



“HOW AUSTRIAN WERE THE FRENCH? [OR, HOW FRENCH ARE THE AUSTRIANS?]: AN AUSTRO-AUSTRALIAN PERSPECTIVE”

**Inaugural Mises Seminar
Sydney, 26 November 2011
Dr. David M. Hart**

MISES' "LAISSEZ-FAIRE" SONG

LET IT BE

When I find myself in times of trouble
Mother Mary comes to me
Speaking words of wisdom, let it be

And in my hour of darkness
She is standing right in front of me
Speaking words of wisdom, let it be

Let it be, let it be
Let it be, let it be
Whisper words of wisdom
Let it be

And when the brokenhearted people
Living in the world agree
There will be an answer, let it be

For though they may be parted
There is still a chance that they will see
There will be an answer, let it be

LAISSEZ FAIRE

When I find myself in times of trouble
Ludwig Mises comes to me
Speaking words of wisdom, laissez faire

And in my hour of darkness
He is standing right in front of me
Speaking words of wisdom, laissez faire

Laissez faire, laissez faire
Laissez faire, laissez faire
Whisper words of wisdom
Laissez faire

And when the regulated people
Living in the world agree
There will be an answer, laissez faire

For though they may be ruined
There is still a chance that the'll be free
There will be an answer, laissez faire



**Illustration to Pierre-Jean de Béranger's poem
"The Smugglers"
[Collected Works 1847]**

[Refrain]

Hang the excisemen! let us get hold
Of pleasures in plenty, and heaps of gold!
We have the people on our side;
They're all our friends at heart:
Yes, lads, the people far and wide,
The people take our part.

What! 'tis their will, that where one tongue is spoken
Where the same laws long time have been obeyed,
Because some treaty may such bonds have broken,
Two hostile nations should, forsooth, be made!

Man might his barter have convenient made,
But taxes blocking up the roads abound;
Then forward, comrades, forward!—such is trade,
That in our hands its balance must be found.

Taxes—the which on bloodshed they will spend—
Are levied there:
We—leaping o'er the barriers they defend—
Little we care.

LECTURE OVERVIEW



I. Why the French Classical Liberal Tradition is Important?

- i. Economic Theory
- ii. Social Theory
- iii. Liberal Culture



II. What makes the Austrian School “Austrian”?

- i. Economic Theory
- ii. Social Theory



III. What makes the French CL School “Austrian”?

- i. Economic Theory
- ii. Social Theory

[Images of Liberty & Power](#) | [Molinari Centennial](#) | [Exposing State Power](#) | [Lectures & Talks](#) | [Summer Seminars](#) | [Guillaumin Library](#) | [Links](#)

Images of Liberty and Power: Remembrance Day 11.11.11



Abel Gance, *J'Accuse* [I Accuse] (1938)

In this still from the movie we see the statue on the Tomb of the Unknown Soldier at Verdun coming to life in response to the calls of the embittered anti-war scientist Jean Diaz for all the fallen soldiers of the First World War to rise up and protest the outbreak of another war. Abel Gance first made the film in 1919 using 2,000 French soldiers who were on leave from the front to depict the uprising of the dead. He made a second version in 1938 when it was clear another war was soon to break out in Europe (which it did in September 1939 when the Nazis invaded Poland). The message was that even though millions had died in vain fighting for State and Empire in the first war, by returning from the dead they might stop a second war in which further millions would die. A noble but fruitless hope in 1938-39. [See the clips of the last 20 minutes of the film when the fallen soldiers rise up to literally frighten the people into dropping their weapons - [Part 1](#) - [Part 2](#) - [Part 3](#)]

Here is the controversial depiction of a dead soldier on the Royal Artillery Monument in Hyde Park, London. It was designed by Charles Sargeant Jagger and was unveiled in 1925 to commemorate the members of the Royal Regiment of Artillery who died in WW1. There are 4 statues of soldiers around the monument one of whom is shown dead, wrapped in his trench coat with his helmet resting on his chest. Sargeant defied a government ban on the depiction of dead soldiers in the war in his attempt to show the men in a more realist light. Around the base is a patriotic quotation from Shakespeare's *Henry V* which says "Here was a royal fellowship of death!" [at the [OLL](#)]. This is a very strange quotation to have selected for a monument to the ordinary men in the regiment of artillery who died in the war. Henry V makes his remark about getting a report of the battle field dead after the battle of Agincourt. He only gets a list of the aristocrats and his royal relatives who died on the battle field. No mention is made of the ordinary English soldiers and archers who also died in Henry's ultimately failed attempt to expand his empire in France. Ordinary soldiers in his mind had no names and were completely expendable [Note this is the name of John Ford's very sad film about US navy men in WW2 - "[They Were Expendable](#)" (1945)]. The picture of the dead soldier at the Royal Artillery Monument is used in the opening shot of Joseph Losey's film "[King and Country](#)" (1964).

