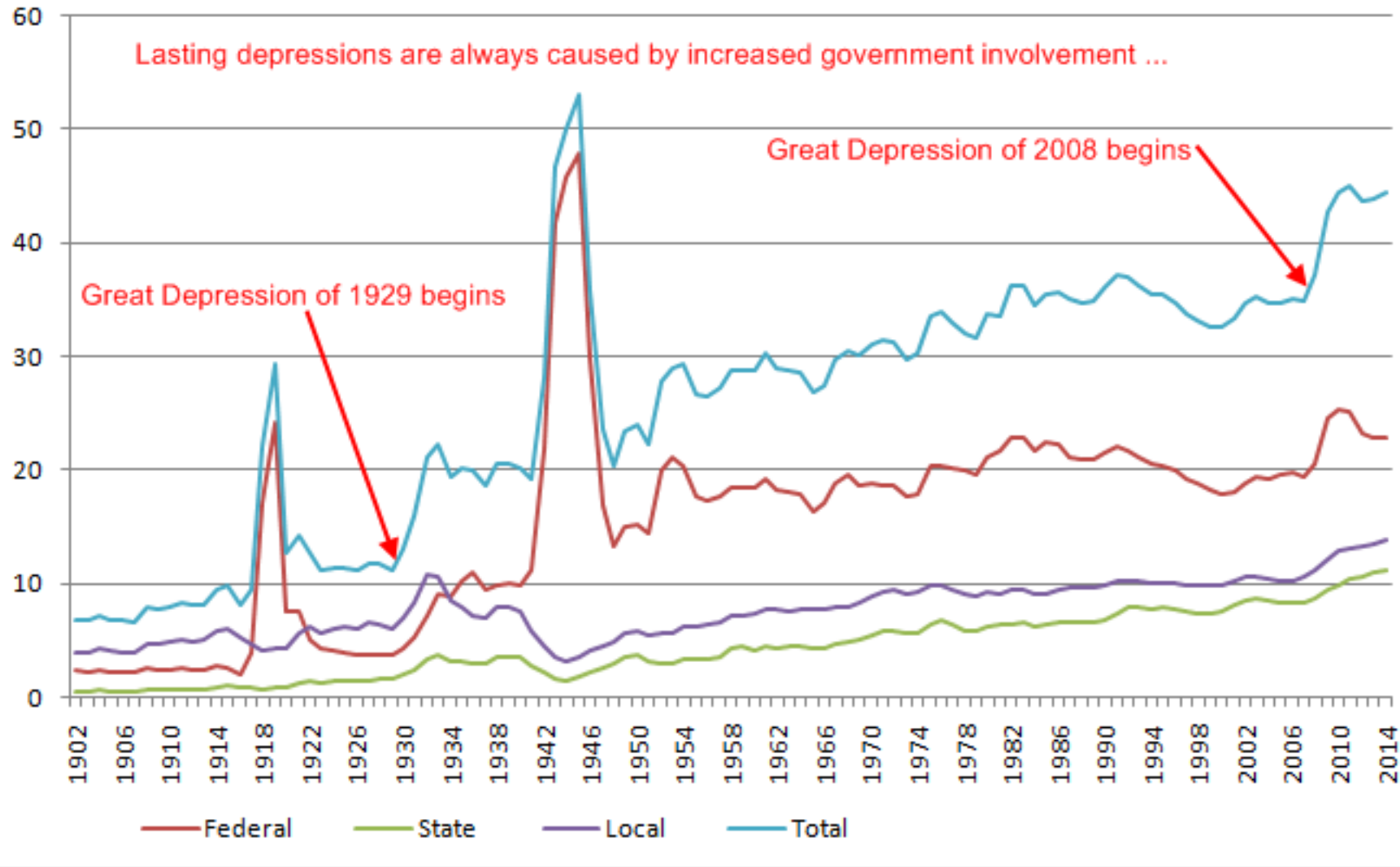
Robert Higgs and the “Ratchet Effect” of Government Growth

