



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

Dr. David M. Hart

“The Freedom to Work and Trade” I (1847)

My dear Frédéric [FB writing to himself],
Like you **I love all forms of freedom; and among these, the one that is the most universally useful to mankind, the one you enjoy at each moment of the day and in all of life's circumstances, is the freedom to work and to trade. I know that making things one's own is the fulcrum of society and even of human life. I know that trade is intrinsic to property and that to restrict the one is to shake the foundations of the other.** I approve of your devoting yourself to the defense of this freedom whose triumph will inevitably usher in the reign of international justice and consequently the extinction of hatred, prejudices between one people and another, and the wars that come in their wake...

“The Freedom to Work and Trade” II (1847)

All forms of freedom go together. All ideas form a systematic and harmonious whole, and there is not a single one whose proof does not serve to demonstrate the truth of the others.

But you act like a mechanic who makes a virtue of explaining an isolated part of a machine in the smallest detail, not forgetting anything. The temptation is strong to cry out to him, “Show me the other parts; make them work together; each of them explains the others. . . .”

[Draft Preface for the *Harmonies* (1847)]

[Online at <<http://oll.libertyfund.org/title/2393/226010>>]

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*
- 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

Translation Editor: Dennis O'Keeffe

Academic Editor - Dr. David M. Hart

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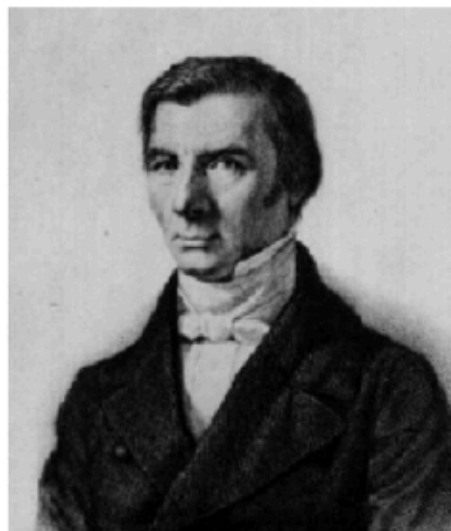
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Frédéric Bastiat

1801 – 1850



About the Author

Frédéric Bastiat (1801–1850) was one of the leading advocates of free markets and free trade in the mid-19 century. He was inspired by the activities of Richard Cobden and the organization of the Anti-Corn Law League in Britain in the 1840s and tried to mimic their success in France. Bastiat was an elected member of various French political bodies and opposed both protection and the rise of socialist ideas in these forums. His writings for a broader audience were very

popular and were quickly translated and republished in the U.S. and throughout Europe. His incomplete magnum opus, *Economic Harmonies*, is full of insights into the operation of the market and is still of great interest to economists. He died at a young age from cancer of the throat. [The image comes from "The Warren J. Samuels Portrait Collection at Duke University."]

For additional information about Frédéric Bastiat see the following:

- in the Forum: [Essays on Bastiat](#)
- at our sister website [Econlib](#): the *Concise Encyclopedia of Economics* entry on [Bastiat](#)

For tables of contents of Bastiat's Works:

- [table of contents](#) of the Guillaumin edition of the Works (in French)
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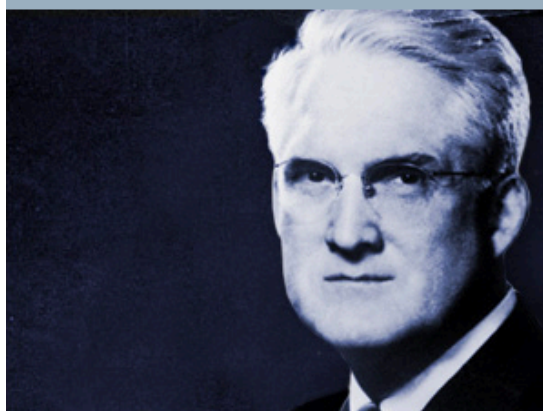
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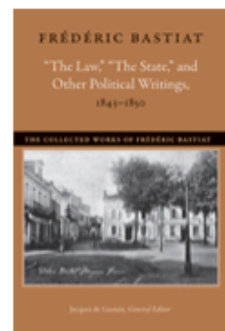


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Pierre Goodrich, Liberty Fund Founder

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"The Law," "The State," and Other Political Writings, 1843-1850

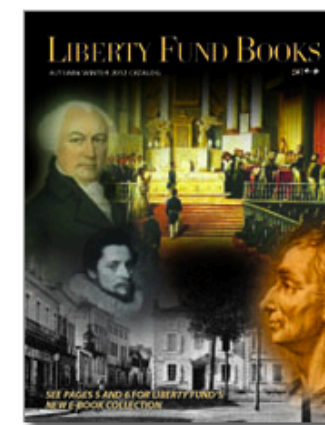
By Frédéric Bastiat
Introduction by Pascal Salin
Jacques de Guenin, General Editor
Dennis O'Keeffe, Translation Editor
David M. Hart, Academic Editor

Frédéric Bastiat was a keen observer and analyst of political and economic problems and a passionate proponent of liberal economic theory. "The Law," "The State," and Other Political Writings (1843-1850), collects nineteen of Bastiat's "pamphlets," or articles, ranging from the theory of value and rent, public choice and collective action, government intervention and regulation, the balance of trade, education, and trade unions to price controls, capital and growth, and taxation. Many of these are topics still relevant and debated today.

Bastiat's famous essay "The Law" showcases his talents as an activist for the free market. He explains that the law, far from being what it ought to be, "namely the instrument that enabled the state to protect individuals' rights and property, had become the means for what he termed 'spoliation,' or plunder." From the article "The State," in which Bastiat argues against socialism, comes perhaps his best-remembered quotation: "The state is the great fiction by which everyone endeavors to live at the expense of everyone else."

Throughout his articles, Bastiat demonstrates how the combination of careful logic, consistency of principle, and clarity of exposition is the instrument for solving most economic and social problems. Readers will find extensive introductory material, including notes on the translation and on the editions of the Oeuvres Complètes, a chronology of Bastiat's life and works, two maps of France showing the cities associated with Bastiat, annotations to the articles, and a bibliography. A special section provides little-known anecdotes about Bastiat and his contemporaries, including his editor Prosper Paillottet, who became Bastiat's friend and eventually his executor.