Updated November 13, 2011

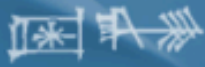


David M. Hart

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. [[Brief Bio](#)] [[More](#)]

Recently Added Material

- November 13: Clip of Derek Jarman's [War Requiem](#) (1989)
- November 12: Remembrance Day 11.11.11 - [Abel Gance, J'Accuse](#) (1938)
- November 9: an anthology of [Molinari's writings on the State \(1846-1912\)](#)
- November 9: [new books](#) by Molinari - *Limites de la Belgique* (1853); vol. 1 of *Questions d'éc. pol.* (1861)
- November 6: Updated [proposed anthology](#) of the writings of GdM
- November 6: [Obituary](#) by Yves Guyot [*JDE*, Februaury 1912].
- November 5: Molinari: [Founding Father of Anarcho-Capitalism](#)
- November 5: Molinari [Bio](#) & Bibliography



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- Images of Liberty
- Resources
- Liberty Matters
- Reading Lists
- Search the Forum
- Archive

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- How to ...
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- Titles (by Subject)
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"to encourage the study of the ideal of a society of free and responsible individuals"

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Major Figures & Collections ↑



W. Shakespeare
(1564–1616)



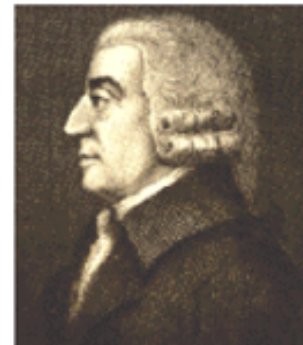
John Milton
(1608–1674)



John Locke
(1632–1704)



Voltaire
(1694–1778)



Adam Smith
(1723–1790)



Thomas Jefferson
(1743–1826)



Frédéric Bastiat
(1801–1850)



Richard Cobden
(1804–1865)



John S. Mill
(1806–1873)



Lysander Spooner
(1808–1887)



Herbert Spencer
(1820–1903)



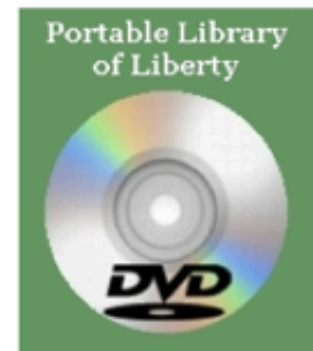
Ludwig von Mises
(1881–1973)

New & Noteworthy

- ePub ↓
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FRÉDÉRIC BASTIAT
THE MAN AND
THE STATESMAN

The Correspondence and Articles on Politics

THE COLLECTED WORKS OF FRÉDÉRIC BASTIAT



Jacques de Guenin, General Editor

LES
SOIRÉES DE LA RUE SAINT-LAZARE
—
ENTRETIENS
SUR
LES LOIS ÉCONOMIQUES
ET
DÉFENSE DE LA PROPRIÉTÉ
PAR
M.-G. DE MOLINARI
Membre de la Société d'Économie politique de Paris.

Il faut bien se garder d'attribuer aux
lois physiques les maux qui sont la juste
et inévitable punition de la violation de
l'ordre même de ces lois, instituées pour
opérer le bien. F. QUESNAY.
—
PARIS,
GUILLAUMIN ET C^{ie}, LIBRAIRES,
Éditeurs de la Collection des principaux Économistes, du Journal des
Économistes, du Dictionnaire du Commerce et des Marchandises, etc.
RUE RICHELIEU, 11.
—
1849

My Current Research Interests

- Director of Liberty Fund's Online Library of Liberty Project <oll.libertyfund.org>
- Academic Editor of Liberty Fund's 6 volume translation project of the *Collected Works of Frédéric Bastiat*
- editor of LF's translation of Gustave de Molinari's *Les Soirées de la rue Saint-Lazare* (1849)
- *French Liberalism in the Nineteenth Century: An Anthology*. Edited by Dr. Robert Leroux and Dr. David M. Hart (Routledge, 2012). History of Economic Thought Series.
- compiling a online collection of the works of the French radical liberals [including a complete set of the *Journal des Économistes* (1842-)]