Expenditure as a Proportion of GDP by Level of Government

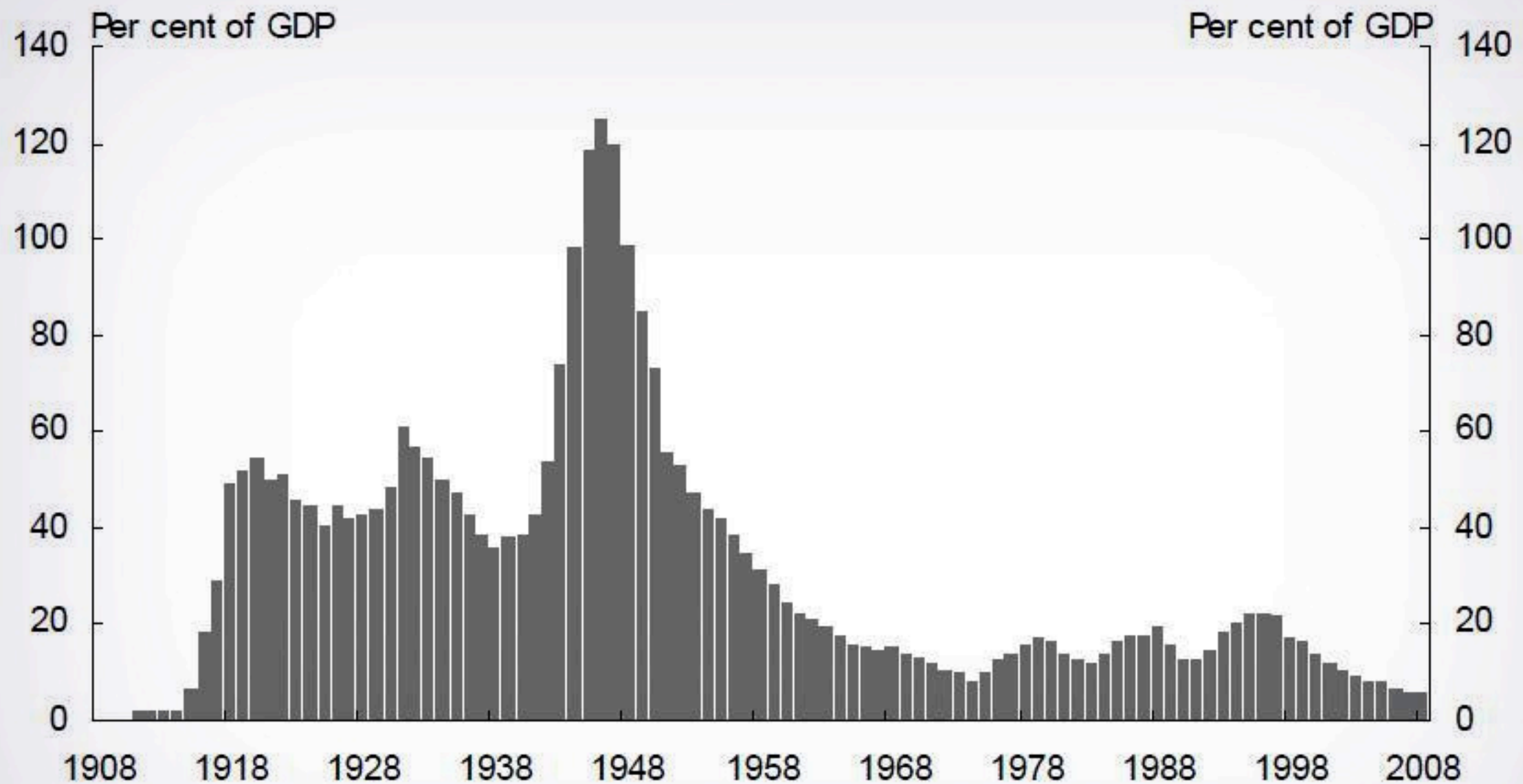


Australian Government Expenditure 20thC (J. Pincus)

