"Seeing the 'Unseen' Bastiat: the changing Optics of Bastiat Studies. Or, what the Liberty Fund's Translation Project is teaching us about Bastiat."

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Since 2001 he has been the Director of the Online Library of Liberty Project at Liberty Fund in Indianapolis. The OLL has won several awards including a "Best of the Humanities on the Web" Award from the National Endowment for the Humanities, and was chosen by the Library of Congress for its Minerva website archival project. He is currently the Academic Editor of Liberty Fund’s translation project of the *Collected Works of Frédéric Bastiat* (in 6 vols.) and is also editing a translation of Molinari’s *Evenings on Saint Lazarus Street: Discussions on Economic Laws and the Defence of Property* (1849).

Abstract

The translation project being undertaken by Liberty Fund to translate the Collected Works of Frédéric Bastiat provides us with an opportunity to reassess the work of this mid-19th century French political economist. This paper examines the changing perception of Bastiat's work from the late 1840s until the conference held in Mugron in June 2001 to celebrate the 200th anniversary of his birth when the decision was made to translate into English all of his available work for the first time. His contemporaries recognized his talents as a brilliant economic journalist, a free trade activist, and an elected politician who dabbled in economic theory but died in 1850 before he could complete his work. His reputation went into decline for the next 100 years as his approach to economics went against first the classical and then the neo-classical schools. Except for a very few economists like W.S. Jevons Bastiat was dismissed as a serious economic theorist. Joseph Schumpeter summed up the consensus view in 1954 describing him as not a theorist at all.

Even as Schumpeter was writing these words a rediscovery of Bastiat was taking place in New York with the first modern translation effort of some of his work by the Foundation for Economic Freedom in Irvington-on-Hudson and the students who attended Mises' Seminar at NYU who formed the Circle Bastiat (especially Rothbard, Raico, and Liggio who went on to do important research on French classical liberal thought). Since then there has a been a steady though still small growth in interest in Bastiat's work as an economist. To encourage this growth Liberty Fund decided to translate the entire corpus of his work in order to provide a better foundation for scholars to study his work. Only 25% of his available writings had been translated by FEE in the 1960s. The LF translation project will include his collected correspondence (vol. 1), a complete collection of his Economic Sophisms (vol. 3), all of his political and economic essays and articles (vols. 1, 2, 4), all of his free trade journalism and public speeches (vol. 6), and a critical edition of his unfinished magnum opus Economic Harmonies (vol. 5). It should also be noted that a similar rediscovery of the work of Bastiat is currently taking place in France, so this is a trans-atlantic phenomenon.

As Academic Editor for the project I can attest that there are many things which have hitherto been ignored or not known about the life and work of Bastiat which throw important light on the originality of Bastiat as an economic and social theorist, the interlocking networks of other classical liberals and economists with whom he worked in Paris in the late 1848s, and the reaction of the economists to the February Revolution of 1848 and the effort by socialists like Louis Blanc to create the first modern welfare state. I conclude by assessing the claims made by some contemporary economists that Bastiat was in fact an "Austrian" economist or perhaps even a "Public Choice" economist avant la lettre.
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"Seeing the 'Unseen' Bastiat, or the changing Optics of Bastiat Studies. Or, what the Liberty Fund's Translation Project is teaching us about Bastiat."

1. Introduction

The title of this paper is a reference to the title of the last book Bastiat wrote before his untimely death in 1850, namely *Ce qu'on voit et ce qu'on ne voit pas* (What is Seen and What is Not Seen) (July 1850). The title encapsulates one of his most profound insights about the nature of opportunity cost (although he did not call it that) which Anthony de Jasay believes is original to Bastiat and is his main contribution to the development of economic science. Bastiat defined his approach in the Introduction to the book as follows:

> In the sphere of economics an action, a habit, an institution or a law engenders not just one effect but a series of effects. Of these effects only the first is immediate; it is revealed simultaneously with its cause, *it is seen*. The others merely occur successively, *they are not seen*; we are lucky if we *foresee* them.

The entire difference between a bad and a good Economist is apparent here. A bad one relies on the visible effect while the good one takes account both of the effect one can see and of those one must foresee.

However, the difference between these is huge, for it almost always happens that when the immediate consequence is favorable the later consequences are disastrous, and vice versa. From which it follows that a bad Economist will pursue a small current benefit that is followed by a large disadvantage in the future, while a true Economist will pursue a large benefit in the future at the risk of suffering a small disadvantage immediately.

I would like to apply his insight about "the seen" and "the unseen" to Bastiat himself, to his life and writings, and to the historical context in which he was working. To paraphrase Bastiat, "a bad historian will only look at a small selection of an author's work and will ignore the broader context in which that author was living and working; a good historian will try to look at everything that author wrote as well as the works of others, and the political and personal world in which they operated." In most cases it requires the passage of considerable time before the historian can see clearly what is under observation. We definitely require the benefits of hindsight before we can do justice to understanding the life and work of Bastiat who in many cases was ahead of his time in his theoretical work, the real significance of which was thus not visible to his contemporaries but is to us now that the Austrian and the Public Choice schools of economic thought are well established.

It is in this light that I would like to explore what one might call "the optics of Bastiat studies", which includes the following aspects:

**How he was seen by others during his own lifetime and immediately afterwards** - he was seen by his contemporaries as a consummate, clever, and very witty economic journalist who could always...
find the right "bon mot" to demolish an economic fallacy or sophism (there is a difference between the two);[5] as a hard working politician who fought valiantly against socialism during 1848-49; and as a would-be economic theorist who challenged the classical orthodoxy of Smith-Ricardo-Malthus and was thought by some of his colleagues to be a bit out of his depth.

How he was seen by others in the 100 years after his death, especially other economists and historians of economic thought - he was seen by Marx as a "dwarf economist" who pretended to be a theorist (1867), and by Schumpeter who thought "he was no theorist at all" (1954), thus condemning Bastiat to the world of "the unseen" (he was thus turned into an "un-economist") as far as economic theory was concerned. However he was more highly thought of by W.S. Jevons and Vilfredo Pareto who were the only 19th century economists of any stature who thought this.

How he was seen differently in post-World War 2 America - he was rediscovered by R.C. Hoiles, the publisher of the Freedom Newspapers, and Leonard Read of the Foundation for Economic Education (FEE) in the 1940s and by the group of young grad students in New York City in the early 1950s who formed the "Circle Bastiat" (which included Murray Rothbard, Leonard Liggio, Ralph Raico, George Reisman, Ronald Hamowy, and Robert Hessen), who regarded him as a very significant economic and social theorist who was ahead of his time in much of his thinking about economic theory, stressing his "Austrian-ness". FEE's translation project in the early 1960s brought 3 volumes of his work to the attention of American readers but it was only a selection of Bastiat's writings comprising only about one quarter of his total output.[6]

How we see him now as a result of Liberty Fund's translation project of the Collected Works of Frédéric Bastiat which is close to his "complete works" (6 volumes of about 500 pp. each) - I think we now can see a much more complete and much richer picture of Bastiat as a person, as an economic journalist, as a free trade activist, as a politician, as an active participant in a revolution, as a social theorist, and as an economic theorist. The LF project has quadrupled the amount of material we have by Bastiat in English, much of it for the first time:

- 300 hundred pages of his correspondence which opens up his personal and professional life as well as the rich network of classical liberals and political economists who were active in Paris in the late 1840s (vol. 1)
- dozens more essays on economic and political topics, especially his electoral manifestos he wrote when running for political office and the complete set of his anti-socialist pamphlets written during the 1848 Revolution (vols. 1, 2, and 4)
- another collection of Economic Sophisms (an increase of 50%), including a partially written and previously unknown "sophism of the ratchet effect" (vol. 3)
- scores of shorter pieces he wrote as part of the Free Trade Association's campaign to abolish protection in 1846-47 (vol. 6)
- his collected "revolutionary journalism" from Feb./March and June 1848 (vols. 1, 2, 3, 4)
- this is all complemented and supported by a much more comprehensive and detailed scholarly apparatus of appendices, glossaries, footnotes, and bibliographies to help put Bastiat into his political and intellectual context

Running parallel with Liberty Fund's efforts there has also been a mini-renaissance in Bastiat studies in France which began with a bicentennial conference in his home town of Mugron in June 2001 organised by Jacques de Guenin who is republishing Bastiat's Oeuvres complètes in French and was the driving force behind Liberty Fund's Bastiat Translation project.[7] Three new biographies of J.B. Say, Bastiat, and his younger colleague Gustave de Molinari by the French journalist and historian of the French classical liberal tradition Gérard Minart have appeared in 2005, 2004, and 2012
respectively;[8] the publishing firm Les Belles Lettres has a series called the Bibliothèque classique de la liberté which has reprinted two collections of Bastiat's writings in 2009 edited by Michel Leter;[9] the French Canadian sociologist Robert Leroux wrote an award winning intellectual biography of Bastiat in 2008 which has been translated into English in 2011:[10] and the Institut Coppet has a very active online and ebook publishing venture which has reprinted Bastiat's and Molinari's long-forgotten revolutionary magazine from June 1848, Jacques Bonhomme, among many other items.[11]

I think that there are two very exciting and interesting things to emerge from this new scholarship about Frédéric Bastiat, Gustave de Molinari, and their Economist colleagues in the 1840s. The first thing is the previously unknown richness of the interlocking networks of intellectual and political activity which arose through the hard work of a small number of individuals whom Minart has called "The Four Musketeers", because, like d'Artagnan in Dumas' novel, Bastiat, who was one of the leading figures in this group, came from Gascony (although Bastiat wielded a sharp tongue and a pen not a sword).[12] Minart's choice of words is quite à propos because Dumas' novel was circulating in serial form in 1844 the year before Bastiat arrived in Paris.[13] According to Minard, Bastiat was one of 4 liberal-minded men from the provinces who came to Paris and radically transformed French classical liberalism and political economy during the 1840s. They included the bookseller and publisher Gilbert-Urbain Guillaumin (1801-1864) from the Auvergne, the industrialist, economist, and editor Charles Coquelin (1802-1852) from Dunkerque, the much younger aspiring journalist and economist Gustave de Molinari (1819-1912) from Liège, and the relative late-comer the free trade advocate and economist Frédéric Bastiat (1801-1850) from Gascony. Minart focused his analysis of the “Four Musketeers” around what he called “le réseau Guillaumin” (the Guillaumin network) whose publishing firm was an important gathering place for meetings, discussions, the dissemination of books, pamphlets, and journals, as well as hosting important social activities among the classical liberals.[14]

My own research on this period leads me to think that Minart’s insight is only partially correct.[15] When one examines more closely the network of friends and organisations in which Bastiat moved in the mid and late 1840s one can identify 7 men who were part of two different cohorts or generations based upon age who were the key figures in the classical liberal movement at this time. Thus, there were really "Seven Musketeers" of the classical liberal movement. The first cohort were born around 1800 and were thus in their mid- to late-40s in 1848; the second cohort was born around 1820 and were thus in their late 20s in 1848. A brief summary of these two cohorts is provided below.

The first cohort/generation was made up of the following individuals:

- **Gildert-Urbain Guillaumin (1801-1864)** came to Paris from the Auvergne in 1835 to found a bookshop and publishing firm. The Guillaumin firm published books, pamphlets, and the Journal des Économistes (1841-1940). Guillaumin had great skill as an entrepreneurial publisher who was able to organise and fund very large-scale editorial projects such as the Dictionnaire de l'économie politique (1852-53).[16] The offices also served as the location for meetings of the SEP. In many ways, the Guillaumin firm was the LF of the 1840s.[17]

- **Charles Coquelin (1802-1852)** was an industrialist, economist, and editor originally from Dunkerque. He was a pioneer theorist of free banking, an eloquent public speaker, and later editor of the crowning achievement of the mid-19th century political economists, the Dictionnaire de l'économie politique (1852-53).[18]

- **Frédéric Bastiat (1801-1850)** came from Gascony (Les Landes) and became a free trade activist, journalist and lobbyist, a gifted popularizer of economic thought, a political and economic theorist, head of the French Free Trade Association and editor of its journal Le Libre-Échange (1846-48). Of the older cohort, Bastiat was the outlier as he came to Paris later in life.
The second cohort/generation was made up of the following individuals:

- **Joseph Garnier (1813-1881)** came to Paris in 1830 from Provence. He taught economics, was an early editor of the JDE, wrote economics textbooks, and was active in the peace movement.[19]

- **Gustave de Molinari (1819-1912)** came to Paris from Liège in 1841 (the exact date is uncertain) to work as a journalist. He became an economist, a free trade activist, a supporter of worker's rights, wrote important works on economic and political sociology, and later was editor of the JDE. He developed innovative ideas about the role of entrepreneurs and the private provision of public goods.

- **Hippolyte Castille (1820-1886)** came to Paris from Pas-de-Calais in 1839 to work as journalist. He wrote for *le Courrier français* and held regular soirées at his home on the rue Saint-Lazare (1843?-48). Castille was interested in workers issues and intellectual property rights. He later split with the liberals and wrote popular histories of the 1848 Revolution and the Second Republic.[20]

- **Alcide Fonteyraud (1822-1849)** was born in Mauritius and was the youngest member of the group. He was a precocious economist who specialised in the work of Ricardo and was a gifted public speaker. He died at the age of 27 in the cholera epidemic of 1849.[21]

As outsiders who had moved to Paris these seven individuals would have had many things in common, such as their regional accents, their ambition to succeed in a new city, the lack of family support networks, their new and different ways of thinking about political and economic problems, and their optimism about the possibilities of bringing about liberal change in France. From a sociological perspective this raises the interesting question of the role played by "outsiders" and immigrants in challenging orthodoxy and developing new ways of seeing the world. Comparisons to Paris in the 1840s might be made to Vienna in the late 19th and early 20th centuries with the influx of Jews and other ethnic minorities from the Austria-Hungary Empire, and New York city in the 1930s and 1940s with German and eastern European immigrants. But that is another story.

Bastiat played an important role in linking the two cohorts. Bastiat was the same age as Coquelin and Guillaumin but he came to Paris quite late (1845 at the age of 44) and seemed to share the enthusiasm and activism of his younger colleagues with whom he worked literally on the streets of Paris promoting the free trade movement and handing out revolutionary newspapers during 1848. The interlocking group of organisations in which these 7 men were involved deserve to be studied in much greater depth because of the new and interesting ideas which emerged from them, the political activities which they gave rise to, and their overall impact on the development of the classical liberal movement in mid-19th century France. The central role played by two of the Musketeers, Bastiat and Molinari, deserve particular attention by scholars because of their apparent ubiquity, especially Bastiat who seemed to be everywhere and to have a finger in every political and economic pie. I have identified 13 organisations or groups which are important in understanding the scope of the classical liberal political economists in mid-19th century France. I have grouped them by function into the following networks:

The central publishing, organisational, and funding network:

- the Guillaumin publishing firm, was founded in 1835 and survived in various forms until 1910 when it was taken over by Alcan. It published most of the economists's books as well as collections of economic data, encyclopedias, and dictionaries - most notably the *Dictionnaire de*
l’économie politique (1835-1852) edited by Coquelin. It also founded the Journal des économistes (1841-1940) and the Société d’Économie politique (1842-1940). Guillaumin also helped arrange for funding of these and other projects through his contacts with businessmen such as Horace Say and Casimir Cheuvreux

**Intellectual and educational networks:**

- the Société d'économie politique (SEP) was founded in 1842 with its "perpetual president" Charles Dunoyer and was the main organisation for the discussion of economic ideas. It began as an "economist only" group but soon expanded to include people drawn from government, the bureaucracies, industry, and finance.
- the schools at the Athénée, the Collège de France, and the School of Law where a number of political economists taught, such as Blanqui, Garnier, Bastiat, and Molinari
- the Académie des sciences morales et politiques (part of the Académie française) was reconstituted in 1832 and included a large number of liberal philosophers, historians, and economists. Bastiat was a corresponding member but not a full member.

**Social networks:**

- Mme Hortense Cheuvreux's salon - Mme Hortense Cheuvreux (née Girard) (1808-93) was married to the wealthy textile manufacturer Pierre-Casimir Cheuvreux (1797-1881) who was a major funder of the economists's activities. Their luxurious home in Paris was where Mme Cheuvreux's salons were held. Bastiat with his wit, prodigious memory for literature, and musical skills (he played the cello) was a star attraction, along with the scientist Ampère, the priest Gratry, and Alexis de Tocqueville.
- Hippolyte Castille's soirées on Saint Lazarus Street - Castille organised regular soirées at his home on the rue Saint-Lazare (1844-1848). His network of friends included the economists as well as radical republicans and others associated with the journal Le Courrier français for which Bastiat and Molinari wrote.