Liberty Fund was founded in 1960 by Pierre F. Goodrich, an Indianapolis businessman and lawyer, with the mission of encouraging a deeper understanding of the requisites for restoring and preserving the ideal of a society of free and responsible individuals.
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"Columbia's Easter Bonnet" (1901)



David M. Hart

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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.

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RESOURCES ON FRÉDÉRIC BASTIAT (1801-1850)

davidmhart.com/liberty/Bastiat

[Created: 5 June, 2012]

[Updated: 14 January, 2013]

Dr. David M. Hart, Liberty Fund, Inc.

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Personal: dmhart@mac.com <www.davidmhart.com/liberty>



Claude Frédéric Bastiat (1801-1850)

My dear Frédéric [FB writing to himself],

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My Bastiat Page:
<http://davidmhart.com/liberty/Bastiat>

ROUTLEDGE STUDIES IN THE HISTORY OF
ECONOMICS

French Liberalism in the 19th Century

An anthology

Edited by
Robert Leroux and
David M. Hart



L'âge d'or du libéralisme français: *Anthologie sur les libéraux du XIXe siècle.*



Edited by Robert Leroux and David M. Hart

Edition: April, 2012 [revised: September 27, 2012]



LECTURE OVERVIEW



- I. The importance of Bastiat in the development of Classical Liberalism
- II. Some brief biographical details of his interesting life
- III. Half a dozen important ideas about which FB wrote

The Importance of Bastiat in the Development of Classical Liberalism

- profound impact on the French CL movement
- brilliant stylist and polemicist against protectionism
- advocated a radical natural rights approach to individual liberty
- combined single-issue activism, journalism (1844-1848), election to political office (1848-1850), theoretical work (1848-1850) in a coherent whole
- courageous man of principle
- proto-Austrian economist
- proto-public choice analysis of politics
- rediscovery of FB in the modern libertarian movement - Leonard Read (FEE), Henry Hazlitt (WSJ and NYT), Murray Rothbard

The Rediscovery of Bastiat in the Post-WW2 Era



Leonard E. Read (1898-1983) - FEE



Henry Hazlitt (1894-1993) - WSJ, NYT

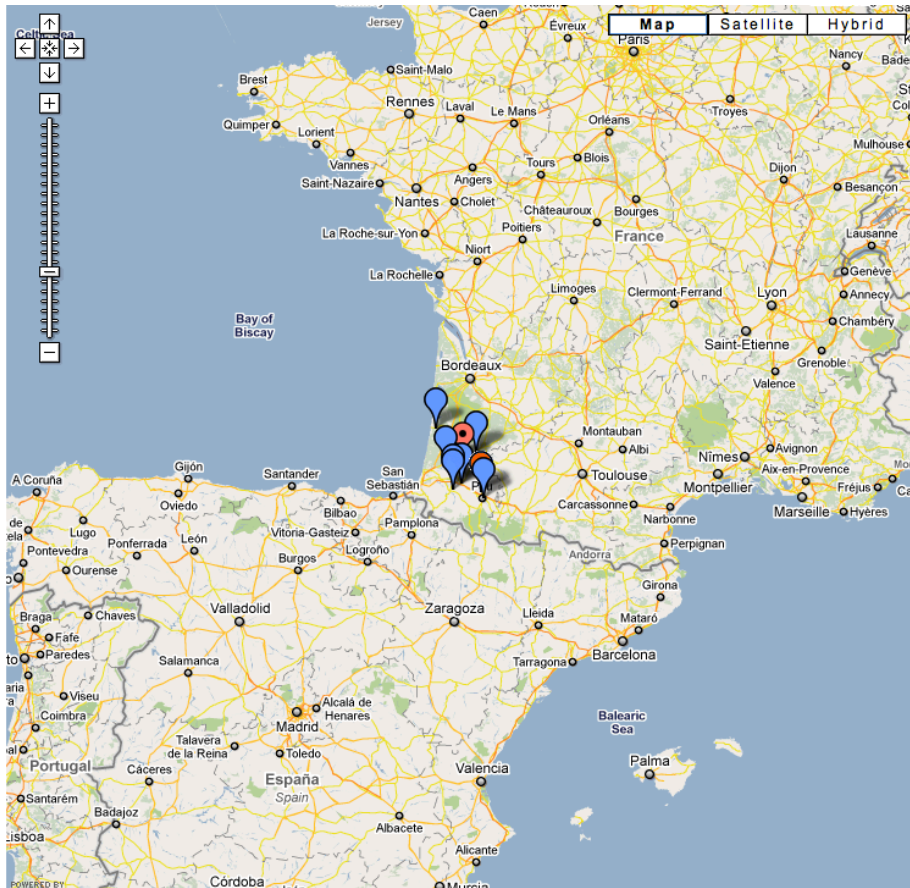


Murray N. Rothbard (1926-1995)