The Collected Works of Frédéric Bastiat, 6 vols. (Liberty Fund, 2011-)

FRÉDÉRIC BASTIAT THE MAN AND THE STATESMAN

The Correspondence and Articles on Politics

THE COLLECTED WORKS OF FRÉDÉRIC BASTIAT



Jacques de Guenin, General Editor

- Vol. 1: *The Man and the Statesman. The Correspondence and Articles on Politics*
- Vol. 2: *"The Law," "The State," and Other Political Writings, 1843-1850* (June 2012)
- Vol. 3: *Economic Sophisms and "What is Seen and What is Not Seen"*
- Vol. 4: *Miscellaneous Works on Economics: From "Jacques-Bonhomme" to Le Journal des Économistes*
- Vol. 5: *Economic Harmonies*
- Vol. 6: *The Struggle Against Protectionism: The English and French Free-Trade Movements*
- General Editor - Jacques de Guenin
- Academic Editor - Dr. David M. Hart

The Need for a Robust Defence of Liberty

To defend liberty we need:

1. a **rigorous & radical economic theory** [application of economic insights to ALL institutions]
2. a **broader social theory** based upon these economic insights in the areas of **history** and **sociology** [in order to understand how our society functions and where it is heading]
3. the use of these economic and political insights in **cultural & artistic production** [to expose the activities of the state and to entertain and enlighten us]

Three examples of schools of thought which best exemplify this is:

- the English classical liberal school of political economy
- the radical wing of the French classical liberal school of political economy
- the Austrian School of Economics (Menger, Böhm-Bawerk, Mises, Hayek, Rothbard) - 1870-1990s

Why the radical French classical liberal school deserves our attention

- it has been unjustly neglected
- it is more radical and consistent than the English school and has a more radical & well thought out social theory
- it shares many concepts with the Austrian school which it developed before 1870
- is superior to the Austrian school in one aspect (its impact on French culture by the adoption of many of its ideas by artists, novelists, composers)
- its influence on 20thC Austrians (Liggio, Raico, Rothbard) - “the Frenchification of the Austrians”

The Radical Liberal French School of Political Economy



Key Members of the 1st generation (key period 1814-1820):

- **Jean-Baptiste Say (1767-1832)**

- *Traité d'économie politique* (1803)
- *Cours complet d'économie politique pratique* (1828-33)

- **Charles Comte (1782-1837)**

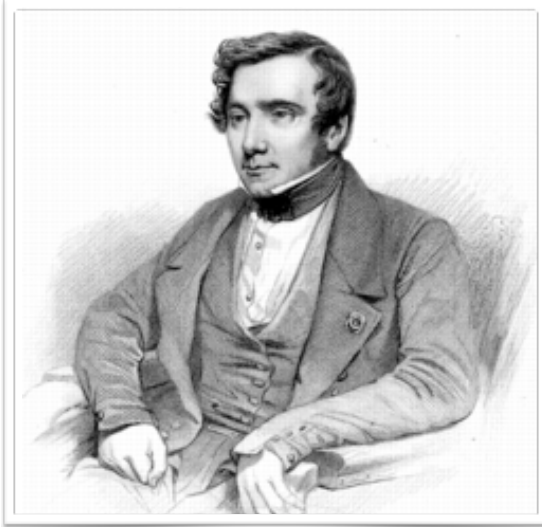
- *Traité de législation* (1826)
- *Traité de la propriété* (1834)

- **Charles Dunoyer (1786-1862)**

- *L'Industrie et la morale considérées dans leurs rapports avec la liberté* (1825)
- *Nouveau traité d'économie sociale* (1830)
- *De la liberté du travail* (1845)

- **Augustin Thierry (1795-1856)**

- *Dix ans d'études historiques* (1834)
- *Histoire de la conquête de l'Angleterre par les Normands* (1825)
- *Essai sur l'histoire de la formation et des progrès du Tiers état* (1850)



The Radical Liberal French School of Political Economy



Key Members of the 2nd generation (key period 1846-1856):

- **Frédéric Bastiat (1801-1850)**

- *Economic Sophisms* (1846, 1848)
- *Property and Plunder* (1848), *The State* (1848), *Damn Money!* (1849), *What is Seen and What is Not Seen* (1850), *The Law* (1850)
- *Economic Harmonies* (1850)