**Single issue lobbying and political networks:**

- the French Free Trade Association (FTA) 1846-48 of which Bastiat was secretary and editor of their journal Le Libre-Échange. It held large public meetings and lobbied the Chamber of Deputies.
- Garnier’s Friends of Peace peace network (1848-50) who were active in organizing a Peace Conference in Paris in August 1849
- the group of friends around Bastiat and Molinari who started two small revolutionary magazines which were handed out on the streets of Paris in February-March and June 1848
- Coquelin’s and Fonteyraud’s network of debaters and public speakers in the “Club de la liberté du travail” (the Club for the Freedom of Working, or “Club Lib” for short) in March 1848
- the group of elected classical liberals and economists in the Constituent and Legislative Assemblies who formed a small but very vocal faction

The second very exciting and interesting thing to emerge from this new scholarship is that all of them (with the exception of the chief organiser and entrepreneur of the group Guillaumin who seemed to operate very much in the background) combined important intellectual activity such as research and writing with some kind of political activism. This activism took the form of journalism, public speaking, lobbying, and standing for election, and was undertaken in the cause of free trade, workers rights to form unions, the anti-war movement, anti-socialist pamphleteering, and participation in political clubs. Most dramatic of all was the enthusiasm with which Bastiat and Molinari in particular
took up revolutionary street journalism at the height of the revolution in February and March and then again in June 1848. This was done at some personal risk as protesters were being shot in the streets in large numbers by the French Army, especially in June 1848. On both occasions they were forced to close down their publication because of the dangers they faced on the streets. The Institut Coppet and I are presently engaged in republishing these revolutionary newspapers in both online and print formats in order to make this rather unexpected side to the French classical liberal and political economy movements better known.

One of the products of the Bastiat and Molinari translation projects with which I am involved has been the creation of a collection of scores of short glossaries and biographical articles about the people, organisations, journals, publications, and activities of those who made up the various networks in Paris in the 1840s mentioned above. It will eventually constitute a veritable encyclopedia of the French classical liberal and economic movements of the period.

The picture of Bastiat which emerges is that of a figure who was unseen for most of his life in a south western provincial town (1801-1844), who was seen briefly, intensely, but still only partly during his short career as an activist and politician (1845-1850), who was largely unseen again for a long period of time (100 years), then re-seen but still only partly after his rediscovery in the mid-20th century, and who can now be seen in much sharper focus than ever before as one of the most important classical liberals who has ever lived.

I should note here the unfortunate break up of the Seven Musketeers of French Political Economy following the Second Republic which brought an end to a remarkable group of talented and committed individuals which was unique in French history. The group was only altogether for a brief period of time between about 1843 and 1852 before premature deaths and exile broke them up or dispersed them. Firstly, there were three deaths which shocked the group with their suddenness, especially Molinari who, because he lived so much longer than anybody else (he died in 1912 at the age of 93) ended up writing most of their obituaries. Fonteyraud died in the cholera epidemic which swept Paris in July/August 1849 (aged 27); Bastiat died from his terminal throat condition in December 1850 (aged 49); and Coquelin died from a sudden heart attack in August 1852 (aged 50) while he was in the middle of editing the *Dictionnaire de l'économie politique*. Second, there was the inevitable straying from the liberal path. Castille drifted away into the Jacobin republican camp sometime in mid-1848. Thirdly, with the political reaction and censorship which followed in the wake of the coming to power of Louis Napoleon, first as President and then as Emperor Napoleon III, Molinari chose to leave Paris and take up residence in his native Belgium which had avoided revolution in 1848 and still retained a relatively free press where radicals like Molinari could continue their work unmolested by the government.

Thus by 1852 the Seven Musketeers had been reduced to a lonely rump of two who were left in Paris, Guillaumin and Garnier. Molinari was to return to Paris in 1868 to take up a full time position as a journalist, but that is another chapter in this story. Guillaumin would live to a relatively ripe age of 63 (he died in 1864) and his publishing firm firm would continue to support the liberal political economists under the direction of his daughters Félicité and Pauline who managed the firm until it was taken over by Alcan in 1910. Garnier remained at the centre of the political economy movement as editor of the JDE from 1866 until his death in 1881 at the age of 68. He was replaced by a newly invigorated Molinari who edited the JDE for another 28 years before he retired due to ill health in November 1909 at the age of 90.

But in this brief period of time so much which was new and important was achieved by this remarkable group of classical liberals as I have tried to describe above.
One of our aims in this Project is to do for French political economy in general and for Bastiat in particular what the Glasgow edition of the works of Adam Smith in 1976 did for Smith scholarship, namely to create an authoritative edition of his works which scholars can use. Perhaps our edition of Bastiat should be called "The Indianapolis Edition" of the Collected Works of Frédéric Bastiat since so much of the work in bringing this project to fruition has been done in Indianapolis. We would like more scholars to take his work seriously and to do this they need to have his writings accessible to them (in print and online), and to have these works put in their historical and intellectual context so these scholars can understand them better (especially for non-French readers).

Translating the Collected Works of Bastiat is part of a larger translation and publishing project at LF to bring more works of 18th and 19th century French classical liberals to an English-speaking audience. This project includes the works of:

- Montesquieu, My Thoughts (posthumous) [24]
- Condillac, Commerce and Government Considered in their Mutual Relationship (1776) [25]
- Destutt de Tracy, A Treatise on Political Economy (1817) [26]
- Benjamin Constant, Principles of Politics Applicable to all Governments (1815) [27]
- Benjamin Constant, Commentaries on Filangieri (1822) (forthcoming)
- Alexis de Tocqueville, Democracy in America: Historical-Critical Edition (1840) [28]
- Bastiat, Collected Works in 6 vols. [29]
- Gustave de Molinari, Evenings on Saint Lazarus Street (1849) (forthcoming) [30]

My colleague Christine Dunn Henderson has been working on the Tocqueville and the Constant, while I have been working on the Bastiat and the Molinari.

The task of reading Bastiat and his younger friend and colleague Gustave de Molinari closely in the original and researching and writing the accompanying introductions, footnotes, appendices, and glossaries has revealed to me a side to Bastiat I had never known existed before. In my mind Bastiat was no longer just "Bastiat the economic journalist" but had to be taken seriously as firstly, "Bastiat the economic and social theorist" who made important contributions to the development of classical liberal economic and political theory, and secondly, as "Bastiat the committed liberal politician and activist" who had been part of a much broader classical liberal political movement which opposed protectionism and interventionism between 1844 and 1847 and after the 1848 February Revolution, the rise of socialism and the welfare state in France.

In this paper I would like to examine how Bastiat was seen by his contemporaries during and immediately after his death in 1850, his virtual disappearance for a century until he was rediscovered by Leonard Read and the Circle Bastiat in post-World War 2 New York City, and how I think we should now view Bastiat in the light of the new translation LF is doing of his "complete works."
2. The Bastiat who was "Seen" prior to the Indianapolis Edition

The "Unseen" and the "Half-Seen" Bastiat during his lifetime

In 1844 Bastiat burst into view with a brilliant article on French and English tariffs which was published in the JDE in October 1844. It was brilliant because of its mastery of economic data and theory and its sureness of style. Before that he had been completely "unseen" by the rest of the world while he lived the life of a minor provincial magistrate and land owner in the south west of France who dabbled in local political and economic matters which he wrote about in the local press. He followed up his initial piece with a book on Richard Cobden and the Anti-Corn Law League which appeared in June 1845 and a flood of articles which were also published in the JDE (many of which later became chapters in his first collection of Economic Sophisms which was published in Dec. 1845 or Jan. 1846).

By the time a French Free Trade Association (modeled on the English Anti-Corn Law League) had been formed first in Bordeaux (February 1846) and then in Paris (May 1846) Bastiat had become the public face of the French free trade movement as secretary and editor of the journal Libre-Échange. He remained prominently visible in this capacity until the February Revolution of 1848 changed the course of French politics. He and the other Economists quickly ditched the free trade cause (temporarily they thought) to focus on the newer and greater threat posed by socialism in the first year of the Second Republic. Bastiat was elected to represent his home region, the département of Les Landes in Gascony, on 23 April 1848 and he retained this post until his fatal illness forced him to retire from politics in February 1850. The Chamber repeatedly elected him vice-president of the Finance Committee which gave him a platform from which to oppose socialism and the misguided spending and taxation policies of the new régime. Outside the Chamber he also began writing a steady stream of anti-socialist articles most of which were published as stand-alone pamphlets which were distributed by the Guillaumin publishing firm (marketed as "les Petits Pamphlets"). Over a dozen of these appeared between June 1848 and July 1850. One might say that Bastiat had changed his "free trade hat" which he wore between 1844 and the beginning of 1848, for an "anti-socialist hat" which he wore from then on until his death in December 1850. In the popular mind he had gone from being a journalist and lobbyist for free trade to being a politician and pamphleteer who campaigned against socialism and out of control state spending. It was for these activities that he, "Bastiat the journalist and politician", was best known in his own day and, if he was thought of at all over the next hundred years or so, this continued to be the case.

However, there was another side to Bastiat's work was was less visible, or only visible to the cognoscenti in the group of Economists with whom he associated in the last 5 years of his life. This "unseen" side of Bastiat was "Bastiat the innovative economic and social theorist".

I suspect that as Bastiat wrote his anti-protectionist essays and as he associated with the Economists in Paris who were part of the Guillaumin network he realised that he had something new and interesting to say about economic theory. The deep reading he had done in private back in the small town of Mugron over the previous 20 years (in 4 languages - French, English, Italian, and Spanish) and the fact that he had not trained formally with any school of thought or under any leading academic figure, was paying off in that his thinking was not constrained by any orthodoxy (I owe this insight to Don Boudreaux). He could approach economic theory in a fresh way which he did in a number of key areas which will be examined in more detail below (land rent, Malthusian population theory, the theory of value, the link between economics and moral theory, the idea of rent-seeking, the idea of...
opportunity cost, and the notion that the free market was a spontaneous, or in his terminology, a "harmonious" order). In addition to his anti-protectionist and anti-socialist articles there are a handful of more theoretical articles on rent and population theory which would have gone unnoticed by most readers but which are indicators of what was to come.[37]

By July 1847 Bastiat felt confident enough to begin lecturing on political economy at the School of Law in Paris. The title was the “Harmony of Social Laws” and was an early draft of what would become the *Economic Harmonies*. This too was interrupted by the February Revolution of 1848 but he continued to work on the project even though he was constantly distracted by his political and anti-socialist activities and his poor health. No doubt he was acutely aware that his time was running out as his disease progressed, so he published the first part of his treatise in January 1850 (the first 10 chapters) leaving behind several sketches and drafts of unwritten chapters which his friends ("les amis de Bastiat" - Prosper Paillottet and Roger de Fontenay) published in July 1851 as the second edition of *Economic Harmonies*.[39]

Some of the chapters which appeared in the *Economic Harmonies* had already appeared as articles in the JDE, such as his article on Malthus and population (chap. 16), or his pamphlet on rent (chap. 9). Bastiat's radically new ways of thinking about rent and population theory did not sit well with the other Economists who felt offended that an upstart from the provinces was challenging some of the core beliefs of political economy as laid out by the masters, Smith, Ricardo, and Malthus. They expressed their disapproval in meetings of the Political Economy Society in December 1849 and June 1850.[40] Even his friend Molinari, whose even more radical ideas on the private provision of security and his opposition to government confiscation of private property for public works had also offended the SEP, rejected most of Bastiat's innovations and clearly said so in his obituary of Bastiat published in 15 Feb. 1851 in the JDE which was probably not the most tactful thing he could have done.[41] According to Molinari, the French economists had lost their "Benjamin Franklin" (a popularizer of economic ideas), not another "Jean-Baptiste Say" (an original economic thinker).

Part of the problem lay in the sometimes confusing terminology Bastiat continued to use to describe his new way of thinking, especially about the nature of value. He explicitly rejected an earlier line of thinking about the subjectivity of value which had evolved in the work of Condillac and Henri Storch who argued that individuals often valued the same object differently which explained why they were prepared to engage in trade in the first place (to exchange something of a lower value "to them" for something of a higher value "to them"). Thus, the participants to an exchange both gained something of higher value to them. In *Economic Harmonies* Bastiat rejected this line of argument because he still believed that things of equal value were being exchanged in any given transaction and there couldn't be a "double and empirical profit". Perhaps in his heart he knew that this was a problematical if not entirely wrong way to phrase the discussion so he hedged his bets by using the term "equivalent" instead of "equal." Some modern Austrians (especially at the Ludwig von Mises Institute) seize upon another set of expressions Bastiat was using to argue that he was already an advocate of subjective value theory. These phrases involve his idea that individuals "evaluate" or "judge" the usefulness of items they might trade with others and make these judgements or evaluations based upon their specific locations and circumstances, thus making them different from the evaluations made by others in different locations and under different circumstances. Had Bastiat been able to clarify his use of some technical terms and had he given up his dependence on thinking about things of "equal" or "equivalent" "something" (whether that "something" was utility, or value, or the labour that would be saved by the consumer in making it himself), he might have been able to make his case more understandable to others. Molinari for example thought Bastiat was merely playing with words when he began defining exchange as "the mutual exchange of a service for a service" instead of the more usual idea of a exchanging "a product for a product". But Bastiat was in fact playing with very
new economic concepts for which he did not yet have the right words with which to express them

Thus it is clear that, even in his own lifetime, the original contributions to economic theory which Bastiat was making were not expressed as well as they could have been and thus were not fully appreciated, largely I suspect because they were radically different and ahead of their time. Many of the problems he was grappling with would be taken up again and solved by the theorists of the Marginal Revolution of the 1870s. Furthermore, it would not be until the revival of the Austrian school of economics in post-World War 2 America under the influence of Ludwig von Mises and especially Rothbard that the precocious contributions of Bastiat to economic theory (subjective value theory, opportunity cost), political economy (his public choice insights about politicians and voters, his theory of the state), and social theory (most notably his theory of plunder) would be fully recognized for the first time.[46]

Fade to Black: The Marginalization of "Bastiat the Economist" after his death

Bastiat's Economic Sophisms. Series I (1846) and Series II (1848) were quickly translated into English and American English,[47] as well as other major European languages and were widely circulated. A handful of his other essays like "The State" and "The Law" were also translated.[48] There was also a translation by Stirling of the Economic Harmonies which were published in stages for some inexplicable reason between 1860 and 1880 thus making it very difficult for English readers to get access to the complete text.[49] Outside France Bastiat was "seen" as a gifted free trade journalist and anti-socialist polemicist but his work as a theorist were largely ignored or rejected.

Within France his incomplete treatise on political economy, the Economic Harmonies, was known but not highly regarded even by the other French economists outside a small circle of supporters because of its heterodoxy on key points. The book did not get off to a good start when the American economist Carey complained that Bastiat had plagiarised his work on the harmony of interests.[50] These charges were later withdrawn but the damage to Bastiat's reputation had already been done.[51]

The real demolition of "Bastiat the economist" began with Marx in the first volume of Das Capital (1867). Marx was well read in French political economy and he cites many of the key authors in his footnotes, but he rejects their arguments in favour of the free market and free trade as false and heaps abuse on them in an ad hominem manner. They are amusing to read today in the light of the intellectual collapse of Marxism since the Economists were more often right and he was more often wrong in his assessment, but his abuse misled several generations of economists and political theorists about the real contribution of the 19th century free market economists to the development of our understanding of how markets operated. Marx's comments about Bastiat were particularly vituperative as the following examples from Capital, vol. 1 (1867) clearly show. He describes him as "the most superficial and therefore the most adequate representative of the apologetic of vulgar economy"; "the modern bagmen of Free Trade"; and ""a dwarf economist".[52] Here is one at greater length to show Marx's ad hominem method:

Under these circumstances its professors fell into two groups. The one set, prudent, practical business folk, flocked to the banner of Bastiat, the most superficial and therefore the most adequate representative of the apologetic of vulgar economy; the other, proud of the professorial dignity of their science, followed John Stuart Mill in his attempt to reconcile irreconcilables. Just as in the classical time of bourgeois economy, so also in the time of its decline, the Germans remained mere schoolboys, imitators and followers, petty retailers and hawkers in the service of the great foreign wholesale concern.