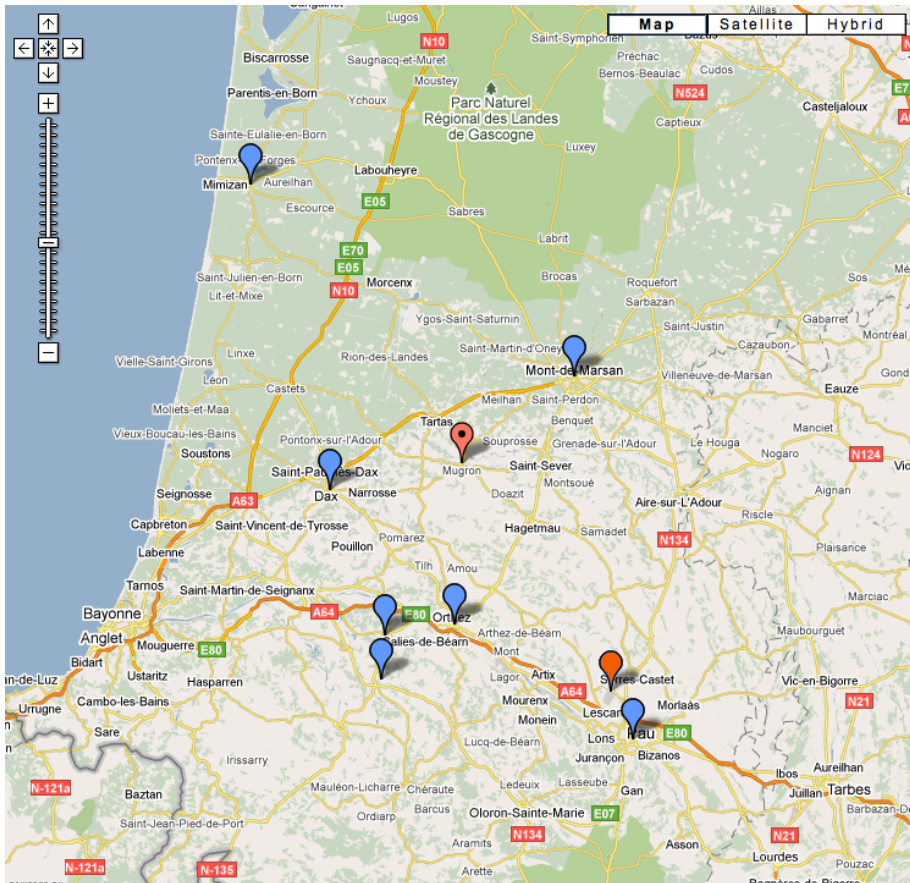


Pres. Ronald Reagan (1911-2004)

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

Singing and Drinking for Liberty: “I was expecting blood but it was only wine that was spilt” (5 August 1830)



In a letter to his friend Felix Coudroy (Bayonne 5 August 1830) Bastiat relates his activities in the 1830 Revolution (27-29 July) when the garrison in Bayonne was split over whether or not to side with the revolution or the sitting monarch Charles X. Bastiat visited the garrison in order to speak to some of the officers in order to swing them over the revolutionary cause. In a midnight addition to his letter Bastiat relates how some good wine and the songs of Béranger helped him persuade the officers that night:

Singing and Drinking for Liberty: “I was expecting blood but it was only wine that was spilt” (5 August 1830)

The 5th at midnight

I was expecting blood but it was only wine that was spilt. The citadel has displayed the tricolor flag. The military containment of the Midi and Toulouse has decided that of Bayonne; the regiments down there have displayed the flag. ... Thus, it is all over. I plan to leave immediately. I will embrace you tomorrow.

This evening we fraternized with the garrison officers. **Punch, wine, liqueurs and above all, Béranger contributed largely to the festivities.** Perfect cordiality reigned in this truly patriotic gathering. The officers were warmer than we were, in the same way as horses which have escaped are more joyful than those that are free. [CW_I, p. 30]

The “Sting of Ridicule”: Béranger, “Le roi d’Yvetot”

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-

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!

The “Sting of Ridicule”: Béranger, “Le roi d’Yvetot”

AIRS DES CHANSONS DE BÉRANGER

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LA BACCHANTE.

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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-

IV. So well he pleased the damsels all,
The folks could understand
A hundred reasons him to call
The Father of his Land.
His troops levied in his park
But twice a year - to hit a mark,
And lark!
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.

Bastiat discovers Richard Cobden and the Anti-Corn Law League 1843-44



Frédéric Bastiat
[1801-1850]

Association pour la liberté des échanges



Richard Cobden
[1804-1865]

Anti-Corn Law League

Bastiat as one of the “Four Musketeers”

[provincial outsiders who came to Paris & revolutionised classical liberalism]



Charles Coquelin (1802-1852)
Dunkerque (Nord-Pas-de-Calais)
[economist, editor]



Gustave de Molinari (1819-1912)
Liège (région wallonne)
[journalist, economist]

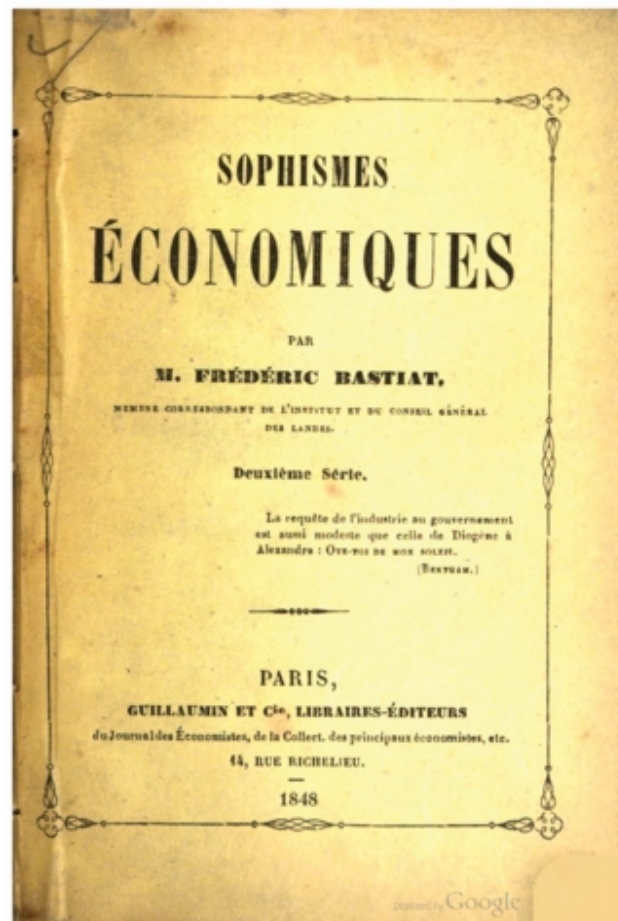


Frédéric Bastiat (1801-1850)
Mugron (département des Landes)
[politician, economist]



Gilbert-Urbain Guillaumin (1801-1864)
Moulins (Allier, région d'Auvergne)
[publisher]

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

Guillaumin Publishing Firm

14 rue de Richelieu, Paris



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 *La République française* ed. by Charles Coquelin and G. de Molinari (Feb-March)
- 23 April 1848 FB elected deputy of Les Landes to Constituent Assembly
- appointed vice-president of Finance Committee
- publishes pamphlets: “Property and Law,” “Property and Plunder,” “The State”
- Founds 2nd magazine *Jacques Bonhomme* in June

Bastiat: Author & Politician in a Time of Revolution (1848-1850)



- **1849** - pamphlets: “Protectionism and Communism”; “Peace and Liberty”; “Damn Money!”