- **Charles Coquelin (1802-1852)**

- *Du crédit et des banques* (1848, 1859)
- *Dictionnaire de l'Économie politique* (1852)

- **Jean-Gustave Courcelle-Seneuil (1813-1892)**

- *Traité théorique et pratique d'économie politique* (1856),
- *Études sur la science sociale* (1862)

- **Gustave de Molinari (1819-1912)**

- "The Production of Security" (1849)
- *Les Soirées de la rue Saint-Lazare* (1849)
- *Cours d'Économie politique* (1855)
- *L'Évolution économique du dix-neuvième siècle: Théorie du progrès* (1880)
- *L'Évolution politique et la révolution* (1884)



The “Austrian Moment” for the Radical Liberal French School of Political Economy (1846-1856)

- Bastiat, *Economic Sophisms* (1846, 1848)
- Coquelin, *Du crédit et des banques* (1848, 1859)
- Bastiat, *The State* (1848)
- Molinari, “The Production of Security” (1849)
- Molinari, *Les Soirées de la rue Saint-Lazare* (1849)
- Thierry, *Essai sur l’histoire de la formation et des progrès du Tiers état* (1850)
- Bastiat, *The Law* (1850)
- Bastiat, *Economic Harmonies* (1850)
- Coquelin, *Dictionnaire de l’Économie politique* (1852)
- Molinari, *Cours d’Économie politique* (1855)
- Courcelle-Seneuil, *Traité théorique et pratique d’économie politique* (1856)
- [Courcelle-Seneuil, *Études sur la science sociale* (1862)]

What makes the Austrian School “Austrian”? - Economic Theory I

Peter J. Boettke, “Austrian School of Economics” in the *Concise Encyclopedia of Economics*, Econlib <<http://www.econlib.org/library/Enc/AustrianSchoolofEconomics.html>>.

The Science of Economics

- Proposition 1: Only individuals choose.
- Proposition 2: The study of the market order is fundamentally about exchange behavior and the institutions within which exchanges take place.
- Proposition 3: The “facts” of the social sciences are what people believe and think.

What makes the Austrian School “Austrian”? - Economic Theory II

Microeconomics

- Proposition 4: Utility and costs are subjective.
- Proposition 5: The price system economizes on the information that people need to process in making their decisions.
- Proposition 6: Private property in the means of production is a necessary condition for rational economic calculation.
- Proposition 7: The competitive market is a process of entrepreneurial discovery.

Macroeconomics

- Proposition 8: Money is non-neutral.
- Proposition 9: The capital structure consists of heterogeneous goods that have multi-specific uses that must be aligned.
- Proposition 10: Social institutions often are the result of human action, but not of human design.

What makes the French School “Austrian”? - Economic Theory I

The Science of Economics - [score 2/3]

- **Proposition 1: Only individuals choose. [Very strongly yes]**
- **Proposition 2: The study of the market order is fundamentally about exchange behavior and the institutions within which exchanges take place. [Very strongly yes]**
- Proposition 3: The “facts” of the social sciences are what people believe and think. [This aspect of radical subjectivism is missing from RFS]

What makes the French School “Austrian”? - Economic Theory II

Microeconomics - [score 2.5/4]

- **Proposition 4: Utility and costs are subjective. [Quite strongly yes - Bastiat was moving increasingly in this direction]**
- *Proposition 5: The price system economizes on the information that people need to process in making their decisions. [Half yes. French school recognized role of prices but not as transmitters of information à la Hayek]*
- *Proposition 6: Private property in the means of production is a necessary condition for rational economic calculation. [Half yes. French school recognized role of private property but not as part of rational economic calculation à la Hayek]*
- *Proposition 7: The competitive market is a process of entrepreneurial discovery. [Half yes. French school recognized importance of entrepreneur but not as process of discovery]*

What makes the French School “Austrian”? - Economic Theory III

Macroeconomics - [score 1.5/3]

- *Proposition 8: Money is non-neutral. [Half yes. Coquelin and other advocates of free banking recognized that banking had become politicized by being monopolized by the state]*
- Proposition 9: The capital structure consists of heterogeneous goods that have multi-specific uses that must be aligned. [RFS had no theory of structure of production]
- **Proposition 10: Social institutions often are the result of human action, but not of human design. [Very strongly yes. Bastiat’s idea of the “harmony of the market” is very much similar to this idea]**

What makes the French School “Austrian”? - Economic Theory IV

Overall score 6/10

- Area of agreement or shared ideas
 - 4/10 largely agreed/shared
 - 4/10 partly agreed/shared
- Thus I would grade them about **6/10 or just over “half an Austro”** (if “an Austro” was our unit of measurement - compare “utils” as unit of measurement for utility).