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David Hart, Seeing the Unseen Bastiat
And another:

Our analysis has shown, that the form or expression of the value of a commodity originates in the nature of value, and not that value and its magnitude originate in the mode of their expression as exchange value. This, however, is the delusion as well of the mercantilists and their recent revivers, Ferrier, Ganilh, and others, as also of their antipodes, the modern bagmen of Free Trade, such as Bastiat. The mercantilists lay special stress on the qualitative aspect of the expression of value, and consequently on the equivalent form of commodities, which attains its full perfection in money. The modern hawkers of Free Trade, who must get rid of their article at any price, on the other hand, lay most stress on the quantitative aspect of the relative form of value. For them there consequently exists neither value, nor magnitude of value, anywhere except in its expression by means of the exchange relation of commodities, that is, in the daily list of prices current. MacLeod, who has taken upon himself to dress up the confused ideas of Lombard Street in the most learned finery, is a successful cross between the superstitious mercantilists, and the enlightened Free Trade bagmen.

The Guillaumin firm kept Bastiat's *Oeuvres complètes* (7 vols. with the *Economic Harmonies* being vol. 6) in print throughout the 19thC with a 5th edition appearing in 1881-84, so the *Economic Harmonies* would have been readily accessible to the Economists to re-read and re-evaluate it in the light of the Marginal Revolution which had taken place in the 1870s as a result of the work of Menger, Jevons, and Walras. Of the triumvirate of original marginalists, only Jevons mentioned Bastiat as a forerunner and urged his fellow economists to read him:

Firstly, I am convinced that the doctrine of wages, which I adopted in 1871, under the impression that it was somewhat novel, is not really novel at all, except to those whose view is bounded by the maze of the Ricardian Economics. The true [xlxi] doctrine may be more or less clearly traced through the writings of a succession of great French Economists, from Condillac, Baudeau, and Le Trosne, through J.-B. Say, Destutt de Tracy, Storch, and others, down to Bastiat and Courcelle-Seneuil. The conclusion to which I am ever more clearly coming is that the only hope of attaining a true system of Economics is to fling aside, once and for ever, the mazy and preposterous assumptions of the Ricardian School. Our English Economists have been living in a fool's paradise. The truth is with the French School, and the sooner we recognise the fact, the better it will be for all the world, except perhaps the few writers who are too far committed to the old erroneous doctrines to allow of renunciation. [Preface to the Second Edition, p. xlviii]

We labour to produce with the sole object of consuming, and the kinds and amounts of goods produced must be determined with regard to what we want to consume. ... Many French economists also have observed that human wants are the ultimate subject-matter of Economics; Bastiat, for instance, in his *Harmonies of Political Economy*, says, 'Wants, Efforts, Satisfaction — this is the circle of Political Economy.' ['Harmonies of Political Economy,' translated by P. J. Stirling, 1860, p. 65][Jevons, pp. 43-44]

And in his "Concluding Remarks: The Noxious Influence of Authority" Jevons states:

I have but a few lines more to add. I have ventured in the preceding pages to call in question not a few of the favourite doctrines of economists. To me it is far more pleasant to agree than to differ; but it is impossible that one who has any regard for truth can long avoid protesting against doctrines which seem to him to be erroneous. There is ever a
tendency of the most hurtful kind to allow opinions to crystallise into creeds. Especially
does this tendency manifest itself when some eminent author, enjoying power of clear and
comprehensive exposition, becomes recognised as an authority. ...

I have added these words because I think there is some fear of the too [300] great
influence of authoritative writers in Political Economy. I protest against deference for any
man, whether John Stuart Mill, or Adam Smith, or Aristotle, being allowed to check
inquiry. Our science has become far too much a stagnant one, in which opinions rather
than experience and reason are appealed to.

There are valuable suggestions towards the improvement of the science contained in the
works of such writers as Senior, Cairnes, Macleod, CliffeLeslie, Hearn, Shadwell, not to
mention a long series of French economists from Baudeau and Le Trosne down to Bastiat
and Courcelle-Seneuil; but they are neglected in England, because the excellence of their
works was not comprehended by David Ricardo, the two Mills, Professor Fawcett, and
others who have made the orthodox Ricardian school what it is. Under these
circumstances it is a positive service to break the monotonous repetition of current
questionable doctrines, even at the risk of new error. I trust that the theory now given may
prove accurate; but, however this may be, it will not be useless if it cause inquiry to be
directed into the true basis and form of a science which touches so directly the material
welfare of the human race. [pp. 298-300.] 53

The lack of interest by the other members of the Marginalist school in the ideas of Bastiat was noted
by the Dutch lawyer H.L. Asser in an article in the JDE in 1893 54 in which he chided them for
having ignored Bastiat's pioneering contributions which "laisse la porte grande ouverte" (left the door
wide open) for other economists to follow in his footsteps. Asser was strongly of the opinion that
Bastiat was indeed an "Austrian" avant la lettre but this view would not be taken up in more detail
until the Austrian revival after World War 2 in the US. Thus Bastiat's position as an economic theorist
was doubly weak: the Marginalists were struggling to make themselves heard above the din being
made by the neo-classical school, and within the Marginalist camp itself Bastiat was largely ignored.

It must be remembered that the Marginal Revolution of the 1870s (Walras, Jevons, Böhm-Bawerk)
was in fact a revolution in the way people viewed the basics of economic theory and was very much a
minority view compared to the established orthodoxy which was classical economics, which in turn
was soon to be transformed into neo-classical economics by the late 19th century. The classical and
neo-classical variant was also an Anglo phenomenon with the major work being done in Britain and
the United States (most notably Marshall). Bastiat thus had two strikes against him immediately since
he was part of the French school of the Physiocrats and J.B. Say which had already developed a
number of proto-Austrian insights and he explicitly rejected some of the key elements of Anglo-
classicism such as Ricardian rent theory and Malthusian population theory. There is also the factor that
most Anglo-economists did not read foreign languages and so work which was being done in French
or German often was ignored or only transmitted via tardy or incomplete translations and literature
reviews in the journals.

A third strike was the way in which economics came to be taught in late nineteenth century France. As
Joseph Salerno has argued convincingly, in Bastiat's day there were few teaching posts for economists,
and those that existed were non-salaried or were in engineering schools which churned out technocrats
not social theorists. 55 When the French state re-organised the teaching of economics in 1878 it
deliberately side-lined the radical free market economists by making the teaching of economics part of
the Law Faculties in the Universities. To teach there the economists had to also have an advanced law
degree which most did not have. Economics thus became part of the curriculum for the production of public servants and bureaucrats who were obviously not inclined to accept the anti-statist economic policies of the old school "Economists". Only a small group of free market supporters continued to work within the Bastiat tradition such as Ambrose Clément and Courcelle-Seneuil who was able to get one of the few teaching positions towards the end of his life (1881-83) but he did not teach long enough to establish a school around him before he retired.[56]

A fourth strike against Bastiat and his followers was that as the economics profession became increasingly focussed on abstract models and the use of mathematics (especially in the 20th century) the method of Bastiat and the early Austrians which focused on "praxeology" or the science of human action seemed increasingly quaint and old-fashioned and less than "scientific" (or "scientistic" to use Hayek's phrase). By trying to model their work on the physical sciences which were mathematically based and "value free" the neo-classical school found the strong stand of the French Economists in favour of free trade and laissez-faire "full of values" (Wertreich (value full/rich) not Wertfrei (value free)) and hence had to be rejected for not being "scientific." The "scientific" economists apparently thought that working for a tax-payer funded, state university position, and teaching graduates who would work in government bureaucracies or state banks was completely "value free" and thus scientific.

A fifth strike against Bastiat is probably a cynical one but one held by a number of modern Austrians, namely that Bastiat wrote too well to be taken seriously as a real academic economist. Wit, literary references, clever thought experiments and a brilliant writing style is not the accepted "rhetoric" used to persuade academic economists in the late 19th century. As Deirdre McCloskey argues in The Rhetoric of Economics[57] the scientifically inclined prefer the rhetorical device of the graph or the equation over a story about Jacques Bonhomme and his hooligan son who breaks a window, or a thought experiment about Robinson Crusoe and Friday. However, both are rhetorical devices which are used to persuade others of the correctness of one's views.

Anthony de Jasay also believes this is true. In an article from 2004 he notes that:[58]

The misfortune of Bastiat was that he never spouted endless pages of obscure rose. He wrote with such impeccable, jargon-free clarity that his readers thought he was simply stating the obvious that they knew anyway. He was, and still is, widely taken for a mere vulgarizer, clever with his pen but not a great thinker. In his own country, where obscure and high-flown writing is often prized above simplicity, Bastiat is as good as unknown. Yet it is there that heeding his words would do the most good.

Nevertheless, the work of Bastiat did attract some supporters in the late 19th century outside France, especially in Italy, a small group in England, and the United States. Vifredo Pareto was a great admirer of both Bastiat and Molinari and many very favourable remarks about their work can be found in his writing[59]. Salerno has tracked the impact of Bastiat and the French School in late 19th century England and America through the work of Amasa Walker, Arthur Lanham Perry, and Francis Amasa Walker which built upon the already existing base of interest in the work of Destutt de Tracy and J.B. Say which had been laid by Jefferson and Princep with their translations.[60] In England William Stanley Jevons, one of the founders of the marginalist (or Austrian) approach, was a great admirer of Bastiat (as we noted above), as was Henry Dunning Macleod, and William E. Hearn. Böhm-Bawerk on the other hand, admitted Bastiat's influence but had very little respect for his ideas.

Classical liberalism in general and radical free market economics in particular went into a kind of intellectual hibernation during the long "Thirty Years War of the 20thC" which saw the rise of the
welfare-warfare-interventionist State and Keynesian economics, so it not surprising that a lesser-known mid-19thC French economist would have dropped by the wayside. It would not be until after World War 2 when the Austrian-Austrian emigré Mises began teaching at NYU that a renaissance of interest in Bastiat began. By the time of the 200th anniversary of his birth in 2001 there were enough people who knew and respected the work of Bastiat to hold a conference at which papers reassessing his contributions were given.[61]

Schumpeter turns Bastiat into "the Invisible Economist" and Hayek damns him with faint praise

After World War One Bastiat and the free market movement in France disappeared from sight - he became "unseen", an "un-person", an "un-economist." His works were no longer reprinted there or in the English speaking world and he largely disappeared from view.

It was the assessment of Joseph Schumpeter, written in his History of Economic Analysis (1954) almost 100 years after the death of Bastiat, that most economists associate with Bastiat today, namely his dismissal of Bastiat as "not a thinker at all" let alone an original economic thinker. It is so scathing that it is worth quoting at length to get the full measure of the dyspeptic/splenetic style of Schumpeter (my emphasis):[62]

Frédéric Bastiat’s (1801–50) case has been given undue prominence by remorseless critics. But it is simply the case of the bather who enjoys himself in the shallows and then goes beyond his depth and drowns. A strong free trader and laissez-faire enthusiast, he rose into prominence by a brilliantly written article, ‘De l’influence des tarifs français et anglais sur l’avenir des deux peuples’ (Journal des économistes, 1844), which was grist to the mill of the small group of Paris free traders who then tried to parallel Cobden’s agitation in England. A series of Sophismes économiques followed, whose pleasant wit — petition of candle-makers and associated industries for protection against the unfair competition of the sun and that sort of thing — that played merrily on the surface of the free-trade argument has ever since been the delight of many. Bastiat ran the French free-trade association, displaying a prodigious activity, and presently turned his light artillery against his socialist compatriots. So far, so good—or at any rate, no concern of ours. Admired by sympathizers, reviled by opponents, his name might have gone down to posterity as the most brilliant economic journalist who ever lived. But in the last two years of his life (his hectic career only covers the years 1844–50) he embarked upon work of a different kind, a first volume of which, the Harmonies économiques, was published in 1850. The reader will please understand that Bastiat’s confidence in unconditional laissez faire (his famous ‘optimism’) — or any other aspect of his social philosophy — has nothing whatever to do with the adverse appraisal that seems to me to impose itself, although it motivated most of the criticism he got. Personally, I even think that Bastiat’s exclusive emphasis on the harmony of class interests is, if anything, rather less silly than is exclusive emphasis on the antagonism of class interests. Nor should it be averred that there are no good ideas at all in the book. Nevertheless, its deficiency in reasoning power or, at all events, in power to handle the analytic apparatus of economics, puts it out of court here, I do not hold that Bastiat was a bad theorist. I hold that he was no theorist. This fact was bound to tell in what was essentially a venture in theory, but does not affect any other merits of his. I have said nothing of the charge that he plagiarized Carey that was urged by Carey himself, and then by Ferrara and Dühring. Since I cannot see scientific merit in the Harmonies in any case, this question is of no importance for this book. But readers who do take interest in it are
referred to Professor E. Teilhac’s balanced and scholarly treatment of it in Pioneers of American Economic Thought (English trans. by Professor E.A.J. Johnson, 1936). His argument establishes, with considerable success, that much that seems at first sight unrelieved plagiarism is accounted for by the French sources that Bastiat and Carey had in common.

Even Hayek, who as another Austrian Austrian perhaps should have known better, condemns Bastiat with faint praise in the opening paragraph of his Introduction to the FEE edition of Selected Essays on Political Economy (1964) where he essentially agrees with Schumpeter (again my emphasis):

Even those who may question the eminence of Frédéric Bastiat as an economic theorist will grant that he was a publicist of genius. Joseph Schumpeter calls him “the most brilliant economic journalist who ever lived.” For the purpose of introducing the present volume, which contains some of the most successful of his writings for the general public, we might well leave it at that. One might even grant Schumpeter’s harsh assessment of Bastiat that “he was not a theorist” without seriously diminishing his stature. It is true that when, at the end of his extremely short career as a writer, he attempted to provide a theoretical justification for his general conceptions, he did not satisfy the professionals. It would indeed have been a miracle if a man who, after only five years as a regular writer on public affairs, attempted in a few months, and with a mortal illness rapidly closing in on him, to defend the points on which he differed from established doctrine, had fully succeeded in this too. Yet one may ask whether it was not only his early death at the age of forty-nine that prevented him. His polemical writings, which in consequence are the most important ones he has left, certainly prove that he had an insight into what was significant and a gift for going to the heart of the matter that would have provided him with ample material for real contributions to science.[63]

It is interesting to speculate why Hayek could not see what other people sympathetic to the free market (such as his fellow Austrians Mises and Rothbard) have seen in the theoretical work of Bastiat. I believe it stems from Hayek's strong Anglophilia (or Scotiaphilia) which he expresses very clearly in places like the essay "Individualism: True and False" (1945) which in turn comes from the work of Albert Schatz.[64] I think Hayek seriously misinterprets French liberalism in this essay by making two kinds of distinctions which do not in fact exist or, if they do, they are not as important Hayek suggests they are: the first is between individualism and liberalism, and the second is between "English" and "French" liberalism/individualism.

In a work which had some influence on Hayek’s thinking about the nature of individualism, the French historian Albert Schatz, L’individualisme économique et social (1907), devotes several chapters to the work of Charles Dunoyer, Frédéric Bastiat, and also to a lesser extent Molinari. Schatz's purpose in writing the book was to describe the development of two strains within individualist thought during the 19th century, a “good” form of individualism, “social individualism”, which had its roots in England and which did not see the state as the enemy of liberty and progress (J.S. Mill was the leading figure in this tradition), and a “bad” form of individualism, “economic individualism” or “l’individualisme anti-étatiste” (anti-statist liberalism), which did see the state as the enemy of individual liberty and thus wished to see its activities reduced to the barest minimum (as Bastiat argued) or eliminated entirely (as Molinari, Proudhon, and Stirner argued). The latter pairing is interesting in that Schatz thinks that Bastiat’s and Molinari’s radical anti-statist liberalism led inevitably to a form of individualist anarchism as advocated by Proudhon and Max Stirner, and should therefore be rejected. Schatz believed that the “bad” strain of anti-statist individualism had come to dominate the French economists’ thinking in the mid-century as represented by the work of Bastiat.
and Molinari, which certainly an exaggeration. The Economists, Schatz thought, had become stuck in an intellectual “ivory tower” where they tried to defend their old and outdated version of “true liberalism” against all attacks and in the end drifted into the individualist anarchist’s camp in their utter rejection of the legitimacy of state intervention in the economy. In a rather sad and moving passage which concludes the chapter on Bastiat and his followers, Schatz compares the members of the “orthodox school” of political economy to an aging aristocrat who yearns for the return of the legitimate monarch and who grows old not being able to understand the new world which has grown up around her.[65]

Hayek modified Schatz's views slightly by adding the Scots Adam Smith and Adam Ferguson, the Englishman Edmund Burke, and the Frenchman Tocqueville to the list of "good individualists" and by completely ignoring the French laissez-faire economists and individualists like Bastiat and all of his colleagues who suddenly disappeared from view. They became literally invisible and thus "unseen" as far as Hayek was concerned. Thus it seems that Bastiat's views were rejected even by supporters of the free market such as Hayek because of a number of reasons: they were advocates of natural rights, they were republicans who supported the radical change of the French government in 1848, and, following Schatz, they were strongly anti-statist in their political beliefs. Because Bastiat was such a strong advocate of natural rights, laissez-faire economic policies, and ultra-limited government his other economic ideas were not taken seriously or dismissed out of hand. It would take a new generation of free market supporters who were also radially anti-statist, such as Hoiles, Read, Mises, and the Rothbard group, to see beyond Bastiat's radical political ideas and be willing to re-examine his economic theories.