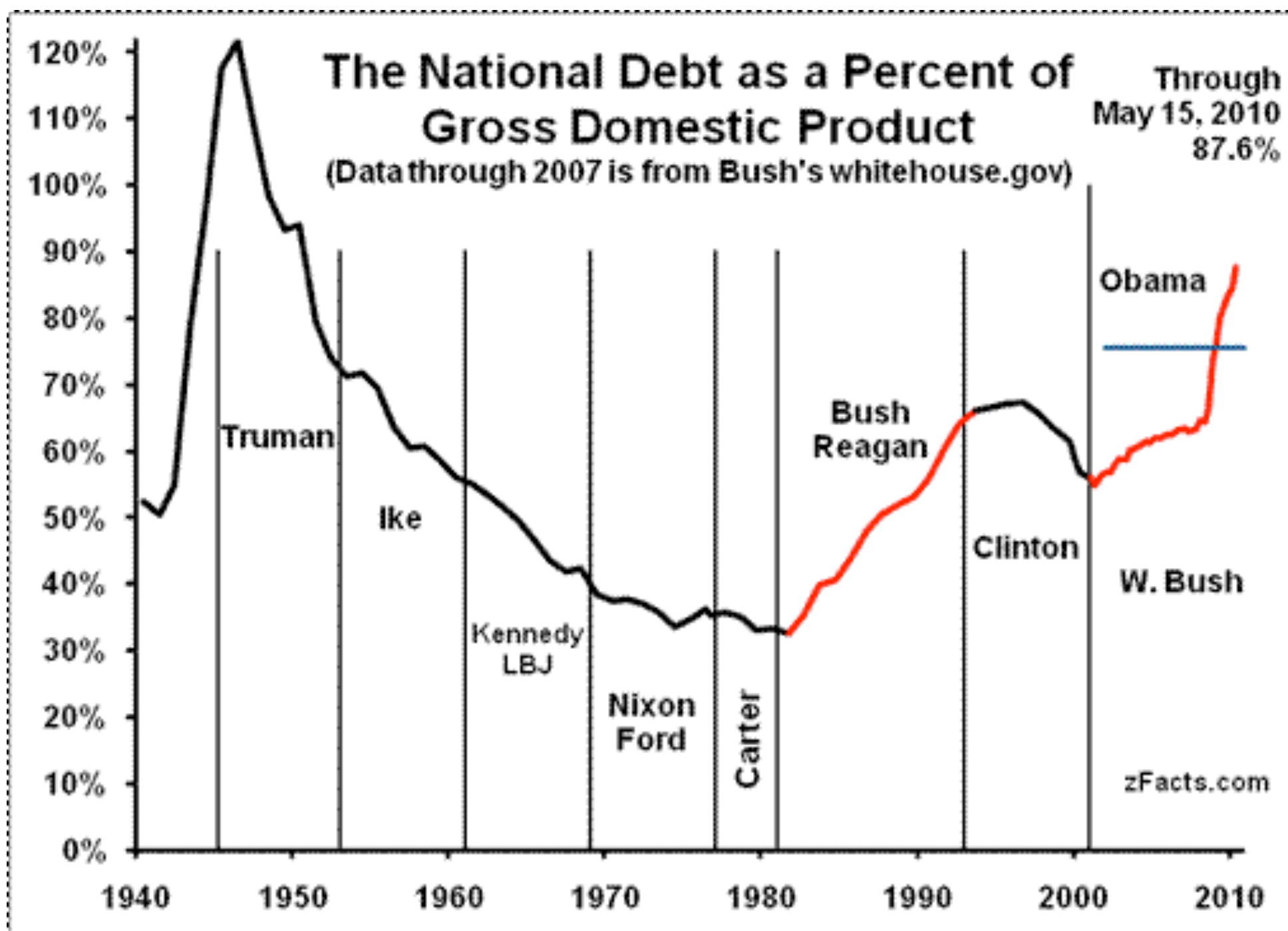
US Government Spending (source: usgovernmentspending.com)

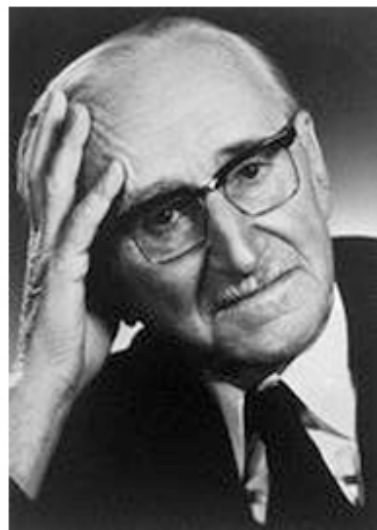


Australian Government public debt

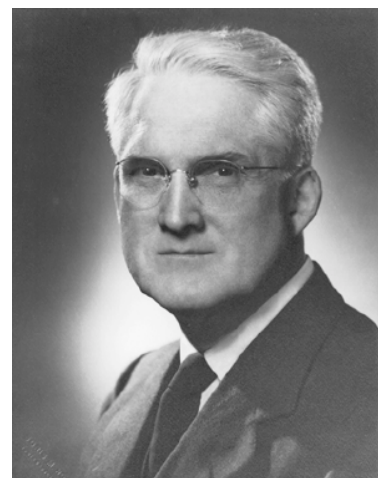
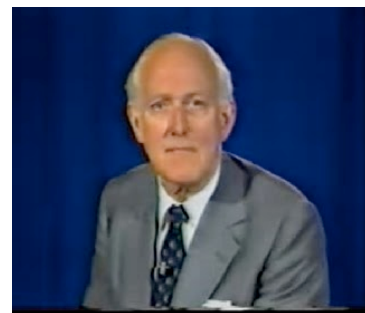


Source: Data from 1908 to 1982 are from Barnard *Source Papers in Economic History* 1986. Commonwealth Government Securities on issue is used for the period 1983-2008. For consistency reasons, GDP data for 1908 to 1982 are derived from *Source Papers in Economic History* 1986. GDP data for the period 1983 to 2008 are from the ABS *National Accounts*, cat. no. 5206.0.





1st Generation:
Hayek; FEE (L. Read, 1946),
Mont Pelerin (1947)



2nd Generation:
IEA (A. Fisher, 1955),
LF (P.F. Goodrich, 1960),
IHS (F.A. Harper, 1961)



3rd Generation:
Fraser (Walker, 1974),
CIS (G. Lindsay, 1976),
Cato (E. Crane, 1977),
Atlas (A. Fisher, 1981)

The Classical Liberal Reaction to the Rise of Statism