- 13 May 1849 re-elected to Legislative Assembly and

- Aug. 1849 attends Paris Peace Congress organised by V. Hugo

- **1850** - *Economic Harmonies* (Part 1)

- pamphlets: “Plunder and the Law”; “The Law”; “What is Seen and What is Not Seen”



Death of an Important Free Market Economist (1850)



Death

- died Christmas eve 1850 in Rome
- possibly 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]**

Some Important Concepts developed by Bastiat

Social & Economic Harmonies

-  1. an **individualist methodology of the social sciences** - the pure logic of choice (Crusoe economics), consumer-centric
-  2. the free market “harmoniously” solves **the problem of economic coordination** - the provisioning of Paris
-  3. **free trade and peace** - trade (and thus prosperity) flourishes best when there is peace, mutually beneficial exchange is a strong incentive for peace

Social & Economic Disharmonies

-  4. on the need to call “a spade a spade” [appeler un chat un chat] - **theft by subsidy & theft by tariffs and taxes** [is economics a "value free" science?]
-  5. a **new theory of the State** - “legal plunder”
-  6. **destruction and waste is never a net gain to the economy** - the Broken Window Fallacy/Sophism, “double incidence of loss,” the ricochet effect

**SOCIAL & ECONOMIC HARMONIES:
I. METHODOLOGICAL INDIVIDUALISM & THE CONSUMER**



Social & Economic Harmonies: an individualist methodology of the social sciences



- FB sees economics as “consumer-centric” not “monarcho-centric,” “producer-centric” or “nation-centric”
- invented “Crusoe economics” to explain pure logic of individual choice [perhaps 1st to do so]
- "before moving on to complicated examples, we would have to study it in its simplest form" [Q: ES2 XIV “Something Else” (March 1847)]
- a one person thought experiment - how does Robinson Crusoe best use his limited time and scarce resources?
- what happens when a second party enters the picture - Friday? [cooperation, division of labour]
- what happens when a third party enters the picture - a native from another island? [trade]
- [wittily makes Friday the free trader & European RC the protectionist]



{Bastiat vs Keynesian “Crusoe Economics”}

“Crusoe Economics” I

"Please explain the mechanism and effects of protection to me."

"That is not easy. Before moving on to complicated examples, we would have to study it in its simplest form."

"Take the simplest example you want."

"Do you remember how Robinson Crusoe set about making a plank when he had no saw?"

"Yes, he felled a tree and, trimming the trunk with his axe first on its left and then on its right side, he reduced it to the thickness of a beam."

"And did that take him a great deal of work?"

"Two whole weeks."

"And what did he live on during this time?"

"His provisions."

"And what became of the axe?"

"It became very blunt."

“Crusoe Economics” II

"Very well. But perhaps you did not know this. Just when he was about to give the first stroke of his axe, Robinson Crusoe saw a plank cast up by the waves on the beach."

"Oh, what a coincidence! Did he run to pick it up?"

"This was his first reaction, but then he stopped for the following reason:

“If I pick up this plank, it will cost me only the fatigue of carrying it and the time to go down the cliff and climb it again.

But if I make a plank with my axe, firstly I will give myself enough work for two weeks, secondly I will wear out my axe, which will give me the opportunity of repairing it, and then I will eat up my provisions, a third source of work, since I will need to replace them. Now, work is wealth. It is clear that I will ruin myself by going to pick up the plank washed up on the beach. It is important for me to protect my personal labor and now that I think of it, I can create further work for myself by going to push this plank back into the sea!”

[ES2 XIV “Something Else” (March 1847)]

SOCIAL & ECONOMIC HARMONIES: II. MARKET SOLUTIONS TO THE COORDINATION PROBLEM



Social & Economic Harmonies: the free market solves the problem of economic coordination



[Les Halles Market, Paris]

- *Economic Harmonies* (1850, 1851) - free markets create “a harmonious social pattern” (FEE xxi)
- “natural order” of the market vs. “artificial order” of the socialists
- the market allows the self-interest of each individual to operate for the benefit of the whole
- story of a village cabinetmaker and a student [Q: *Ec. Harmonies*] - division of labour, international trade, and the self-interest of producers create all the things we take for granted in a modern society. [similar to L. Read’s “I, Pencil”]
- No need for a central planner to supply a large city like Paris every day with its requirements. [Q: ESI XVII “No Absolute Principles”]
- key Austrian insight - “the impossibility of rational economic planning under socialism” (Hayek, Mises)

“The Cabinet maker & the Student” I [*Ec. Harmonies* (1850)]

We would be shutting our eyes to the light if we refused to acknowledge that society cannot present such complicated combinations, in which civil and penal laws play so little a part, without obeying **a prodigiously ingenious mechanism**. This mechanism is the subject matter of political economy.

One more thing worthy of comment is that, in this truly incalculable number of transactions which have contributed to keeping alive one student for one day, **there is perhaps not a millionth part which has been made directly**. The countless things he has enjoyed today are the work of men a great number of whom have long since disappeared from the face of the earth. Nevertheless they were remunerated as they wished, although he who is benefiting today from the product of their work has done nothing for them. He did not know them and will never know them.

“The Cabinet maker & the Student” II [*Ec. Harmonies* (1850)]

He who reads this page, at the very moment at which he reads it, **has the power, although he perhaps does not realize this, to set in motion men in all countries, of all races, and I might almost say, of all periods of time; white men, black men, red men and yellow men. He causes generations that have died away and generations not yet born to contribute to his current satisfactions...**

In truth, can all this have been possible, can such extraordinary phenomena have been achieved without there having been in society **a natural and knowing organization which acts, so to speak, without our knowledge?**

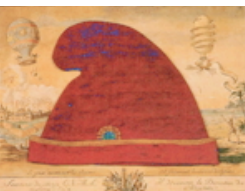
“Provisioning Paris” I [ES I XVII “There are no Absolute Principles” (1845)]

On entering Paris, which I had come to visit, I said to myself: Here there are **a million human beings who would all die in a few days if supplies of all sorts did not flood into this huge metropolis.** The mind boggles when it tries to assess the huge variety of objects that have to enter through its gates tomorrow if the lives of its inhabitants are not to be snuffed out in convulsions of famine, uprisings, and pillage. And in the meantime everyone is asleep, without their peaceful slumber being troubled for an instant by the thought of such a frightful prospect.