"Bastiat the Economist" is Seen again in New York City after World War 2

The rediscovery of Bastiat began in America in the late 1930s and early 1940s from two different sources and reached a peak in the 1950s and 1960s. The first came from the West Coast and the second from the East Coast. The western rediscovery came about when the libertarian newspaper publisher Raymond Cyrus "R.C." Hoiles (1878–1970) moved from Ohio to run a daily newspaper in California, the *Santa Ana Register*, in 1935 when he was 56 years old. Around this time he discovered the work of Bastiat and used his newspaper's printing presses to publish a series of works by Bastiat using 19th century English translations by Patrick James Stirling which had been published in the 1850s, 1860s, and the 1870s.[66] Hoiles adapted them for an American audience by commissioning new forewords or by making his own compilations of Bastiat's writings to be used in his battle against the New Deal. I'm sure Bastiat would have approved of this as Bastiat's own writings after 1848 were very much part of his own battle against the socialism which appeared such a threat during 1848-49. The new foreword to what was now called *Social Fallacies* by the libertarian journalist and writer Rose Wilder Lane (1886-1968) in 1944 is particularly noteworthy.[67] This was quickly followed by a two volume edition of the *Harmonies of Political Economy* which also included a translation of The Law which Americans have found especially congenial because of Bastiat's linking of the harmony of the free market with divine intent.[68] Hoiles in his "Publisher's Statement" which introduces the *Social Fallacies* explains why he thought reprinting Bastiat in 1944 was warranted:

"The reason for republishing Bastiat's "Economic Sophisms" (which we have called "Social Fallacies") is that we believe Bastiat shows the fallacy of government planning better than any other writer of any period. Since he wrote a century ago, his work cannot be regarded as party-policies now. It deals with fundamental principles of political economy which out-last all parties. (p. 1)"

Leonard Read came to hear about Bastiat through the work of Hoiles. At the time Read was the head
of the Los Angeles branch of the American Chamber of Commerce and no doubt knew of R.C. Hoiles' defence of free market ideas in his "Freedom Newspapers". While still in California, Read wrote a foreword to a translation of another Bastiat pamphlet, *Protection and Communism* (1944),[69] most likely also published by Hoiles, and began publishing some of Bastiat's works for his new organisation, the Foundation for Economic Education, which he was to set up in 1946 and moved to the east coast. After Hoiles had helped financially in the founding of the Foundation for Economic Education in 1946 Read repaid the favour by beginning an ambitious program to make the life and work of Bastiat better known to Americans by translating several of his works and commissioning a short biography by Dean Russell. One of the first publishing efforts by the new FEE was his own edition of *The Law* in the first issue of *The Freeman* magazine in 1944.[70] This was followed soon afterwards by an unusual illustrated edition of *The Law* by an unnamed artist which was called *Samplings of Important Books No. 4. The Law by Frederic Bastiat* (the other 3 "important books" are not indicated).[71] Read also commissioned a new translation of *The Law* by Dean Russell which was published in 1950 exactly one hundred years after its first appearance in June 1850.[72] Russell later turned his PhD thesis on Bastiat which had been supervised by Wilhelm Röpke at the Graduate Institute of International Studies in Geneva between 1956 and 1959 into a intellectual biography which FEE published in 1965.[73] The biography capped off a twenty year period at FEE devoted to Bastiat studies. Other works by Bastiat were translated with the assistance of the William Volker Fund and these appeared in 1964: *Selected Essays on Political Economy* (including the seminal "What Is Seen and What Is Not Seen"), *Economic Sophisms*, and *Economic Harmonies*.[74] These editions have remained the backbone of Bastiat studies in America ever since. They also reminded readers that there is more to Bastiat than just witty and insightful economic journalism. The translation of the long pamphlet “What Is Seen and What Is Not Seen” in the *Selected Essays on Political Economy* and the thoughtful editorial apparatus of footnotes in the *Economic Harmonies* would lay the groundwork for a re-interpretation of "Bastiat the economic theorist" in the 1970s and 1980s.

Coinciding with the interest in Bastiat shown by R. C. Hoiles and Leonard Read on the West coast there was an East coast rediscovery which occurred as a result of the relocation of a refugee from the Nazis, the Austrian Austrian economist Ludwig von Mises, who arrived from Switzerland in 1940. Mises eventually was able to secure a post (unpaid) at NYU in 1945 where he taught until his retirement in 1969.[75] Mises was certainly aware of Bastiat and referred to him positively several times in *Liberalism* (1927), *Human Action* (1949), *Theory and History* (1957), and in some of his essays and papers. In a series of lectures he gave in 1959 in Argentina he called Bastiat "the great French political economist" and referred to him in the same breath as Smith and Ricardo, but did not deal with his ideas in any detail because he had gone so far beyond Bastiat in his thinking of money and credit in particular where Bastiat had been weak or had said little.[76] This was not the case with some younger attendees of the Mises Seminar in particular the economist and social theorist Rothbard and the historian Ralph Raico who were so taken with the ideas of Bastiat that they formed their own "Circle Bastiat" which was in existence between 1953 and 1959. It is not clear how this group of young libertarians came across the ideas of Bastiat. Most likely it was through the publications of Hoiles and Read which were reinforced by the positive opinions of the academic economic theorist Mises whose seminar at NYU they attended.[77] However they came across his ideas, they were so impressed with him that they named their Circle after him. It consisted of Rothbard, Leonard Liggio, Ralph Raico, George Reisman, Ronald Hamowy, and Robert Hessen and they met in Rothbard's Manhattan apartment to discuss ideas and to socialise. Through the work of Bastiat (probably by carefully reading his footnotes!) they gradually became aware of other classical liberals who had been part of Bastiat's network of friends and colleagues in Paris. These included
Charles Comte (1782-1837) and Charles Dunoyer (1786-1862) (most notably his magnum opus *De la Liberté du travail* (1845)) whom Rothbard discovered and introduced to Liggio who did pioneering research into their life and work by writing a PhD (never completed) on Dunoyer. Ralph Raico was also inspired to write his PhD on French classical liberal thought (notably on Benjamin Constant and Alexis de Tocqueville) under Hayek at the University of Chicago. This interest in Bastiat inevitably led them to discover the work of Bastiat's younger friend and colleague Gustave de Molinari (1819-1912) who wrote *Les Soirées* (1849) and "De la production de sécurité" whose views on the private and competitive provision of public goods like security were taken up by Rothbard as he was researching and writing *Man, Economy, and State* (1962) and *Power and Market* (1970) in the 1950s and 1960s. Rothbard later also oversaw the translation and publication of Molinari's 1849 essay on "The Production of Security" by the Center for Libertarian Studies in 1977.

If you will permit me to make a personal aside here, my meeting with Rothbard and Liggio in 1978 led to me writing an undergraduate honours thesis on Molinari in 1979, which included as an appendix a translation of the famous Eleventh Soirée on the private production of security. It was later published in the *Journal of Libertarian Studies* in 1981. With Liggio's encouragement I wrote a PhD on the work of Charles Comte and Charles Dunoyer (King's College, Cambridge 1994) which in many respects was the PhD Liggio never finished. I am currently working on two translation projects for Liberty Fund which continues this theme: I am the Academic Editor of the *Collected Works of Frédéric Bastiat* and the editor of Molinari's *Les Soirées*. I have also published two anthologies of 19th century French classical liberal thought. All of these scholarly activities can be directly traced back to the formation of the Circle Bastiat in New York City in 1953.

Also at this time, Israel Kirzner was a PhD student under Mises at NYU and presumably became aware of Bastiat's work. In the book based upon his doctoral dissertation, *The Economic Point of View* (1960), Kirzner has a very sympathetic account of Bastiat's arguments that economics should place more importance on "exchange" rather than "production", and how the economy is organised in order to produce the outcomes desired by consumers. Kirzner notes the similarity between Bastiat's discussion at the beginning of *Economic Harmonies* of the interconnectedness and harmony of the economy which enables a simple carpenter to benefit from the actions of tens of millions of other economic actors to provide services to his customers. He likens Bastiat to Hayek's similar concern in his article “The Trend of Economic Thinking” (*Economica* 1933) where he states:

"the spontaneous interplay of the actions of individuals may produce...an organism in which every part performs a necessary function for the continuance of the whole, without any human mind having devised it....The recognition of the existence of this organism is the recognition that there is a subject matter for economics. It is one of the causes of the unique position of economics that the existence of a definite object of its investigation can be realized only after a prolonged study."

Thus by 1970 Bastiat was still considered by most people who knew of him to be a brilliant economic journalist but a lightweight and hence insignificant theorist. Only a small group of radical supporters of the free market and a few Austrian economists like Mises, Rothbard, and Israel Kirzner regarded Bastiat's economic work highly. The Circle Bastiat in New York City also realised that Bastiat was only the tip of the iceberg when it came to French classical liberalism and political economy, that there
were several others like him who needed to be studied. But, as Rothbard argued nearly 40 years later in his unfinished *History of Economic Thought* (1995), Bastiat was "the central figure" to whom everyone had to return. [85]
3. The "Indianapolis Edition" and the Emergence of previously "Unseen" aspects of Bastiat's Work

First Impressions can be Misleading: I thought he was "just" a Journalist

The summary I have given above was what was commonly "seen" of Bastiat prior to LF's translation project.

Before working on the Project I had accepted the Schumpeter/Hayek line that Bastiat was "just" a journalist, albeit an outstanding one. I was more interested in other French classical liberals like Molinari, Charles Comte and Charles Dunoyer than the "lightweight" Bastiat because I thought they were more serious social theorists. However, a closer reading of Bastiat in the original led me to recognize his true stature as an economist as well as his talents in other areas - as a politician and free trade lobbyist, a political and economic theorist, and a courageous and indefatigable defender of individual liberty - which I would like to discuss briefly below.

The Rumsfeld Perspective: What we thought we knew about Bastiat, what we didn't know, and what we didn't know we didn't know

One might distinguish between those things that I think provide us with an enriched or better understanding of what was already known before about Bastiat (from the incomplete English translations of his work), and those things which I think are completely new (either because they have never been translated, or have been forgotten or ignored by those who know French, or only make sense in retrospect after the rise of the Austrian and Public Choice schools). In summary form these are:

1. Bastiat's talents as an economic journalist
2. Bastiat's sophistication and originality as an economic theorist
3. Bastiat as a social theorist
4. Bastiat's ability to combine journalism, work as a theorist, and political activism
5. Hitherto unknown aspects of his personal life revealed by his correspondence
6. Bastiat's activities in the Guillaumin and other "Networks for Liberty" in Paris in the 1840s

"The Best Economic Journalist who ever lived" just got even better

Bastiat's talents as an economic journalist have been well known ever since he put pen to paper in 1844. In 1954 Schumpeter went so far as to describe him as the best economic journalists who has ever lived. Today, we would have to also place Bastiat alongside other economist/journalists such as Henry Hazlitt in the New York Times and the Wall Street Journal in the 1930s and 40s, and Milton Friedman in Newsweek in the 1960s and 1970s. His creativity in producing original, amusing, and hard hitting "economic tales" is readily acknowledged but what is less well known is how he was able to cloak very deep insights into economic theory with what appeared to be a superficial veneer of wit and humor. The uniqueness of Bastiat was his ability to combine his deep knowledge of classic French literature (such as Molière and La Fontaine) which he acquired as a schoolboy, with his extraordinary deep and wide reading of economic theory in 4 different languages (English, Italian, Spanish, and of course French) which he had acquired over 20 years of quiet reading in the provinces as an adult, and then mix these together with his biting wit and humour which his friend Molinari described as a combination of Rabelais and La Fontaine.[86] The final result was a distinctive personal “style”, or what I call “a rhetoric of liberty”, with which he was able to brilliantly defend economic liberty.
against its opponents. A survey of the variety of the *Economic Sophisms* will quickly reveal how he used sarcasm, parody, puns, literary references, stories, fables, fictitious petitions to government officials, little plays with characters and dialog, to make economics less “dull & dry” for the average reader. His weapon of choice was not the sword of the original Musketeer from Gascony (d’Artagnan) but “the sting of ridicule” which he used to expose the follies of those in power. His is a very interesting example of McCloskey's idea of the role played by rhetoric in making economic arguments, even by those who deny they are doing so by using mathematical equations and graphs of data. Bastiat was quite explicit about choosing his rhetorical style (ridicule) but wavered between wanting at times to be more serious (so he might be taken more seriously by others as an economist) and at other times being remaining satirical and humorous because he thought it was the only way to get the attention of his readers at such a crucial moment in French history.

Bastiat of course was well known in the English speaking world in his own time as the author of two sets of *Economic Sophisms*. There have been several waves of interest in Bastiat in the English-speaking world,[87] beginning with the translations made in both England and America immediately after the appearance of the *Sophisms* in French (1846-48); followed by another wave of interest from the late 1860s to the early 1880s when free trade and protection became an issue again in both England and the US; the renewed campaign for free trade made by the Cobden Club (founded in 1866) immediately before and during World War One; and then the rediscovery of Bastiat by R.C. Hoiles and Leonard Read during the New Deal and World War 2 in America.

This reputation has continued in the post-World War 2 era because of the FEE translation.[88] What was not known to English speakers was that there were enough additional short pieces in the style of the previous economic sophisms for a third collection. Bastiat's French editor Paillottet said as much in a footnote but Bastiat's death prevented these plans from being carried out and in the *Oeuvres complètes* published in the mid-1850s these pieces were scattered throughout the 6 volumes so even most French speakers were unaware of them. The LF edition of his *Collected Works* has brought them all together for the first time as "Series Three" in our vol. 3 (forthcoming). Among several gems can be found "Making a Mountain out of a Mole Hill" (c. 1847), "The Mayor of Enios" (6 Feb. 1848) and "Monita Secreta" (20 Feb. 1848) in which he uses his new theories of "Crusoe economics" to explore human action and his theory of the "ricochet effect" to explore the negative impact of protectionism.

Before the appearance of LF's volume 3 no one had investigated the accuracy of his economic journalism. Since he refers repeatedly to the amount of taxes and tariffs raised by the French state and what it spent them on, it seemed logical to compare what he said with what we could find out about the actual French government budgets for 1848-49. By going back to documents published at the time he was writing and shortly thereafter we were able to establish that Bastiat was remarkably careful in his use of data. I found only one error (concerning subsidies to colonists who were encouraged by the French government to settle in Algeria) in over 70 articles and this be may because Bastiat was using documents we were not able to find. This is a remarkable achievement for an economic journalist, especially one in the 19th century when government economic data collection was still in its infancy. Thus one can fairly say that in his journalism Bastiat was witty, insightful, as well as accurate.

In many ways Bastiat's journalism was unsurpassed until the modern era when Henry Hazlitt wrote for the *New York Times* and the *Wall Street Journal*, and Milton Friedman wrote for *Newsweek*. I think we are currently living in a golden age of economic popularization or "journalism" with blogs such as Café Hayek and Econlog, and it is interesting to speculate how Bastiat might have used blogging to popularize sound economic thinking and debunk economic fallacies. His counterparts today would have to include Don Boudreaux who has turned the "letter to the editor" into a fine art form which I'm sure Bastiat would have admired, and Anthony de Jasay whose columns in Econlib show a striking
Bastiat's Sophistication and Originality as an Economic Theorist

Most economists today still accept Schumpeter's view that Bastiat was an "non-theorist" or a "non-economist", the bather in the economic theory pool who got out of his depth and drowned. For a long time even many Austrians took the Hayekian view that it was probably not good to delve too deeply into Bastiat's claims to theoretical originality but we could still enjoy his outstanding journalism. Among a new generation of post-war Austrian economists some claim him as "one of them" and they have quoted many strikingly "Austrian" passages in his work, such as his awareness of opportunity cost and his subjective theory of value (or "evaluation"). Some of the more enthusiastic members of the Ludwig von Mises Institute see Bastiat as almost a full-fledged Austrian economist "avant la lettre". My own view is that he is a "proto-Austrian" who had many strikingly Austrian insights (as well as Public Choice ones for that matter) but had not yet integrated them into a coherent theory.