What makes the Austrian School “Austrian”? - Social Theory

Five Key Insights:

- methodology of radical **individualism**
- the notion that one's property rights are violated when a person or group of persons uses force or the threat of force to acquire another person's property (in other words “**exploitation**” occurs)
- a **theory of history** based upon idea that exploitation by one class of another class drives much of history
- govt. intervention in the economy causes unintended consequences (**dynamic of interventionism** - 1 intervention leads to others)
- govt. monopoly of issuing money (central bank) leads to inflation and **business cycle**
- the **importance of ideas** in achieving radical social change (Hayek's “Intellectuals and Socialism”)

What makes the French School “Austrian”? - Social Theory

Five Key Insights:

- **methodology of radical individualism. [Very strongly yes]**
- **the notion that one's property rights are violated when a person or group of persons uses force or the threat of force to acquire another person's property (in other words “exploitation” occurs) [Very strongly yes]**
- **a theory of history based upon idea that exploitation by one class of another class drives much of history [Very strongly yes]**
- *govt. intervention in the economy causes unintended consequences (dynamic of interventionism - 1 intervention leads to others) [Partially yes - Bastiat 's Economic Sophisms]*
- *govt. monopoly of issuing money (central bank) leads to inflation and business cycle [Partially yes - Coquelin's theory of Free Banking & early business cycle theory]*
- **the importance of ideas in achieving radical social change (Hayek's “Intellectuals and Socialism”) [Very strongly yes - Guillaumin family]**

What makes the French School “Austrian”? - Social Theory

Overall score 5/6

- Area of agreement or shared ideas
 - 4/6 largely agreed/shared
 - 2/6 partly agreed/shared
- Thus I would grade them about **5/6 or nearly a “full Austro”** (if “an Austro” was our unit of measurement - compare “utils” as unit of measurement for utility).