“Provisioning Paris” II [ES I XVII “There are no Absolute Principles” (1845)]

On the other hand, eighty departments have **worked today without being in concert and without agreement to supply Paris**. How does it happen that every day what is needed and no more or less is brought to this gigantic market? What is thus **the ingenious and secret power that presides over the astonishing regularity of such complicated movements**, a regularity in which everyone has such blind faith, although well-being and life depend on it? **This power is an absolute principle, the principle of free commerce.**

**SOCIAL & ECONOMIC HARMONIES:
III. THE LINK BETWEEN FREE TRADE & PEACE**



Social & Economic Harmonies: free trade and peace

COBDEN ET LA LIGUE

OU

L'AGITATION ANGLAISE

POUR LA

LIBERTÉ DU COMMERCE;

PAR

M. FRÉD. BASTIAT,

Membre du Conseil-général des Landes.

PARIS.

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Éditeur du Dictionnaire du Commerce et des Marchandises, du Journal des Économistes,
de la Collection des principaux Économistes, etc., etc.,

108, RUE RICHELIEU, 114.

1848.

- because individuals value things differently and have different skills and local situations, voluntary exchange (“trade”) is mutually beneficial
- mutually beneficial exchange is a strong incentive for peace
- trade (and thus prosperity) flourishes best when there is peace - low taxes, small army, respect for property, international division of labour
- peace and free trade key concepts of Richard Cobden and Anti-Corn Law League (1838-1846)
- the Friends of Peace conference in Paris August 1849 [Q: FB’s speech on “Disarmament & Taxes”]
- disbanding the French Army and replacing it with militias

A speech on “Disarmament and Taxes” (1849)

That the maintenance of large military and naval forces requires heavy taxes, is a self-evident fact. But I make this additional remark: these heavy taxes, notwithstanding the best intentions on the part of the legislator, are necessarily most unfairly distributed; whence it follows that great armaments present two causes of revolution—misery in the first place, and secondly, the deep feeling that this misery is the result of injustice...

If the government of France would be contented with asking of us five, six, or even ten per cent of our income, we should consider the tax a direct and proportional one. In such a case, the tax might be levied according to the declaration of the tax-payers, care being taken that these declarations were correct, although, even if some of them were false, no very serious consequences would ensue. But suppose that the treasury had need of 1,500 or 1,800 millions of money. Does it come directly to us and ask us for a quarter, a third, or a half of our incomes? No: that would be impracticable; and consequently, to arrive at the desired end, it has recourse to a trick, and gets our money from us without our perceiving it, by subjecting us to an indirect tax laid on food....

There is, then, only one means of diverting from this country the calamities which menace it, and that is, to equalize taxation; to equalize it, we must reduce it; to reduce it, we must diminish our military force. For this reason, amongst others, I support with all my heart the resolution in favour of a simultaneous disarmament.

**SOCIAL & ECONOMIC DISHARMONIES:
IV. TAXES, SUBSIDIES, & TARIFFS ARE THEFT**



“Frankly, my good people, you are being robbed (1846)

People find my small volume of Sophisms too theoretical, scientific and metaphysical. So be it. **Let us try a mundane, banal and, if necessary, brutal style.** Since I am convinced that the general public are easily taken in as far as protection is concerned, I wanted to prove it to them. They prefer to be shouted at. So let us shout:

Midas, King Midas has ass's ears! [i.e. “The Emperor has no clothes]

An explosion of plain speaking often has more effect than the politest circumlocutions...

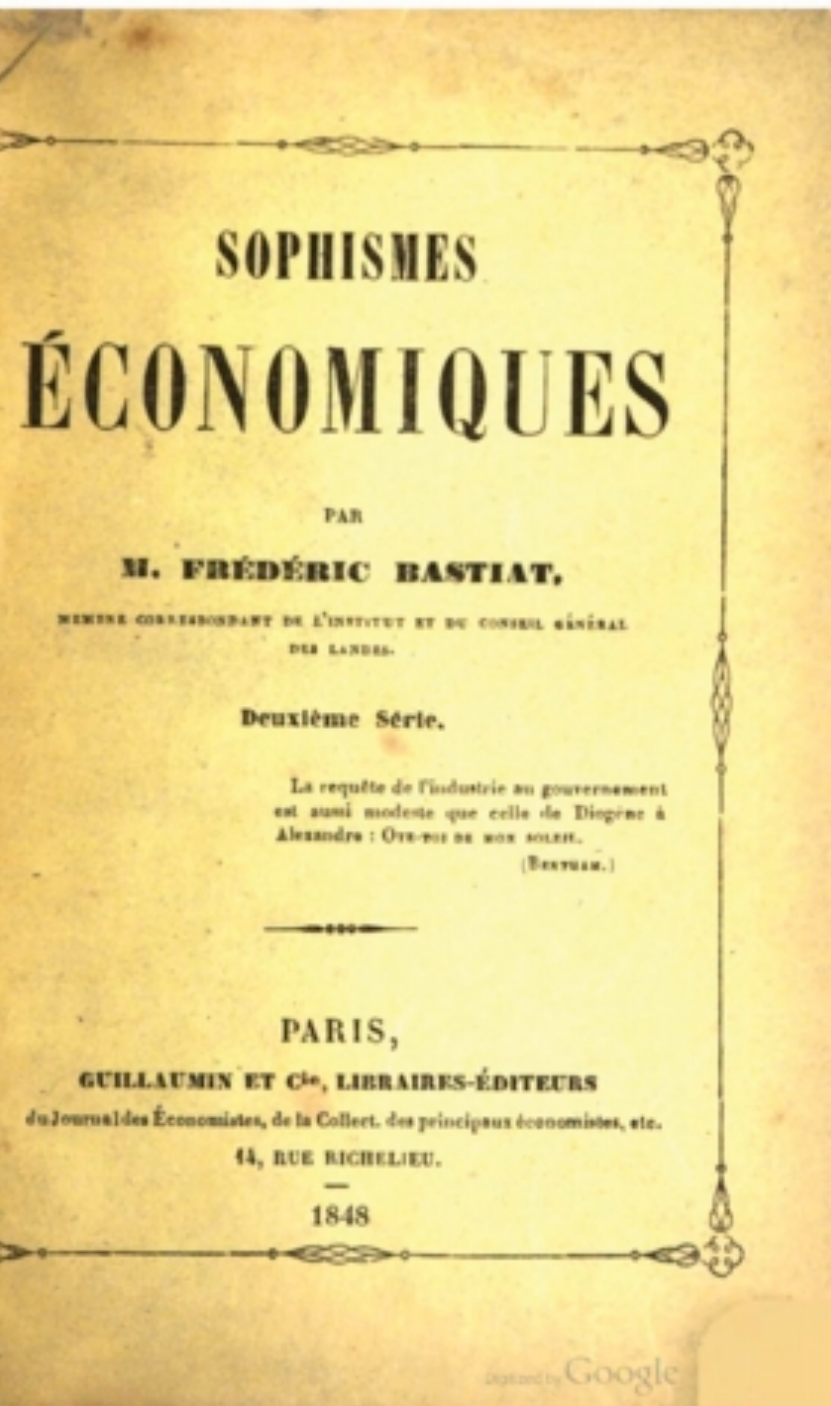
Frankly, my good people, you are being robbed. That is plain speaking but at least it is clear.