What many economists find distracting, and hence inclines them to dismiss his credentials as a theorist, is the fact that his clever and witty journalism cloaked a deep knowledge of economic theory (his deep reading is also revealed in his correspondence) which he had acquired after 20 years of private study of economic literature in 4 languages. He also broke with classical tradition by using techniques which were completely foreign to his contemporary economists such as his development of the logic of human action through his "Crusoe stories", his economic tales and fables, and his numerous thought experiments such as the "Broken Window" story. His contemporaries did not know what to make of these and as the economics profession became more deeply imbued with statistics and mathematical formulae in the late 19th and 20th centuries, his methodology became increasing strange and foreign.

Our intention with vol. 5 of the Collected Works (Economic Harmonies) is to provide a scholarly edition of Bastiat's greatest (though incomplete) work of economic theory in order to highlight just where Bastiat is original, where he broke with his classical colleagues, where he was still confused or wrong, and how it fits in with the rest of his economic and political thought. The work must be seen in the context of what both Molinari and Bastiat thought was wrong with classical economics as numerous theoretical problems had been exposed by socialist critics throughout the 1840s and during the 1848 Revolution. Both Bastiat and Molinari believed that economists had failed by not providing a sounder defence of private property as the foundation upon which the entire political economy edifice stood. In this sense, they believed that political economy was also a kind of "moral economy" which was based upon justly owned property and the voluntary exchange of this property in a truly free market. Economists were wrong, they though, to assume that the current distribution of property was just and to go from there without question. The socialists had shown how problematical that was - to a degree Proudhon's assertion that "property was theft" was true if one accepted the legitimacy of the ownership of slaves in the colonies and the profits which flowed to the "crony capitalists" in protected large scale farming and manufacturing. Bastiat went further than his colleagues by also recognising that some of the socialists had exposed severe weaknesses in classical theory, such as the labour theory of value, Ricardian rent theory, and the harshness of Malthusianism. For example, as it stood then, the classical school found it hard to defend the charging of rent from income which was "unearned" as it was the result of the bounty of the soil or the sun and not the result individual human labour. Thus, the socialists were right that "rent" from land was unjust and the classical economists were wrong to brush it under the table of its general "usefulness" to the economy. Bastiat concluded that the entire classical theory of rent had to be completely rethought which he did by developing a much more general theory of exchange as the "mutual exchange of services", where services could take the form of physical
products like grain, interest on loans, rent from agricultural land, profits from business activity, or "services" as we now know them such as medical, legal, educational, or other "non-material" services. Thus, Bastiat's *Economic Harmonies* has to be seen as an attempt to rectify these deeper theoretical problems within classical political economy and put economic theory on a sounder footing so it could better withstand socialist and protectionist criticism in the future.

This is not the place to go into much detail concerning the economic originality or precocity of Bastiat's ideas. I will just briefly mention some of them. Some of his ideas have been known for quite some time (the idea of opportunity cost in "The Broken Window" story), others have been known but misunderstood or unappreciated for a variety of reasons (that free markets produce a "harmonious order"), while others have been kept hidden by mistranslations of the original text (his theory of the "ricochet effect" or the "negative multiplier").

It is important to keep in mind that Bastiat had a multi-volume theoretical project in mind when he began *Economic Harmonies* in mid-1847. He wanted to write at least 2 and possibly as many as 4 volumes on what one might call *Social and Economic Harmonies* (which would be his positive theory of how an unregulated economy and society would function) and *Social and Economic Disharmonies* (which would be his negative theory of how violence and state interventionism disrupted both the economy and society at large, especially as a result of war and class exploitation). The latter set of volumes also went under the working title of *A History of Plunder*. Let us take the first set of volumes first and discuss some of the interesting insights Bastiat had concerning how a free society might function in the absence of state intervention and coercion. This includes the following ideas:

- an individualist methodology of the social sciences
- the interdependence or interconnectedness of all economic activity
- the transmission of economic information through the economy which he likened to flows of water or electricity
- the idea of opportunity cost
- the idea of the harmony (or spontaneous order) of the free market, and the related idea of the opposition between a "natural order" and an "artificial order"
- the connection between free trade and peace

### An Individualist Methodology of the social sciences.

**Crusoe economics and the logic of human action.**

I think one of Bastiat's most important, though not widely known, theoretical inventions was the idea of what I call "Crusoe economics" which enabled him to explore the logic of human action in an abstract form, in other words to understand the choices which every economic actor must face when making decisions about what to produce or what to exchange. Bastiat made use of the fictional figure of Robinson Crusoe shipwrecked on the Island of Despair in his thought experiments to show the obstacles which need to be overcome in order for Crusoe to achieve some level of prosperity, the opportunity costs of using one’s time on one task rather than another (e.g. fishing or gathering vegetables), the need to deprive himself of some present consumption in order to accumulate some savings in order to build a capital good (such as a fishing net) in order to increase his future production and consumption, and (when Friday and visitors from other islands appear on the scene) the benefits of the division of labor and the comparative advantage in trade.

In a search of the economic works on the Online Library of Liberty for references to “Robinson Crusoe” in works written before Bastiat in 1847 we find that there are no references at all in the works.
of Adam Smith, in J.B. Say’s *Treatise on Political Economy*, or the works of David Ricardo. There are only single references scattered across the writings of economists who were writing in the 1810s, 1820s and 1830s, such as Jeremy Bentham, Jane Marcet, Thomas Babington Macaulay, Richard Whately, and Thomas Hodgskin and none of them uses the Robinson Crusoe analogy to express serious economic ideas. I can however, find an explicit rejection of it by Richard Whately because in his view the study of economics was the study of “exchanges” and, since Crusoe did not engage in any exchanges, he was “in a situation of which Political-Economy takes no cognizance.” [90] Thus, Bastiat’s extensive use of “Crusoe economics” between 1847 and 1850 may well be an original contribution to economic reasoning.

In fact, Rothbard regards "Crusoe economics" as "the indispensable groundwork for the entire structure of economics and praxeology"[91] and uses it repeatedly in Chapter 2. "Direct Exchange" in *Man, Economy, and State*. The fact that Bastiat might well have invented it might be sufficient in itself to make him a true "Austrian" economist. There are several articles in the *Economic Sophisms* and multiple references in *Economic Harmonies* where Bastiat uses Crusoe to make his points. [92] In an unpublished outline or sketch written sometime in 1847, ES3 14 “Making a Mountain out of a Mole Hill”, Bastiat uses Robinson Crusoe for the first time to simplify the economic arguments for free trade and provides an excellent statement of his methodology:

> “Let us run off to the island to see the poor shipwrecked sailor. Let us see him in action. Let us examine the motives, the purpose, and the consequences of his actions. We will not learn everything there, in particular not those things that relate to the distribution of wealth in a society of many people, but we will glimpse the basic facts. We will observe general laws in their simplest form of action, and political economy is there in essence. Let us apply this method to just a few problems...”

In ES2 14, “Something Else,” Bastiat, as he often does, has created a conversation between two intellectual opponents (in this case a Protectionist and a Free Trader) where the Protectionist asks the Free Trader to explain the effects of protectionism. The Free Trader replies “(t)hat is not so easy. Before considering the more complicated cases, one should study the simpler ones,” before launching into a discussion of how Crusoe made a plank of wood without a saw. After two weeks of intense labor chipping away at a log with an axe Crusoe finally has his plank (and a blunt axe). He then sees that the tide has washed ashore a proper saw-cut plank and wonders what he should do next (the new plank is an obvious reference to a cheaper overseas import which the protectionists believed would harm the national French economy). Bastiat puts some protectionist notions in Crusoe’s head and Crusoe now concludes that he can make more labor for himself (and therefore be better off according to the protectionists’ theory) if he pushed the plank back out to sea. The Free Trader exposes this economic sophism by saying that there is something that is “not seen” by the Protectionist at first glance, namely “Did he not see that he could devote the time he could have saved to making something else?” (p. 244).

Bastiat then raises the level of complexity in his economic arguments by introducing a second and then a third person on Crusoe’s island. By introducing a second person, Friday, Crusoe now has someone with whom he can cooperate and trade. They can pool their resources, plan their economic activities, develop a simple form of the division of labor, and even trade with each other. When a third person arrives from another island and proposes a trading relationship whereby Crusoe and Friday trade their vegetables for the visitor’s game Bastiat now can explore the benefits of international comparative advantage in trade. Bastiat uses this three way conversation to make his points: interestingly, he gives the European Crusoe the protectionist arguments; and the native islander Friday is given the domestic free trade arguments, and the visitor becomes an advocate of international free trade.
By the time he came to write the *Economic Harmonies* Bastiat had made Crusoe a central part of his elaboration of the basic principles of economic action in the chapters on “Capital” (7), “Private Property and Common Wealth” (8), and most importantly on the very nature of “Exchange” (4) itself.

I will also mention briefly a few other aspects of his individualist methodology, namely:

- his consumer-centric view of economics whereby he believed that the purpose of production was to serve the interests of the consumers, not those of the Nation or the large producers;
- his theory of value which was very, very close to the subjective value theory which would emerge 20 years later during the Marginal Revolution of 1870. Although Bastiat did explicitly reject in *Economic Harmonies* the more subjective theories developed by Condillac in 1776 and Storch in 1823 he does talk about tradable things being "evaluated" differently by individual consumers who mutually benefit from those exchanges.
- his theory of exchange as the mutual exchange of services. By abandoning the view that economics was about the creation of "wealth" or the exchange of physical things he was able to define exchange in a much more general and abstract manner to include anything which was valued by consumers.

**The Interdependence or Interconnectedness of all Economic Activity**

Bastiat was very aware how the various parts of the economy were interconnected and thereby made dependent upon each other in a very fundamental and deep manner. He made this clear in a number of ways in his typical style. A good example is his version of Leonard Read's story of "I, Pencil" (1958)[93] which is partly a story designed to show the Hayekian problem of knowledge (no one person has enough knowledge about all the industrial and organisation processes which go into making a simple lead pencil) and partly a story about the greater productiveness made possible by an international division of labour and international trade (the various components of the pencils such as wood, lead, paint, and rubber come from different parts of the world). Bastiat has his own story, which we might call "I, Carpenter" in deference to Read, in the opening chapter of *Economic Harmonies* (so 100 years before Read) about the village carpenter and the student living and studying Paris. [94] In both stories Bastiat stresses the complex co-operation ("a natural and wise order") which has already occurred in the past and which is ongoing in the present which goes into making simple everyday things which we take for granted, as well as "the chain of endless transactions" which binds together all participants in the modern economy. (Part of his purpose here is to argue that because of all the economic activity that has gone on before, the village carpenter receives far more from "the services of others" in the past than he offers for exchange in the present. This was part of his ongoing intellectual battle against the socialists of his day who were arguing that workers like the carpenter were being exploited by their participation in the free market. Bastiat argues the opposite, that they benefit far more than they can ever imagine.)

Let us take a man who belongs to a modest class in society, a village carpenter, for example, and let us observe all the services he provides to society and all those he receives from it; it will not take us long to be struck by the enormous apparent disproportion.

This man spends his day sanding planks and making tables and wardrobes; he complains about his situation and yet what does he receive from this same society in return for his work?

First of all, each day when he gets up he dresses, and he has not personally made any of
the many items of his outfit. However, for these garments, however simple, to be at his
disposal, an enormous amount of work, production, transport and ingenious invention
needs to have been accomplished. Americans need to have produced cotton, Indians
indigo, Frenchmen wool and linen and Brazilians leather. All these materials need to have
been transported to a variety of towns, worked, spun, woven, dyed, etc.
He then has breakfast. In order for the bread he eats to arrive each morning, land had to be
cleared, fenced, ploughed, fertilized and sown. Harvests had to be stored and protected
from pillage. A degree of security had to reign in the context of an immense multitude of
souls. Wheat had to be harvested, ground, kneaded and prepared. Iron, steel, wood and
stone had to be changed by human labor into tools. Some men had to make use of the
strength of animals, others the weight of a waterfall, etc.; all things each of which, taken
singly, implies an incalculable mass of labor put to work, not only in space but also in
time.
This man will not spend his day without using a little sugar, a little oil or a few utensils.
He will send his son to school to receive instruction, which although limited, nonetheless
implies research, previous studies and knowledge such as to affright the imagination.
He goes out and finds a road that is paved and lit.
His ownership of a piece of property is contested; he will find lawyers to defend his
rights, judges to maintain them, officers of the court to carry out the judgment, all of
which once again imply acquired knowledge and consequently understanding and proper
means of existence.
He goes to church; it is a prodigious monument and the book he carries is a monument to
human intelligence perhaps more prodigious still. He is taught morality, his mind is
enlightened, his soul elevated, and in order for all this to happen, another man had to be
able to go to libraries and seminaries and draw on all the sources of human tradition; he
had to have been able to live without taking direct care of his bodily needs.
If our craftsman sets out on a journey, he finds that, to save him time and increase his
comfort, other men have flattened and leveled the ground, filled in the valleys, lowered
the mountains, joined the banks of rivers, increased the smooth passage on the route, set
wheeled vehicles on paving stones or iron rails, and mastered the use of horses, steam,
etc.
It is impossible not to be struck by the truly immeasurable disproportion that exists
between the satisfactions drawn by this man from society and those he would be able to
provide for himself if he were to be limited to his own resources. I make so bold as to say
that in a single day, he consumes things he would not be able to produce by himself in ten
centuries.

A second story concerns the provisioning of a large city like Paris which is supplied with all its daily
needs like food and water and clothing without the assistance of any central planner who has to
coordinate the economic activities of hundreds of thousands of people. The profit motive is sufficient
for a complex and "harmonious" economic order to evolve without government interference.[95]
Again, we see Bastiat thinking along the lines of Hayek concerning the beneficial and coordinating
effects of individual "selfish" behaviour in the free market, but not quite the idea of the impossibility
of economic calculation under socialism. Here is a key passage from this story (LF's new translation):

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. 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. We have faith in this intimate light that Providence has placed in the hearts of all men to whom it has entrusted the indefinite preservation and progress of our species, self-interest, for we must give it its name, that is so active, vigilant, and farsighted when it is free to act. Where would you be, you inhabitants of Paris, if a minister took it into his head to substitute the arrangements he had thought up, however superior they are thought to be, for this power? Or if he took it into his head to subject this stupendous mechanism to his supreme management, to gather together all these economic activities in his own hands, to decide by whom, how, or under what conditions each object has to be produced, transported, traded and consumed? Oh! Although there are a good many causes of suffering within your city, although destitution, despair, and perhaps starvation are causing more tears to flow than your ardent charity can stem, it is probable or, I dare to say, even certain, that the arbitrary intervention of the government would infinitely increase these sufferings and extend to you all the misfortunes that are only affecting a small number of your fellow citizens.

Bastiat's appreciation of the interconnectedness of all economic activity also led him to see how government intervention in the economy could have unintended and widespread effects. In another theoretical innovation which has gone unnoticed by readers of his work Bastiat developed in May 1847 the idea of "the ricochet effect" (par ricochet). By this he meant that an intervention by the government such as a tariff on imported goods could have a "flow on effect" on other economic activities which were harmful but unintended by the government. He thought a government intervention was like throwing a stone into a pond which produced ripples of disruption and harm which radiated outwards in concentric circles until they gradually dissipated. He saw this as a kind of negative "multiplier effect" which is the opposite of the Keynesian positive "multiplier effect" of government spending in a depressed economy. In order to make a better case against the protectionists and the interventions he wanted to be able to calculate mathematically the sum total of harm caused by the ricochet effects of an act of government intervention but did not have the mathematics to do so. He wrote to one of the leading French mathematicians and astronomers of the day, François Arago (1786-1853), asking him for help in developing some equations in order to do this. (François Arago was the eldest of four successful Arago brothers, the youngest of which, Étienne Arago (1802-1892) may have gone to school with Bastiat in Sorèze.) Bastiat wanted to write a new set of sophisms on the ricochet effect but ran out of time.

Although Bastiat's original formulation of the ricochet effect was based upon a notion of a "negative multiplier effect" (e.g. the compounding harm caused by tariffs and taxes) he later came to see that it also might have a positive side. He later argued that technological innovations like railways had dramatically lowered the cost of transport for all consumers, or printing which had lowered the cost of dissemination of ideas, both had significant, positive "flow on effects" which altered the price structure of the entire economy for good effect.

This important part of Bastiat's thinking has been ignored because of a mistranslation in the FEE editions of the word "ricochet" which was sometimes rendered as "indirect" thus cloaking Bastiat's repeated use of the word, and by not seeing how often it appeared in his other writings. Only by
having an electronic edition of Bastiat's complete works could I search for every occurrence of this term and realise its importance to Bastiat's thinking.