The Penetration of Culture by CL Ideas: 19thC France

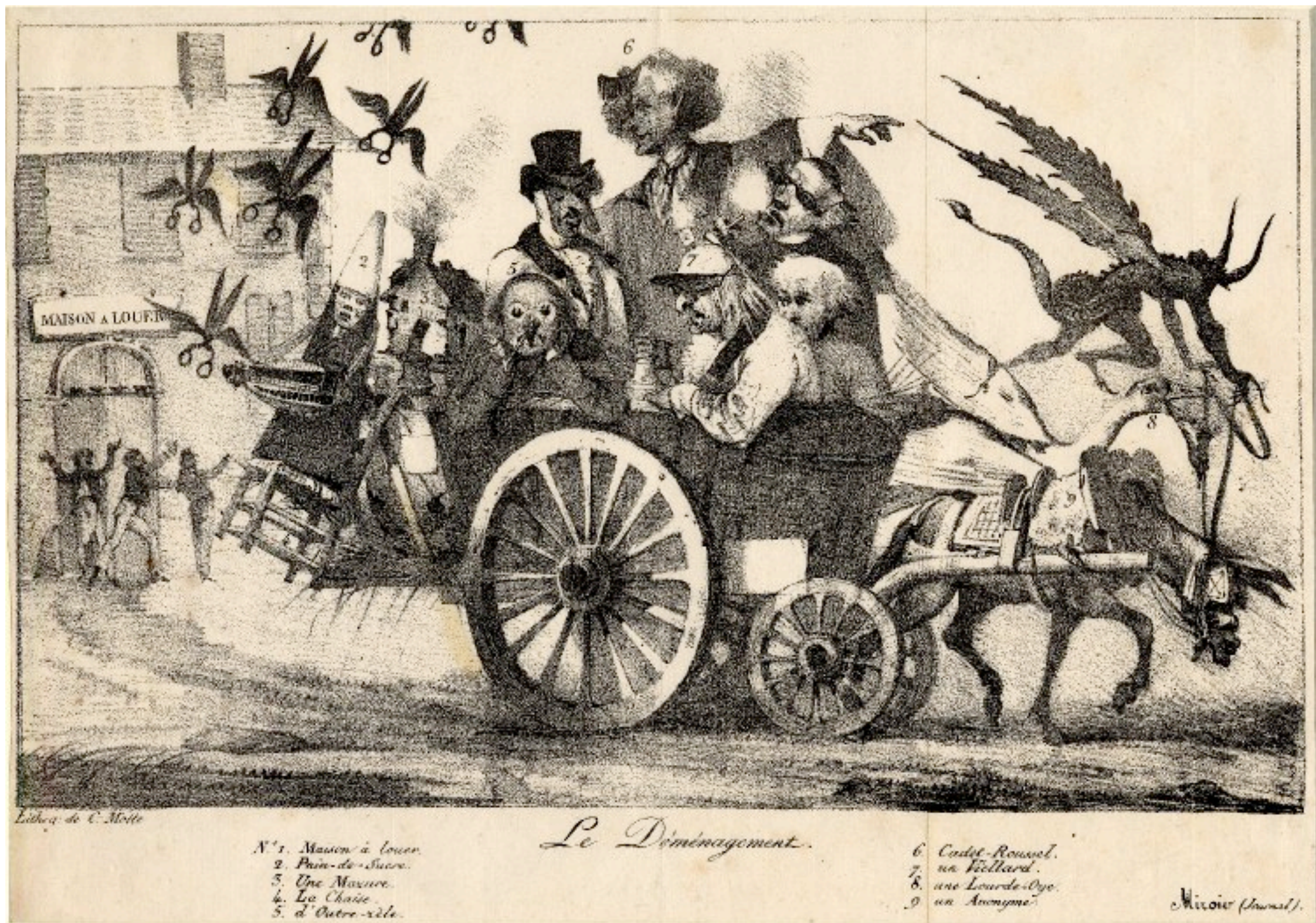


Examples of artists, composers, writers who were influenced by CL ideas:

- Eugène Delacroix - anti-censorship cartoons, “Liberty leading the People” (1830)
- Stendhal - *The Red and the Black* (1830); *Lucien Leuwen* ()
- Honoré Daumier, “Gargantua” (1831)
- Pierre-Jean de Béranger (1780-1857) - satirical songs & poems for the “goguettes”



Eugene Delacroix, “Liberty Leading the People” (1830)



Eugène Delacroix, "Le Déménagement de la censure", *Le Miroir*, (11 February, 1822)
 (The Censors Moving House, or the Censors sent packing)



Honoré Daumier, "Gargantua" (1831)



**Illustration to Béranger's poem "The Smugglers"
[Collected Works 1847]**

[Refrain]

Hang the excisemen! let us get hold
Of pleasures in plenty, and heaps of gold!
We have the people on our side;
They're all our friends at heart:
Yes, lads, the people far and wide,
The people take our part.

What! 'tis their will, that where one tongue is spoken
Where the same laws long time have been obeyed,
Because some treaty may such bonds have broken,
Two hostile nations should, forsooth, be made!

Man might his barter have convenient made,
But taxes blocking up the roads abound;
Then forward, comrades, forward!—such is trade,
That in our hands its balance must be found.