The words, **theft, to steal and thief** seem to many people to be in bad taste. Echoing the words of Harpagon to Elise, I ask them: Is it the word or the thing that makes you afraid?

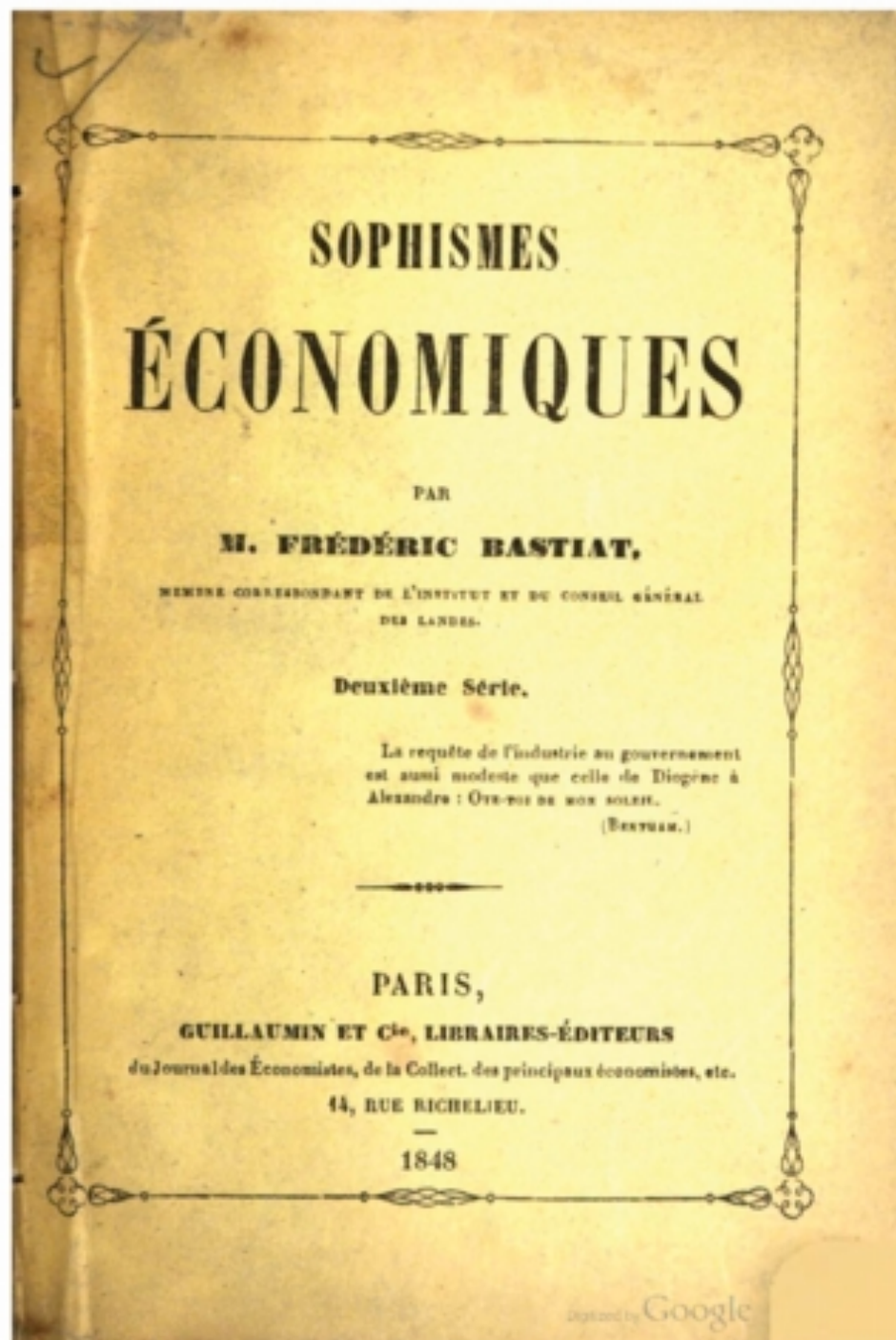
[ES2 IX “Theft by Subsidy” (January 1846) (LF ed.)]