**The Transmission of economic information through the economy**

Related to his idea of the ricochet effect is his idea of the transmission of economic information to other economic actors via information “flows”. Bastiat liked hydraulic and electrical metaphors and used them frequently in his writings. The idea of the "ricochet effect" came from his thinking about the metaphor of stones being thrown into bodies of water but he also used other expressions such as objects bouncing or rebounding off each other or walls; water splashing back, or blowing back in one’s face; water flowing over objects; communication flows through “canaux secrets” (hidden channels) or “parallèles infinies” (infinite trajectories); and that consumers were like reservoirs of water or electricity out of which all costs from intervention must ultimately be paid. Bastiat obviously did not have Hayek's sophisticated notion of the communication of economic information via the price system but he did approach it with intriguing statements like the following, which suggest he was already thinking along such lines. This passage relates to the importance of the “circulation of money”: [97]

> il faut bien distinguer la distribution originaire de vos 3 francs d’avec leur circulation ultérieure, laquelle, dans l’une et dans l’autre hypothèse, suit des parallèles infinies

(it is necessary to distinguish between the original distribution of your 3 francs and their subsequent circulation, which in either one of the hypotheses, follows infinite trajectories)

**The Idea of opportunity cost**

A handful of economists have recognised Bastiat's innovative use of the idea of opportunity cost. Anthony de Jasay for one thinks that he invented the idea and that it is his greatest contribution to economic theory. Bastiat did not invent the term, preferring to use the more colourful expression of "the unseen" which was part of the title of his last book *What is Seen and What is Not Seen* and which got its classic formulation in the chapter on "The Broken Window". Economists like Walter Williams constantly refer to Bastiat's story in the ongoing debate between free market economists who agree with Bastiat that there can never be any net gain to the economy from the destruction of wealth, and economists like Paul Krugman and Peter Morici who argue for the "silver lining theory" every time there is an earthquake, a tsunami, or a hurricane. [98]

**Some other innovative economic ideas**

There are several other contributions to economic theory which Bastiat made which cannot be gone into in depth here. They include the following:

- The idea of that in the absence of government coercion the free market produces a "harmonious order" in which the different preferences of consumers can be met without recourse to violence.
- The connection between free trade and peace. This was a staple in free trade circles which was articulated by Richard Coben in England and Bastiat in France as part of the free trade movement. It was made up of a group of ideas such as trade (and thus prosperity) flourishes best when there is peace; that mutually beneficial exchange is a strong incentive for peace; and that trade rivalries between states is a major cause for war.
- the idea of rent-seeking which plays an important part in his essay "The State" (1848) and has several similarities to the theory which is so much part of the Public Choice school.
Jasay has also argued that Bastiat's the notion of negative factor productivity in "The Negative Railway" (c. 1845) was an innovation ahead of its time.[99]

his rejection of Malthusianism. Bastiat thought economists had underestimated the productive capacity of free markets to solve the problem of food supply, and he thought that humans were choosing and thinking individuals not mindless "plants" and could change their behaviour in order to plan the size of their families. These ideas were rejected by his colleagues who remained strict Malthusians, such as his colleagues and friends Joseph Garner and Gustave de Molinari.

his rejection of the Ricardian theory of rent. Bastiat rejected the idea that land rent was something special (that it was a gift of nature), unlike other forms of income, and hence "unearned". He saw it as just another "service" which was exchanged on the market for mutual benefit.

his idea that political economy was also a "moral economy" since it assumed or was based upon idea of private property rights and voluntary exchange of that property. He and Molinari believed that economists just couldn't assume the justice of existing property titles as this played into the hands of socialist critics since existing property distribution included vast privileged interests. He explicitly criticised Adam Smith, JB Say, and Benjamin Constant for assuming the legitimacy of existing property rights.

**Bastiat's Sophistication and Originality as a Social Theorist**

"Natural" versus "Artificial" Orders

The distinction between a "natural order" which is produced by voluntary activity between consenting individuals (whether in the form of families, communities, or markets) vs. an "artificial order" produced by social arrangements and activities which are imposed on individuals by other individuals or groups of individuals (whether by states, churches, or other groups) was a common thread which ran through French classical liberal thought beginning with the work of the Physiocrats. It can also be seen in the work of Adam Smith, Adam Ferguson, and other members of the Scottish enlightenment. What made it an important issue for Bastiat in the 1840s was the emergence of several socialist groups based upon the work of Charles Fourier, Victor Considerant, and Louis Blanc who all argued for the abandonment of market relations in the way goods and services were produced (especially the use of wage labour in factories and workshops). These ideas about compulsory and coerced forms of "organisation" and "association" were promulgated in a series of books and magazines throughout the 1840s and reached a climax in February 1848 when a small group of socialists around Louis Blanc attempted to put them into practise in the form of the "National Workshops". This was a government (taxpayer) funded unemployment relief program which exploded in size from its rather modest beginning with a few thousand unemployed Parisian workers into a 100,000 plus program which Bastiat argued in Chamber's Finance Committee and in print would bankrupt the French state unless they were closed down. The French state finally admitted as much in May 1848 and the cutting of benefits and then the closure of the National Workshop sparked the bloodiest period in the Revolution in June with the shooting of thousands of protesters and the arrest, trial, conviction, and deportation of thousands more. Thus, Bastiat's interest in the distinction between social arrangements which came about through voluntary cooperation, private property, and free markets (natural) and those which came about through the dispossession of property owners, communal arrangements in both living and working, and the banning or strict limiting of profit, interest, and rent (artificial), was not only a theoretical one, but a practical and immediate political problem which emerged in early 1848.

One can trace the early use of this distinction in Bastiat's writings against tariffs and subsidies to
favoured industries in the period 1845-47 where he calls tariffs and other favours an "artificial" intrusion into the "natural" operation of the free market which cause harmful consequences or "perturbations". His use of the "negative multiplier" and the "ricochet effect" need to be seen in this context. As the threat of socialism came closer in late 1847 and early 1848 Bastiat came to realise that the socialists had in mind something much more comprehensive than the protectionists' piece-meal interventions in the economy. They wanted nothing less that the building of an entire "artificially" created society which was based upon their ideas of communal living (Fourier's phalansteries) and production (Blanc's social workshops), free credit provided though a system of "Peoples Banks" (Proudhon), and the banning or limiting of profit and rent. These were the immediate and more pressing threats to the free market system which existed when Bastiat began writing the *Economic Harmonies* throughout 1848.

**Bastiat's Social Theory and Theory of History - The Social and Economic Disharmonies**

Unfortunately, Bastiat's social theory (and theory of history) is less well developed than his work on economic theory (which itself was only half-finished at best), but we can piece together some idea of what it might have looked like from his scattered remarks. The foundation stone was the idea of the harmony of the natural order of property rights and free market exchanges; individuals (pirates and robbers) and then groups (feudal lords, governments and churches) began to disrupt this natural order by stealing from or coercing individuals as they went about their peaceful business; these interventions were "disturbing factors" (government subsidies, tariffs, taxation, regulation, wars) which created disharmony in the natural order which resulted in lower standards of living for the people and loss of property and even life; over time this "plundering" became regularised as dominant groups came to control the state for their own benefits, beginning with the slave owners of Ancient Greece and Rome, the aristocratic land owners of pre-industrial Europe, the land-owning established Catholic Church, and then in the industrial period the large landowners and manufacturers who used the state to pass favourable legislation in the form of tariffs and subsidies. In parallel to this "internal plundering" by the state of its own people, there was the external problem of war, which Bastiat regarded as the most damaging disturbing factor of them all. In war, the State used its own citizens (usually conscripted) to invade and plunder the citizens of another state for the benefit of itself and at the expense of both its own and the foreign conquered people. The best example of this had been the wars of Napoléon in his attempt to conquer the nations of Europe. According to Bastiat, the system of plundering the masses by a powerful ruling elite made a kind of twisted economic sense because the transfer of resources was from a large wealth producing class into the pockets of a small parasitic ruling class. Thus there could be a net transfer of wealth from one group to another. The events of 1848 were about to change this in a significant way. Now that the socialists were knocking at the door of the government, they planned to put the majority in the position of the plundering elite (the argument Bastiat made in his essay "The State" (Aug. 1848)) and this made no economic sense to Bastiat as "the people" would be plundering themselves which could only be a zero sum game, or "a fiction" to use Bastiat's terminology.

There is also a strong moral dimension to Bastiat's social theory which might make modern scholars uncomfortable as it violates their ideal of "value free" scientific social theory. Since his understanding of how the economy and society functioned was that property owning individuals engaged in voluntary exchanges in a free market for mutual benefit, there were already at least three places in this schema where moral values intruded: firstly, in the legitimacy of owning private property in principle and the legitimacy of the specific property which was being exchanged in any given instance; secondly, that exchanges in the market were voluntary and not coerced, by which he meant that there were no favoured groups who could use government coercion for their own benefit; and thirdly, that the vast array of contracts and property ownership were respected in a system of the rule of law. In
Bastiat's view, economists could not remain silent about these deeply embedded moral assumptions which lay behind every transaction which takes place in the market place. Political economy was not by its very nature "value free" - it was a kind of "moral economy". Thus he did not remain silent and decided to "appeler un chat un chat" (to call a spade a spade) in his writings by deliberately calling subsidies, tariffs, and taxes "theft". He also had a long list of other "harsh" words which he used to describe government activity which we have had to document in the *Collected Works*. Some of the words he used include "dépouiller"(to dispossess), "spolier" (to plunder), "voler" (to steal), "piller" (to loot or pillage), "raviser" (to ravish or rape), "filouter" (filching); and variants such as "le vol de grand chemin" (highway robbery). This becomes very clear when we examine his theory of plunder.

**A History of Plunder**

It has always been known that Bastiat had a theory of "legal plunder". He sketched it out in the opening two chapters of the second series of the *Economic Harmonies* which appeared in December 1845 or January 1846. He was also the inspiration behind an important article on "Legal Plunder" which appeared in the JDE in July 1848 by one of his intellectual supporters Ambroise Clément. He also used the term plunder in the title of several of his anti-socialist pamphlets "Property and Plunder" (July 1848) and "Plunder and Law" (May 1850). By this expression he meant institutionalised plunder by an organisation like the Church or the State, as opposed to the individualised plunder undertaken by thieves and robbers. What is less well known is that he had in mind the writing of another book (or books) on the "History of Plunder". Careful readers of his footnotes (and those of the original French editor Paillottet) might be aware that he had a more complex plan for a multi-volume series of books based upon his theory of "harmony" and "disharmony"; there would be a pair of books on "harmony", one on economics (how the market based upon property rights and voluntary exchange creates an order which allows individuals to pursue their different plans in peace; another on "social harmonies" (a title he sometimes used when talking about his *Economic Harmonies*) which would be more of a sociological study of how human beings create all kinds of orders and voluntary associations (not just economic ones) in order to make their lives more fruitful and happy. This pair of books on "harmony" would be contrasted with one (maybe 2) on the "disturbing factors" which he saw all around him which upset the tendency of the free market to create orders, by means of war, slavery, plunder, interventionism, and protectionism. This book would be his *History of Plunder* or a work on *Political Disharmonies*. This volume might also have become his *magnum opus* on classical liberal class analysis based upon the theories of J.B Say, Charles Comte, and Charles Dunoyer. Since he repeatedly mentions how important Comte and Dunoyer were in his own intellectual development it would not be surprising that once he had completed his revision and correction of the basics of classical liberal political economy in *Economic Harmonies* (his version of Say's *Treatise of Political Economy* (1803, 3rd revised ed. 1817)) he would turn to the writing of his own version of their broad sociological works on property, government, and the emergence of institutions. This approach was also the one taken by Molinari after he left Paris for Brussels in 1852: he wrote a two volume treatise on economics in 1855 and then a two volume sociological work on the evolution of economic and political institutions which rested firmly on a theory of class very much in the tradition of Comte, Dunoyer, and Bastiat. It seems that every time one of the French liberals came across a theoretical problem they wrote a 2 or 3 volume treatise in order to solve it.

**The Theory of the State**

Bastiat is perhaps best known for his short essay on "The State" in which he provided a classic definition of the state which is still well remembered today by many, namely that:
"L'État, c'est la grande fiction à travers laquelle tout le monde s'efforce de vivre aux dépens de tout le monde."

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

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

It was written in the heat of Revolution in early June in order to head off a predicted violent uprising of unemployed workers who had been receiving taxpayer funded benefits under the National Workshop scheme. Bastiat had been lobbying to cancel the program from his position as VP of the Finance Committee of the Chamber of Deputies. The closing of the workshops had been announced and everybody was expecting an explosion by the crowds who had been influenced by socialist ideas. Bastiat's little article was written as an appeal to ordinary workers by "Jacques Bonhomme" (the character Bastiat often used in his writings to appeal to the ordinary working person) who pointed out the financial impossibility of what they were asking the state to do and the theoretical absurdity of a situation where everybody was trying to be a rent-seeker at the expense of everybody else. Bastiat expanded it considerably for an article which was published in the high brow journal the *Journal des débats* in September 1848. He no longer spoke as "Jacques Bonhomme" but as Bastiat the VP of the Finance Committee and he introduced material on the parsimony of the American government and the finer points of the radical left Montagnard Manifesto.

As with so many of his writings, this short work is pregnant with rich insights into how the state operates and how the new democratic politics will change the way the state has traditionally functioned. We have here a recognition that the politics of vested interests will expand from the traditional narrow elites of the military, large agricultural and manufacturing interests, and banking to include the new group interests of the unemployed, the poor, and small business or workshop owners. Bastiat predicts that this new system of "universal rent seeking" will inevitably collapse and democracy will ultimately be unable to redistribute resources to all those who would stake a claim to them. When combined with other articles he wrote satirizing the behaviour of the new bureaucracies which sprang up in the wake of the revolution, triggering an explosion of "place-seeking" (job hunting), jockeying for power in the new Provisional Government, and the mind-numbing flood of proclamations and decrees which they issued, one can see that there are many public choice-like insights. He was certainly aware that politicians and bureaucrats pursue their own self-interest and perhaps with a bit more time and further analysis on his part he might developed a more detailed public choice like theory of political, electoral, and bureaucratic behaviour.

A hint of this comes again from his younger colleague Molinari who wrote a very perceptive essay on the competing vested interests which enabled Louis Napoléon to come to power and consolidate his rule during the Second Republic as Prince-President and then Emperor. In a lecture he gave at the Musée royale de l'industrie belge on 4 October 1852 on “Les Révolutions et le despotisme envisagés au point de vue des intérêts matériel” (Revolutions and Despotism considered from the Point of View of Material Interests) he examines the rise to power of the “party of order” led by a Napoleon. Molinari argued that this party of order had two components, an external component of elected Deputies and their supporters in the subsidised and protected industries and the large agricultural producers, and an internal component made up of a coalition of bureaucratic administrators and members of the military who had different but related intentions about how they wanted to use the power of the state which they now controlled. He described the latter as being part of the class of the “mangeurs de taxes” (tax-eaters) who lived parasitically off the “payeurs de taxes” (tax-payers). Under
Napoléon III France had seen an alliance form between the administrative class and the military class which meant that a very large section of the French economy was no longer under the control of elected officials. Later, Molinari was to coin the colourful phrase “la classe budgétivore” (the budget eating class) to describe this group of government bureaucrats and employees who lived off the tax-payers.

Although Bastiat rejected Malthus’s ideas about how the growth of population will inevitably outpace the growth in the productive capacity of agriculture (unless their were strict limits placed on the size of families) he did adopt a Malthusian approach to the limits on the growth in the size of the state. According to his analysis, there was an upper limit to how much plundering the elites who controlled the state could take because countervailing forces came into operation to check their growth. Firstly, widespread plunder and regulation of the economy hampered productive growth and made society less productive and prosperous than it might otherwise have been, thus restricting the growth in tax revenue. Secondly, Bastiat thought that a “Malthusian Law” operated to fatally restrict the expansion of the plundering class. The Malthusian pressures on the plundering class were twofold: their plunder provoked opposition on the part of those who were being plundered who would eventually resist (such as tax revolts, smuggling, or outright revolution); and the “Despoilers” (of wealth) would gradually realize that their plunder and regulation created economic inefficiencies and absolute limits on the amount of wealth they could extract from any given society. As he stated in "The Physiology of Plunder" in Economic Sophisms II:[107]

Plunder using this procedure and the clear-sightedness of a people are always in inverse proportion one to the other, for it is in the nature of abuse to proceed wherever it finds a path. Not that pure and devoted priests are not to be found within the most ignorant population, but how do you prevent a rogue from putting on a cassock and an ambitious adventurer from assuming a miter? Despoilers obey Malthus’s law: they multiply in line with the means of existence, and the means of existence of rogues is the credulity of their dupes. ... (p. 21)

The State is also subject to Malthus’s Law. It tends to exceed the level of its means of existence, it expands in line with these means and what keeps it in existence is the people’s substance. Woe betide those peoples who cannot limit the sphere of action of the State. Freedom, private activity, wealth, well-being, independence and dignity will all disappear there. (p. 24).