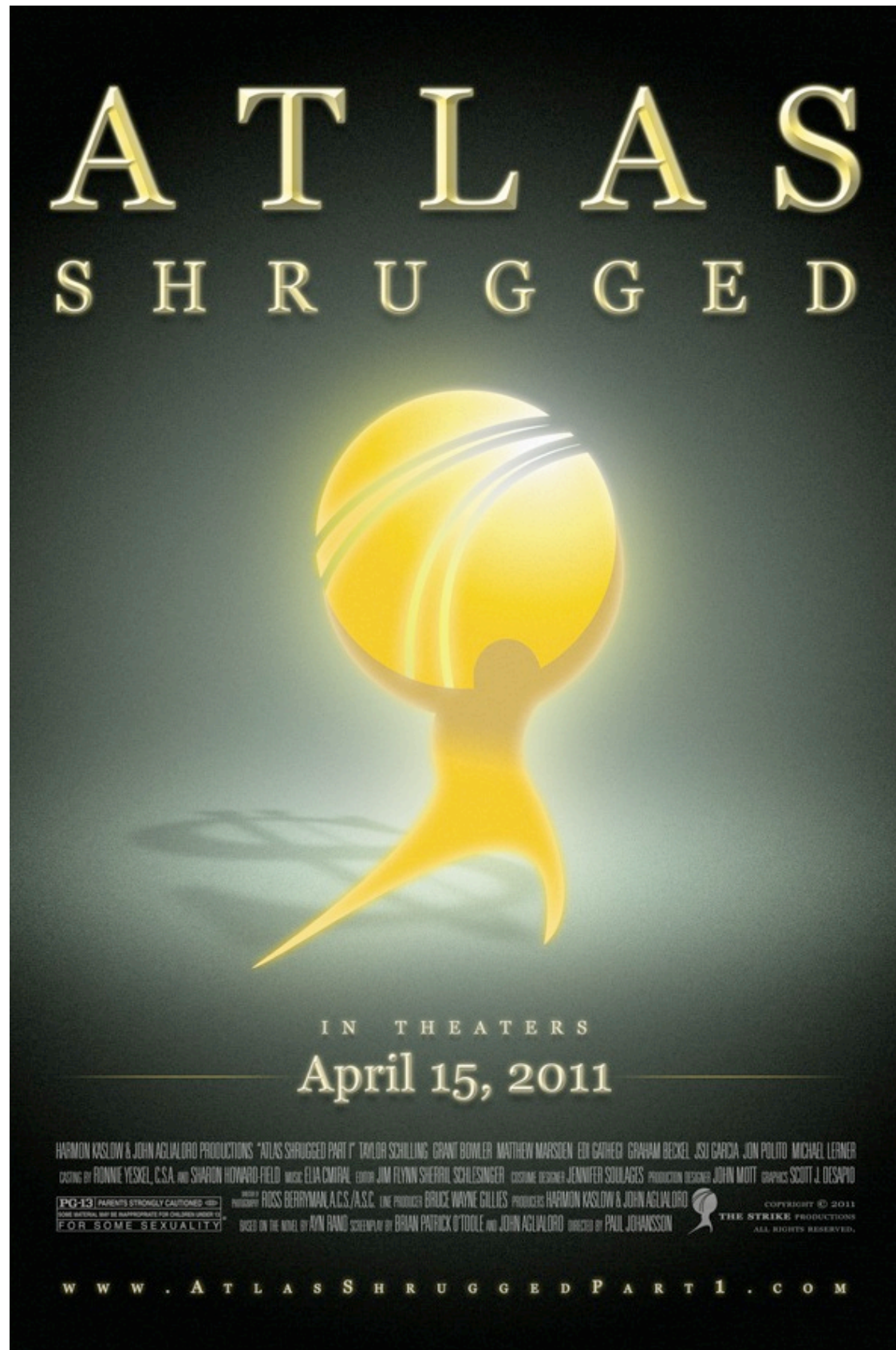
Taxes—the which on bloodshed they will spend—
Are levied there:
We—leaping o'er the barriers they defend—
Little we care.

The Penetration of Our Culture by “Free Market/ Austrian” Ideas



Examples of cultural works influenced by “free market” ideas:

- the novels of Ayn Rand - 2011 film
- the TV series “Yes Minister”, “Yes, Prime Minister” - public choice economics
- Hayek “rap videos” - Russell Roberts, George Mason University
- where is the “Austrian” cartoonist like Daumier?



Ayn Rand, Atlas Shrugged (1957)



***Yes, Minister* (BBC TV, 1980-84) and *Yes, Prime Minister* (BBC TV, 1986-1988).**

Anthony Jay and Jonathan Lynn



"Fear the Boom and Bust" a Hayek vs. Keynes Rap Anthem
Youtube.com <<http://www.youtube.com/watch?v=donERTFo-Sk>>

Has this cartoonist been reading Frédéric Bastiat's "The Seen and the Unseen"?



"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 Jobs by Government
Expenditure



The Seen and the Unseen: The Obama Administration “creating” New Jobs

Conclusion

The Radical French CL School and the Austrian School teaches us the importance of:

1. the need for **rigorous & radical economic theory** [application of economic insights to ALL institutions]
2. the development of a **broader social theory** based upon these economic insights in the areas of **history** and **sociology** [in order to understand how our society functions and where it is heading]
3. the use of these economic and political insights in **cultural & artistic production** [to expose the activities of the state and to entertain and enlighten us]

The Radical French CL School

- had considerable success in 2 & 3
- made a significant start in 1 but left it incomplete

The Austrian School

- has made considerable success in 1 & 2
- very limited success in 3