Social & Economic Disharmonies: "calling a spade a spade" - theft by subsidies, tariffs & taxes I

- the right to own property and to enjoy individual liberty are natural rights which exist prior to the formation of governments
- Biblical injunction "Thou shalt not steal" applies equally to all
- need "to call a spade a spade" (or "un chat un chat") - "Frankly, my good people, you are being robbed" [Q: ES2 IX "Theft by Subsidy"]
- "dépouiller"(to dispossess); "spolier" (to plunder); "voler" (to steal); "piller" (to loot or pillage), "filouter" (filching), "violer" (rape); and variants such as "le vol de grand chemin" (highway robbery)



Social & Economic Disharmonies: "calling a spade a spade" - theft by subsidies, tariffs & taxes II



- purpose of his writing was to show the "dupes" (those who are deceived) that "Sophisms" (sophistical arguments and fallacies) were being used by the plunderers ("les spoliateurs") with "la ruse" (deception, fraud) to justify and disguise what they are doing.
- the task of the economist was to expose the practice of plunder and deception, to expose these self-interested false arguments, by using "the sting of ridicule" and reductio ad absurdum arguments
- thus, enlightening the "dupes" [Q: parody of Molière's parody (ES2 IX)]

Calling a Spade a Spade: 17thC Doctors were Quacks



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

**SOCIAL & ECONOMIC DISHARMONIES:
V. THE STATE AS “THE GREAT FICTION” OF WEALTH CREATION**





[Honoré Daumier, "Gargantua" (1831)]

Social & Economic Disharmonies: the State and Legal Plunder

- developed the idea of “legal plunder” in late 1847, early 1848 [Daumier cartoon]
- no real difference between a highway robber taking your property at gunpoint (“plunder”) and a State imposing taxes (“legal plunder”)
- planned a book on “A History of Plunder”: primitive warfare, slavery, theocracy (“theocratic plunder”), monopoly and protectionism
- the ruling elite impose their rule over others by “force” or “deception” (“la ruse”) [Q: ES2 I “Physiology of Plunder”]
- the people (“les dupes”) are deceived by “sophisms” to justify intervention in the economy, taxation, war, colonies, etc
- in the new age of democratic politics and socialism the State had become “the great fiction by which everyone endeavours to live at the expence of everybody else” [Q: “The State” (Sept. 1848)] “Malthusian” theory of the limits to the growth of state power



[Honoré Daumier (1831)]

ES2 I “The Physiology of Plunder” (1848) - I

There are only two ways of acquiring the things that are necessary for the preservation, improvement and betterment of life: PRODUCTION and PLUNDER.

Some people say: “PLUNDER is an accident, a local and transitory abuse, stigmatized by moral philosophy, condemned by law and unworthy of the attentions of Political Economy.”

But whatever the benevolence and optimism of one's heart one is obliged to acknowledge that PLUNDER is exercised on too a vast scale in this world, that it is too universally woven into all major human events, for any social science, above all Political Economy, to feel justified in disregarding it.

ES2 I “The Physiology of Plunder” (1848) - II

I will go further. What separates the social order from a state of perfection (at least from the degree of perfection it can attain) is the constant effort of its members to live and progress at the expense of one another.

So that, if PLUNDER did not exist, society would be perfect and the social sciences would be superfluous.

I will go even further. When PLUNDER has become the means of existence of a large group of men mutually linked by social ties, they soon contrive to pass a law that sanctions it and a moral code that glorifies it.

ES2 I “The Physiology of Plunder” (1848) - III

You need name only a few of the most clear-cut forms of Plunder to show the place it occupies in human affairs.

First of all, there is WAR. Among savage peoples, the victor kills the vanquished in order to acquire a right to hunt game that is if not incontestable, at least uncontested.

Then there is SLAVERY. Once man grasps that it is possible to make land fertile through work, he strikes this bargain with his fellow: “You will have the fatigue of work and I will have its product.”

ES2 I “The Physiology of Plunder” (1848) - IV

Next comes THEOCRACY. “Depending on whether you give me or refuse to give me your property, I will open the gates of heaven or hell to you.”

Lastly, there is MONOPOLY. Its distinctive characteristic is to allow the great social law, a service for a service, to continue to exist, but to make force part of the negotiations and thus distort the just relationship between the service received and the service rendered.

“THE STATE is the
great fiction by
which EVERYONE
endeavors to live at
the expense of
EVERYONE ELSE.”



Frédéric Bastiat (1801-1850)

“The State” (June 1848 draft)

The state has nothing it has not taken from the people, it cannot distribute largesse to the people. The people know this, since they never cease to demand reductions in taxes. That is true, but at the same time they never cease to demand handouts of every kind from the state.

They want the state to establish nursery schools, infant schools, and free schools for our youth, national workshops for those that are older, and retirement pensions for the elderly.

They want the state to go to war in Italy and Poland.

They want the state to found farming colonies.

They want the state to build railways...

They want the state to supply capital to workers.

“The State” (September 1848) - I

What the State should be

“We consider that the state is not, nor should it be, anything other than a common force, instituted not to be an instrument of mutual oppression and plunder between all of its citizens, but on the contrary to guarantee to each person his own property and ensure the reign of justice and security.”

“The State” (September 1848) - II

What the People want the State to be

“(This) bountiful and inexhaustible being that calls itself the state, which has bread for every mouth, work for every arm, capital for all businesses, credit for all projects, oil for all wounds, balm for all suffering, advice for all perplexities, solutions for all doubts, truths for all intelligent minds, distractions for all forms of boredom, milk for children, wine for the elderly, a being that meets all our needs, anticipates all our desires, satisfies all our curiosity, corrects all our errors and all our faults, and relieves us all henceforth of the need for foresight, prudence, judgment, wisdom, experience, order, economy, temperance, and activity.”

“The State” (September 1848) - III

What the State is becoming

The state is not and cannot be one-handed. It has two hands, one to receive and the other to give; in other words, the rough hand and the gentle hand. The activity of the second is of necessity subordinate to the activity of the first.

The rough hand (of the State) goes rummaging and rifling in our pockets.”

If (the State) wants to be philanthropic it is obliged to maintain taxes... Making use of borrowing, in other words consuming the future, is really a current means of reconciling them; efforts are made to do a little good in the present at the expense of a great deal of evil in the future.

“The State” (September 1848) - IV

What the State is becoming

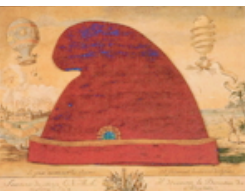
It is plain that the state cannot procure satisfaction for some without adding to the work of the others ...