The analysis of the State which Bastiat and Molinari provide here is strikingly similar to that of Douglass C. North and Margaret Levi in articles like "Toward a Property Rights Theory of Exploitation" (1982) and other writings on the "institutional" history of the rise of the state.[108] Bastiat is aware of the economic incentives and disincentives which exist in large institutions like the state and the rivalrous nature of the parties which are contending for power.

One wonders what might have happened with these lines of thinking if Bastiat had not died so early and if Molinari had not been forced to go into exile with the rise of Napoléon III. Perhaps if both had been able to continue to teach at the School of Law as they had started to do in late 1847, to teach some graduate students, to become more involved with editing the JDE (the editorship had been offered to Bastiat when he first came to Paris), they might have been able to slowly build up a group of like minded people around them and thus form a school of thought. Who knows where that might had led?

The Unseen "Personal Side to Bastiat" is revealed by his Correspondence
Many aspects of his hitherto unknown personal life have been revealed in the 209 letters we have translated and published in CW vol. 1.[109] There are letters which reveal his appearance when he first arrived in Paris in 1845 wearing his rather unfashionable provincial attire, his first hesitant meeting with the members of the Political Economy Society, his deep friendship with Richard Cobden, his surprising personal participation in two revolutions - that of August 1830 and the events of February and then June 1848, his reservations about being an elected politician, his attitudes towards women, his wit and humour, his close relationships with two powerful and influential families - the Says and the Cheuvreuxs, and the enormous suffering he endured and his personal courage in coping with his terminal illness of the throat.

Some people interested in pure theory might say that this is irrelevant for understanding Bastiat's economic theories, and that they should be able to stand alone without reference to his day to day life. I beg to disagree. Understanding the political and intellectual context in which he worked, the events in which he was engaged, and his network of friends and colleagues, helps us understand at a much deeper level than theory alone why he was interested in some things and not others, what tools of analysis he used to understand his intellectual problems, his private reservations about how he approached his subject matter and the style in which he presented it, how his ideas developed over time, how he was able to do the work he did, as well as the very language and terminology he used to express his ideas.

I would like to highlight a few of these aspects of his personal life because of the important information it reveals about the character of the man behind the journalist and theorist and the way in which free market ideas were disseminated in Paris in the late 1840s.

The first aspect is his personal courage. This was demonstrated in two ways. Firstly, he demonstrated enormous personal courage in continuing to work as a politician, journalist, activist, and theorist while suffering from an incurable and painful disease (possibly cancer of the throat or oesophagus). There are several letters to his closest friends where he describes his increasing suffering (coughing fits, pain in swallowing) and his determination to finish as much of his magnum opus as he could before he died. In a letter to his closest boyhood friend Félix Coudroy he wrote a few weeks before his death:

I would ask for one thing only, and that is to be relieved of this piercing pain in the larynx; this constant suffering distresses me. Meals are genuine torture for me. Speaking, drinking, eating, swallowing saliva, and coughing are all painful operations. A stroll on foot tires me and an outing in a carriage irritates my throat; I cannot work nor even read seriously. You see the state to which I am reduced. Truly, I will soon be just a corpse that has retained the faculty of suffering.[110]

However, the first symptoms of the disease appeared just as he was ascending the political stage in Paris after his election in April 1848 to the Constituent Assembly. One consequence was that he began to lose the ability to speak loudly, something that was required in the unamplified Chamber in order for the 900 Deputies to hear what was being said. One can only imagine the frustration he felt. As he remarked to Mrs. Schwabe in October 1849:

I have always had a political idea that is simple, true, and can be grasped by all, and yet it is misunderstood. What was I lacking? A theater in which to expose it. The February revolution occurred. It gave me an audience of nine hundred people, the elite of the nation given a mandate by universal suffrage with the authority to put my views into practice. These nine hundred people were full of the best intentions. They were terrified of the future. They hesitated and cast about for some notion of salvation. They were silent,
waiting for a voice to be heard and to which they could rally. I was there; I had the right
and duty to speak. I was aware that my words would be welcomed by the Assembly and
would echo around the masses. I felt the idea ferment in my head and my heart . . . and I
was forced to keep silent. Can you imagine a worse form of torture? I was obliged to keep
silent because just at this time it pleased God to remove from me all my strength, and
when huge revolutions are achieved such as to afford me a rostrum, I am unable to mount
it. I was not only incapable of speaking but also even of writing. What a bitter
disappointment! What cruel irony! [111]

The result of this inability to speak meant that Bastiat turned his talents away from the rostrum and
focused on his work in the Finance Committee preparing reports which he presented to the Chamber
on a regular basis. Perhaps because of this affliction he also chose to spend more time writing, whether
his anti-socialist pamphlets[112] or his economic treatise, and less time politicking in the Chamber,
which is good for us as Bastiat scholars but not good for the small faction of classical liberal deputies
in the chamber who needed all the help they could get.

The second example of courage is shown in his activities on the streets of Paris in 23 February 1848
near the Hôtel des Capucines where soldiers fired on demonstrators killing dozens. Here is how
Bastiat related the event to Mme Marsan:

A huge gathering moved along the boulevards singing. Flags were adorned with flowers
and ribbons. When they reached the Hôtel des Capucines, the soldiers blocked their path
and fired a round of musket fire at point-blank range into the crowd. I leave you to
imagine the sight offered by a crowd of thirty thousand men, women, and children fleeing
from the bullets, the shots, and those who fell.203

An instinctive feeling prevented me from fleeing as well, and when it was all over I was
on the site of a massacre with five or six workmen, facing about sixty dead and dying
people. The soldiers appeared stupefied. I begged the officer to have the corpses and
wounded moved in order to have the latter cared for and to avoid having the former used
as flags by the people when they returned, but he had lost his head.

The workers and I then began to move the unfortunate victims onto the pavement, as
doors refused to open. At last, seeing the fruitlessness of our efforts, I withdrew. But the
people returned and carried the corpses to the outlying districts, and a hue and cry was
heard all through the night.[113]

Something similar happened a second time in June 1848 when he again was caught in the crossfire
during a street demonstration. He wrote on 29 June to Julie Marsan:

I shall just tell you that I have done my duty without ostentation or temerity. My only role
was to enter the Faubourg Saint-Antoine after the fall of the first barricade, in order to
dismantle the fighters. As we went on, we managed to save several insurgents whom the
militia wanted to kill. One of my colleagues displayed a truly admirable energy in this
situation, which he did not boast about from the rostrum.[114]

The letters also provide a very interesting window on how liberal writers and activists supported
themselves in Paris at this time. There seems to be a shadowy world of funding of liberal activities
which is not openly discussed and which is only hinted at in some of the letters. Bastiat had a small
amount of personal wealth which he had inherited from his grandfather, which consisted of a house
and some land in Les Landes in Gascony which he farmed personally and which he also let to
sharecroppers. He also received a dowry from a marriage to Marie Hiart in 1831 which he used to increase his land holdings. He paid enough in taxes to be part of the electoral elite who were allowed to vote and to stand for election. This group constituted no more than 240,000 people out of a population of around 35 million, in other words Bastiat was part of the top 2% of income earners of his day. So, when he moved to Paris 1845 he was able to draw upon some steady personal income with which to support his free trade and other activities. However, other letters reveal that this was not a large sum of money and he was anxious to supplement his income from Les Landes with other sources of income from Paris, notably a share of the subscriptions to the magazine he edited (Le Libre-Échange). Another source may have come from one or more of the wealthiest members of the Free Trade Association management Board, such as François-Eugène, duc d’Harcourt and the businessman Horace Say, or from wealthy supporters of the Guillaumin firm such as the textile manufacturer Casimir Cheuvreux. Financial support could have come in the form of a rent subsidy (Bastiat tells us that office space for the journal Libre-Échange was paid for and he had a neighbouring apartment which may well have also been paid for by the Association); advance payments for his successful books, the Economic Sophisms, made by the Guillaumin firm; payments for articles accepted by the Guillaumin firm for publication in the JDE; subsidised lecture fees for his lecture at the School of Law in the second half of 1847 (possibly paid for by Cheuvreux??); and Casimir Cheuvreux arranged for a friend to lend Bastiat the use of a hunting lodge in the Butard woods outside Paris where he could retreat in order to spend some quiet time writing his pamphlets and book. Unfortunately, the details of the financial side of free market activities in Paris at this time are very murky and not well understood.

As one might expect of intellectual life in Paris, there were several salons which were frequented by classical liberals and the political economists. Again, the letters provide hints of this fascinating aspect of Bastiat's life. One salon was organised by the radical republican journalist Hippolyte Castille who owned a large house on the rue Saint-Lazare which had once been the residence of a Bishop. Bastiat does not mention this in his letters but we know from other sources that it was attended by Molinari and others from the Courrier français circle and also by Bastiat whose work was reviewed and published in it. There is also a very brief reference to Victor Hugo's salon to which Bastiat had been invited but had not yet had the time to attend. However, the two most important salons which Bastiat mentions on several occasions were run by women. One was run by the wife of Horace Say, the wealthy businessman who was the son of the economist J.B. Say. Anne Say (née Cheuvreux) was the sister of Casimir Cheuvreux whose wife Hortense also ran a liberal salon. Mme Say's salon was attended more by economists as one might expect and was located in their sumptuous home in Paris. The second was run by Mme Hortense Cheuvreux and was the more important salon in terms of the broader audience it reached. Given the wealth and connections of the textile manufacturer Casimir Cheuvreux Mme Cheuvreux was able to attract a more impressive array of religious leaders, scientists, members of high society, writers, philosophers, and others. One source tells us that Bastiat was one of Mme Cheuvreux's star attractions because of his wit, musical ability, and knowledge of plays and poetry.[115] One can imagine him trying out some of his witty little plays and economic fables from the Economic Sophisms in the salon to entertain the guests, such as the scientist Jean-Jacques Ampère, the priest and philosopher Auguste Gratry, and even Alexis de Tocqueville, and to hone his repertoire for future publication in the JDE.

A final mention should be made of the monthly dinner meetings of the Political Economy Society of which Bastiat was a member soon after his arrival. His letters tell of an awkward first meeting he had with the Political Economy Society which had organised a dinner in May 1845 to welcome him to Paris after the success of his first article and his book on Cobden and the Anti-Corn Law League.[116] Bastiat was very nervous and worried about how the Parisian sophisticates would receive him, an unknown from the far reaches of south west France who had never been to Paris before and had never formally studied economics. Once the economists got over the shock of his country dress and
demeanour Bastiat's wit and charm took over and they soon welcomed him into their midst. Once they
heard him talk about economics they were stunned at the depth of his knowledge and very quickly
asked him in July 1845 to take over editing their flagship journal, the JDE, which was an extraordinary
offer and shows the very high regard they had for him as an economist.[117] Bastiat turned them down
for two reasons, he was worried the job wouldn't pay him enough, and he wanted to pursue the real
reason which had brought him to Paris, namely to start up a free trade association like the Anti-Corn
Law League in England and lobby for free trade in France. The regular meetings of the Political
Economy Society with a dinner following them, was an important focal point for the intellectual
development of classical liberal economic thought, through the formal discussion and debate of set
topics and recently published books, as well as the networking it made possible between economic
theorists like Bastiat and Molinari, elected government officials, senior members of the bureaucracy,
businessmen, and economic journalists.

There is much more to be learned from Bastiat's correspondence about the various interlocking
"networks for liberty" which existed in Paris in the mid- and late-1840s and in which Bastiat played
such an important part.

Conclusion - A better appreciation of the Multi-Dimensional Bastiat

When one considers that Bastiat only had a short time between his emergence as an unknown from the
provinces in late 1844 until his death at the end of 1850 he achieved a considerable amount in just
over 6 years. He took on a very large workload at a time when his health was failing. By our count he
wrote over a million words (the size of his collected works in digital format) which will take up 6
large volumes of about 500 pages each in the Collected Works of Frédéric Bastiat. It has been known
for a long time that he was a journalist, a free trade activist, a politician, and a budding economic
theorist. What was not well known or under appreciated until our translation was the full extent of his
activity in the French Free Trade Association, which involved writing articles for its journal, public
speaking before large audiences, and lobbying the Chamber for tariff reform. None of this material has
been translated into English before. I have only recently acquired copies of the journal he edited and
largely wrote, Le Libre-Echange, in order to check the editorial practice of the original French editor
Paillottet who selected the articles which appeared in vol. 2 of the Oeuvres complètes so I think there
is much more to be learned from this source.

The same can be said for Bastiat's revolutionary street journalism in February-March and June 1848.
Bastiat was only one of the authors of the articles which appeared in these publications and those by
Bastiat are scattered throughout the French edition of the Oeuvres complètes and are therefore hard to
appreciate because of this. We unfortunately did the same thing in the LF edition of his CW until we
learned more about the original material. A study of the first issue of La République française shows
for the first time how fervent a republican Bastiat was at this time early in the revolution. He had very
high hopes for a French Republic with a strictly limited government and the rule of law (so like the
American Republic) but which also had a rigorous free trade policy (like Britain but unlike the
protectionist US government). Again, I have only been able to get hold of copies of these magazines
last summer and I'm sure there will be much more to come from these sources as well.

A third aspect of Bastiat's work which needs much more research is Bastiat's activity as an elected
politician and VP of the Finance Committee. The LF translation reveals for the first time (in vol. 1) the
material Bastiat wrote in order to stand for election, i.e. his election manifestos.[118] He stood
unsuccessfully for election a couple of times before the Revolution and then twice successfully after
the Revolution broke out. We can see in these documents what Bastiat told his electorate about his
political aims, his hopes for free market reforms, and his justifications for what he did while in office.
(for his re-election in May 1849). What we still know very little about is his role in the Finance Committee in 1848 and 1849. There is nothing about this in the *Oeuvres complètes* which we are translating as the material is still locked away in some French archive and still awaits its researcher. That and a detailed study of his voting record and his speeches in the Chamber has to remain outside the purview of LF’s edition of his works until that research has been done.
4. How Austrian was Bastiat?

We are now in a better position than ever to answer the question "how Austrian was Bastiat?" I have already mentioned the positive things Jevons (1879), Mises (1959), the early Rothbard (1960), and Kirzner (1960) had to say about him. They all thought Bastiat had insights about economics which were Austrian and ahead of their time. On the other hand, Schumpeter (1954) and Hayek (1964) had little which was good to say about him other than he was a very good economic journalist and popularizer of economic ideas. More recent scholarship is much more sympathetic to the claim that Bastiat was both an original economic theorist and an Austrian of some kind. There is also now a group which argues that Bastiat was a Public Choice theorist of some kind. One might also make the argument that Bastiat was an early "Northian" or a "Levite" in his understanding of institutions and economic growth. The following examples will provide some idea of the change of opinion regarding Bastiat's work since his rediscovery in the 1950s and 1960s.

Joseph Salerno (1988) did a major re-assessment of Bastiat's contribution in an essay designed to explain why he was unjustly neglected for so long. The late Rothbard (1995) has an extensive assessment of Bastiat's contribution to economic and social theory in Classical Economics: An Austrian Perspective in a chapter on "Bastiat and the French laissez-faire tradition" (pp. 439-75). Here he describes Bastiat as "the central figure" (p. 444) and lists a number of his contributions to economic theory, although he concludes that he was a "transition figure":

While often praised as a gifted popularizer, Bastiat has been systematically derided and undervalued as a theorist. Criticizing the classical Smithian distinction between 'productive' labour (on material goods) and 'unproductive' labour (in producing immaterial services), Bastiat made an important contribution to economic theory by pointing out that all goods, including material ones, are productive and are valued precisely because they produce immaterial services. Exchange, he pointed out, consists of the mutually beneficial trade of such services. In emphasizing the centrality of immaterial services in production and consumption, Bastiat built on J.B. Say's insistence that all market resources were 'productive', and that income to productive factors were payments for that productivity. Bastiat also built upon Charles Dunoyer's thesis in his Nouveau traite d'economie social (New Treatise on Social Economy) (1830) that 'value is measured by services rendered, and that products exchange according to the quality of services stored in them'.