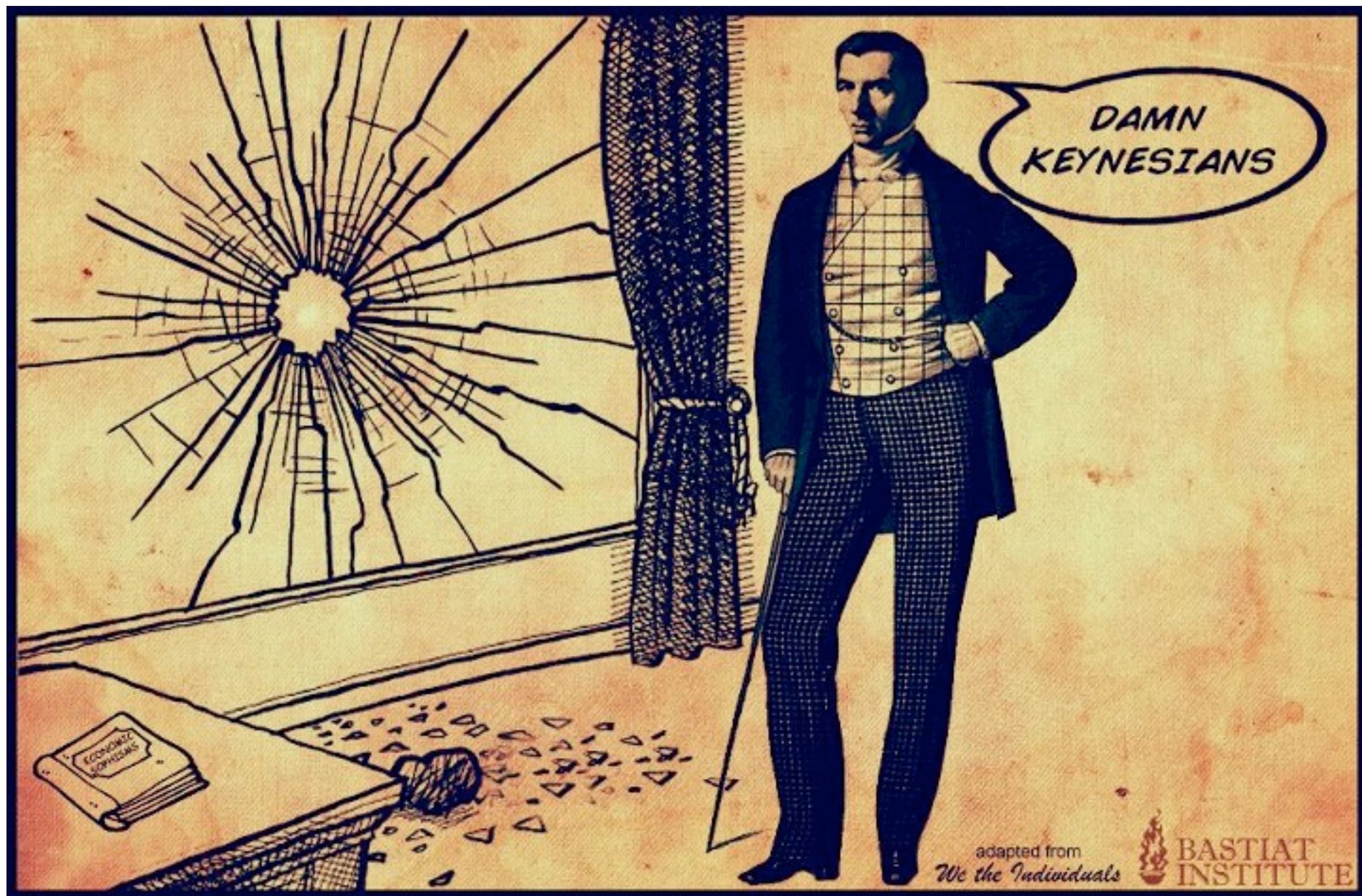
The state is the great fiction by which everyone endeavors to live at the expense of everyone else.

Reciprocal pillage is no less pillage because it is reciprocal, that it is no less criminal because it is executed legally and in an orderly fashion.

They (the American people) do not expect anything other than from themselves and their own energy. They place no expectations on anything other than themselves and their own energy. Or they place their expectations only on themselves and their own energy.

**SOCIAL & ECONOMIC DISHARMONIES:
VI. FALLACIES & SOPHISMS CONCERNING WEALTH DESTRUCTION &
CREATION: THE SEEN & THE UNSEEN**





adapted from
We the Individuals



BASTIAT
INSTITUTE

Social & Economic Disharmonies: calculating the costs of the destruction of property - the Broken Window Fallacy

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^e
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, the Glazier, & the Shoe Maker
- what is immediately “**seen**” - JB has to fix a broken window & pays a Glazier to do so: loss for JB but 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
- same argument endlessly repeated today: Kobe tsunami (2011) and tropical storm Sandy (2012)

What is Seen & What is not Seen (1850). Chapter 1: The Broken Window.

But if, by way of deduction, as is often the case, the conclusion is reached that it is a good thing to break windows, that this causes money to circulate and therefore industry in general is stimulated, I am obliged to cry: “Stop!” Your theory has stopped at what is seen and takes no account of what is not seen. What is not seen is that since our bourgeois has spent six francs on one thing, he can no longer spend them on another. What is not seen is that if he had not had a windowpane to replace, he might have replaced his down-at-heel shoes or added a book to his library. In short, he would have used his six francs for a purpose that he will no longer be able to....

What is Seen & What is not Seen (1850). Chapter 1: The Broken Window.
“The double incidence of loss”

The reader must take care to note clearly that there are not just two characters, but three, in the little drama that I have put before him. One, Jacques Bonhomme, represents the Consumer, reduced by the breakage to enjoy one good instead of two. The second is the Glazier, who shows us the Producer whose activity is stimulated by the accident. The third is the Shoemaker (or any other producer) whose output is reduced to the same extent for the same reason. It is this third character that is always kept in the background and who, by personifying what is not seen, is an essential element of the problem. He is the one who makes us understand how absurd it is to see profit in destruction. He is the one who will be teaching us shortly that it is no less absurd to see profit in a policy of trade restriction, which is after all, nothing other than partial destruction.

“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



MERRIE MELODIES
REG. U.S. PAT. OFF.

"That's all folks!"

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LEON SCHLESINGER

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