Perhaps most important, in stark contrast to the Smith-Ricardo classical school's exclusive emphasis on production, and neglect of the goal of economic endeavours - consumption, Bastiat proclaimed once again the continental emphasis on consumption as the goal and hence the determinant of economic activity. Bastiat's own oft-repeated triad: 'Wants, Efforts, Satisfactions' summed it up: wants are the goal of economic activity, giving rise to efforts, and eventually yielding satisfactions. Furthermore, Bastiat noted that human wants are unlimited, and hierarchically ordered by individuals in their scales of value.

Bastiat's concentration on exchange, and on analysis of exchange, was also a highly important contribution, especially in contrast to the British classicists' focus on production of material wealth. It was the emphasis on exchange that led Bastiat and the French school to stress the ways in which the free market leads to a smooth and harmonious organization of the economy. Hence the importance of laissez-faire.

Thomas DiLorenzo (1999), who is one of the most ardent defenders of Bastiat as an Austrian
economist, sees him as "an intellectual bridge between the ideas of the pre-Austrian economists, such as Say, Cantillon, de Tracy, Comte, Turgot, and Quesnay, and the Austrian tradition of Carl Menger and his students" and cites his contributions to the plan-coordination function of the free market, capital theory, subjective cost, and competitive discovery. Another very strong supporter of the Austrian-ness of Bastiat is Jörg Guido Hülsmann (2001) who thinks that Bastiat had a deep understanding of key Austrian concepts such as the importance of harmony vs. equilibrium, the analytical significance of property and appropriation, the idea of human action, subjective value theory, and counterfactual analysis. However, the floodgates of the Bastiat renaissance were opened at the bicentennial conference on Bastiat held in Mugron in June 2001 where 14 papers were given re-evaluating the work of Bastiat 200 years after his birth. These were published in a special edition of *Journal des Économistes et des Études Humaines* (June 2001) edited by Pierre Garello. The general consensus which comes out of this conference is that Bastiat was an Austrian to all intents and purposes - that "he was a praxeologist ahead of his time" (Bramoullé), and "very Austrian indeed" (Thornton) are two typical comments. Nevertheless, there is also a growing contingent of Public Choice economists who would like to claim him as one of their forebears. At the bicentennial conference James Dorn made this claim in his paper "Bastiat: A Pioneer in Constitutional Political Economy" and since then, similar arguments have been made by Bryan Caplan and Edward Stringham (2005), as well as Michael Munger.

Michael Munger's thoughts on this are particularly interesting:

It seems clear that Bastiat clearly intuited at least the core assumptions of Public Choice, which are:

1) All individuals are largely similar, in terms of their goals and motivations. Consumers do not become angels when they enter the voting booth, and leaders do not become benevolent geniuses when they enter the legislature or the executive palace.

2) Government, properly conceived, is based on exchange, or capturing the gains of cooperation. The reason government is necessary, and perhaps even valuable, is that people are different and disagree. By allowing people to benefit by exchange, moderated by institutions that limit the scope of government, some kind of collective governance can be a Pareto improvement over autarky.

3) There is a tendency, however, for governments to sell, and for private agents to pursue, rents that both distort incentives and divert the attention of public and private actors.

There are clearly elements of all three of these core assumptions in several parts of Bastiat's corpus of work. While he did not fully work out the conclusions, he clearly understood both #1 and #3 at a deep level.

I would like to do something similar to Munger's evaluation of Bastiat as a Public Choice theorist by listing some of the key ideas of the Austrian school and grading Bastiat according to how well he satisfies those criteria. I borrow Peter Boettke's list of ten things which define the nature of Austrian economics:

1. Proposition 1: Only individuals choose.
2. Proposition 2: The study of the market order is fundamentally about exchange behavior and the institutions within which exchanges take place.
3. Proposition 3: The “facts” of the social sciences are what people believe and think.
4. Proposition 4: Utility and costs are subjective.
5. Proposition 5: The price system economizes on the information that people need to process in
making their decisions.

6. Proposition 6: Private property in the means of production is a necessary condition for rational economic calculation.

7. Proposition 7: The competitive market is a process of entrepreneurial discovery.

8. Proposition 8: Money is non-neutral.

9. Proposition 9: The capital structure consists of heterogeneous goods that have multi-specific uses that must be aligned.

10. Proposition 10: Social institutions often are the result of human action, but not of human design.

In order to determine how "Austrian" Bastiat was as an economist we can ask ourselves how many of these ten key propositions Bastiat satisfies or comes close to satisfying. I would say yes for propositions 1, 2, 8, 10; partially true for proposition 4; close but not there yet for 5, 6, 7; and no for 3, 9. Therefore I would give Bastiat the following score for being an "Austrian": Yes or partial - 4.5/10; close 3/10; no 2/10. Therefore Bastiat is close to being an Austrian, somewhere between 4.5 and 7.5/10.

However, according to Munger, Bastiat is also a Public Choice economists, at least 2 1/2 out of 3, or about 8/10.

Perhaps the best way to describe Bastiat is that he was just a good economist and leave it at that.
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Abbreviations

- LF: Liberty Fund
- JDE: Journal des économistes (1841–)
- FEE: Foundation for Economic Education
- SEP: Société d'économie politique (Political Economy Society)
- OC: Oeuvres complètes de Frédéric Bastiat (1855, 1864), ed. Prosper Paillottet.

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Correspondence:

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- Bastiat, Harmonies of Political Economy, by Frédéric Bastiat. Translated from the French, with a Notice of the Life and Writings of the Author (London: John Murray, 1860). The second half of the 2nd French edition of 1851 (chapters 11-15) was published as: Harmonies of Political Economy, by Frédéric Bastiat. Part II., Comprising Additions from the Third Edition of the French, with Notes and an Index to both Parts (Edinburgh: Oliver and Boyd, 1870). And the


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- *Propriété et Loi, suivi de Justice et Fraternité* (40 c.) - “Propriété et loi” (Property and Law), JDE, 15 May 1848, [OC4.13, p. 275][CW2] and “Justice et fraternité” (Justice and Fraternity) JDE, 15 June 1848 [OC4.4, p. 298][CW2]. “Propriété et loi” was directed at Louis Blanc and critiques of property in general. “Justice et fraternité” was directed against Leroux.
• Protectionisme et Communisme. Lettre à M. Thiers (35 c.) - Protectionnisme et communisme [Jan. 1849] was directed at the protectionist Mimerel committee.
• Capital et Rente (35 c.) - (Feb. 1849) was directed at Proudhon.
• Paix et Liberté, ou le Budget républicain (60 c.) - [February 1849. n.p.] directed at critics of his proposed budget cuts
• Incompatibilités parlementaires (40 c.) - [March 1849] was directed at bureaucrats and civil servants.
• Maudit argent! - L’État (40 c.) - “Maudit argent!” [15 Avril 1849] was directed at general misperceptions about nature of money and “L’État” [Sept. 1848] was against the radical Montagnard faction.
• Gratuité du Crédit. Correspondence entre MM. F. Bastiat et Proudhon (1 fr. 75 c.) - [Oct. 1849 - Feb. 1850] - was directed again at Proudhon
• Baccalauréat et Socialisme (60 c.) - written to oppose a bill before the Chamber in early 1850 on education reform which was supported by Thiers
• La Loi (60 c.) - “La Loi” (The Law) [Mugron, July 1850][OC4.6, p. 324] [CW2] - against Louis Blanc and his 18th century predecessors
  • Ce qu’on voit et ce qu’on ne voit pas, ou l’Économie politique en une leçon* (60 c.) -(What is Seen and What is Not Seen) [July 1850][OC5.6, p. 336] [CW3] - this pamphlet was directed against all those who misunderstood the operation of the free market

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Endnotes

1. For a discussion of some aspects of "the seen" and "the unseen" Bastiat, see the "General Introduction" to vol. 1 of The Collected Works of Frédéric Bastiat, "The Man and the Statesman: The Correspondence and Articles on Politics", http://oll.libertyfund.org/titles/2393#lf1573-01_head_008.

2. Jasay wrote a two-part article called "The Seen and the Unseen" which appeared on the Econlib website in December 2004 and January 2005 where he applies Bastiat's idea and borrows the name for his own title. See http://www.econlib.org/library/Columns/y2004/Jasayunseen.html. He makes explicit reference to the greatness of Bastiat as an economist in the second article he wrote for Econlib, "Thirty-five Hours" [Jul 15, 2002] http://www.econlib.org/library/Columns/Jasaywork.html and credits him for inventing the idea of "opportunity cost": "he anticipated the concept of opportunity cost and was, to my knowledge, the first economist ever to use and explain it."  


4. Don Boudreaux uses the metaphor of the "lens" in the Liberty Matters online forum on Bastiat: "Bastiat's great genius was his unsurpassed skill at crafting quality lenses that were inexpensive to acquire and comfortable to wear. Writing with lucidity and humor, he distilled for his readers the essential features of economic processes. Any vision-impaired person could with ease and comfort - and, indeed, also with enjoyment - slip on a pair of Bastiat glasses and soon gaze upon features of reality that were previously hidden." http://oll.libertyfund.org/pages/bastiat-and-political-economy#response1.

5. A "fallacy" was an outright economic error or falsehood, which was wrong because of a flaw in argument or in point of fact; according to Bastiat, a "sophism" was an argument which might be partly true and partly false and which was used by a vested interest to bamboozle, dupe, and confuse the taxpayers and consumers into supporting their favoured subsidy or monopoly.

6. The three volumes translated by FEE contain the following number of small sized pages: Economic Harmonies (570 pp.), Economic Sophisms (280 pp.), and Selected Essays (335 pp.) for a total of 1,185 pp. These would constitute only about 800 pp. of the larger sized pages in the LF translation, or 800 pp., it what will probably be 3,000 pages in 6 volumes. Thus, the FEE translation constitutes only 26% of the total.


l’Institut Charles Coquelin, 2012).  


12. Gérard Minart, *Gustave de Molinari (1819-1912)*, p. 381. His “Four Musketeers” were made up of Frédéric Bastiat, Gilbert-Urbain Guillaumin, Charles Coquelin, and Gustave de Molinari.  

13. Alexander Dumas (père) published his story in serial form in *Le Siècle* between March and July 1844. Its success lead to a trilogy of books with the first appearing in 1846: *Les Trois mousquetaires* (Paris: J.-B. Fellens et L.-P. Dufour, 1846). The original three musketeers were Athos, Porthos, and Aramis with the younger fourth member being D’Artagnan.  


15. I discuss ”The Seven Musketeers” in greater detail in my ”Introduction” to LF’s translation of Molinari’s *Les Soirées* (unpublished).  


22. The day after the July Monarchy collapsed in late February Bastiat, Molinari, and Castille were on the streets of Paris with their own revolutionary magazine advocating free market ideas to the rioters in the streets called La République française. Daily journal. Signed: the editors: F. Bastiat, Hippolyte Castille, Molinari. Appeared 26 February to 28 March 1848. 30 issues. Online: http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/RepubliqueFrancaise1848/index.html. Their second attempt at revolutionary journalism was Jacques Bonhomme which was a short lived journal which was written and distributed on the streets of Paris during the 1848 Revolution in June by 5 economists, Frédéric Bastiat, Gustave de Molinari, Charles Coquelin, Alcide Fonteyraud, and Joseph Garnier. It appeared approximately weekly with 4 issues between 11 June to 13 July. It was forced to close by the violent repression by the army of the 'June Days' uprising. Online: http://davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/JB/index.html. It has recently been reprinted by the Institut Coppet, Jacques Bonhomme. L’éphémère journal de Frédéric Bastiat et Gustave de Molinari (11 juin - 13 juillet 1848). Recueil de tous les articles, augmenté d'une introduction par Benoît Malbranque (Paris: Institut Coppet, 2014).


A draft of the translation can be found on the OLL website http://oll.libertyfund.org/pages/molinari.


35. The term "le réseau Guillaumin" (the Guillaumin network) was invented by Minard to describe the important interconnecting network of people and organisations which sprang up around the free market publishing firm founding by Gilbert Guillaumin. See, Gérard Minard, Gustave de Molinari (1819-1912), pour un gouvernement à bon marché dans un milieu libre (Paris: Institut Charles Coquelin, 2012), p. 56.


40. At the 10 December 1849 meeting of the Political Economy Society Bastiat’s theory of rent is roundly criticized but he vigorously defended himself. See, JDE, T. 25, no. 105, 15 décembre 1849, pp. 110-11. ↩


45. "(S)a théorie de la valeur ne difère que par l'expression de celle des économistes" (His theory of value differs from that of the Economists only in how it is expressed), Molinari’s obit. of Bastiat, p. 193. ↩

46. Bastiat planned to write a "History of Plunder" after he had finished his treatise of *Economic Harmonies*. He provided a sketch of what this might look like in the first two chapters of ES2 published in January 1848: "Physiologie de la Plunder" (The Physiology of Plunder) and "Deux

An English translation of both appeared as early as 1853. It was made for the benefit of "our British workmen": *Essays on political economy by Frederic Bastiat* (No translator's name was given) (London: W. & F.G. Cash, 1853). Contains in pt. I. Capital and Interest, pt. II. That which is seen, and that which is not seen, pt. III. Government. What is money?, and pt. IV. The law. They translated "L'État" as "Government." This edition was reprinted frequently throughout the 1860s, 1870s, and 1880s, including a Chicago edition in 1869: *Essays on political economy. By the late M. Frederic Bastiat. Translated from the Paris edition of 1863.* (Chicago, The Western News Company, 1869).


Carey had come to similar views about a number of questions regarding value, rent, the role of "services" in exchange, and the harmony of interests from the completely opposite point of view from Bastiat. Carey was a strong protectionist while Bastiat was a strong free trader. Henry Charles Carey, *The Harmony of Interests: Agricultural, Manufacturing, and Commercial* (Philadelphia: J. S. Skinner, 1851). In CW1 the editor states in a footnote: *In a letter sent on 31 August 1850 to Le Journal des économistes, Carey criticized Bastiat’s use of the word harmony in the title of his book and accused Bastiat of having been influenced by his own works on harmonies of interests without acknowledging it. This event prompted a storm of debate in the journal and in the Société d’économie politique during the first half of 1851. Numerous articles appeared in Le Journal des économistes in the 28 (January-April) and 29 (May-August) issues. Bastiat replied indirectly in a letter to the journal written on 8 December 1850 and published after his death, on 15 January 1851 (see Letter 209). The controversy continued after Bastiat’s death. In June 1851, in Le Journal des économistes, Paillottet quoted some writings of Bastiat dating back to 1834, which showed the originality of Bastiat’s ideas. An exchange of letters between Paillottet and Carey put an end to the debate, and Carey acknowledged Bastiat’s honesty (13 January 1852)."

There are three letters in which Bastiat talks about the Carey matter: Letter 204 "Letter to

51. Schumpeter argues, following Ernest Teilhac, that it was the result of Carey and Bastiat using similar sources not direct plagiarism, History of Economic Analysis, pp. 500-1.


56. Jean-Gustave Courcelle-Seneuil (1813-1892) after a stint in Chile taught economics at the École normale supérieure de Paris between 1881 and 1883. He also translated the work of John Stuart Mill, W.G. Sumner, and Adam Smith into French. See especially the Traité théorique et pratique d'économie politique, 2 vols. (1856) and Études sur la science sociale (1862). Ambroise Clément (1805-86) wrote an early review of Bastiat’s Economic Harmonies for the Journal des économistes, 1850, T. 26, No. 111, 15 juin, pp. 235-47, in which he praised Bastiat's style but criticized his position on population and the theory of value. Two works by Clément which deserve special note are the article on “spoliation” (plunder), “De la spoliation légale,” Journal des économistes, vol. 20, no. 83, 1er juillet 1848, which he wrote in the heat of the June Days uprising in Paris very much in the tradition of Bastiat's theory of "spoliation" (plunder), and the two volume work on social theory which has numerous “Austrian” insights, Essai sur la science sociale. Économie politique - morale expérimentale - politique théorique (Paris: Guillaumin, 1867), 2 vols.


59. See the many examples which can be found in Vilfredo Pareto, Cours d’économie politique. Professé à l’Université de Lausanne (Lausanne: F. Rouge, 1896) and Pareto, Les Systèmes socialistes (Paris: V. Giard et E. Brière, 1902).


67. Lane's introduction can be found at my website http://davidmhart.com/liberty/AmericanIndividualists/RoseWilderLane/RWLane_BastiatIntro.html. She described Bastiat as "one of the leaders of the revolution" who will be recognised one day by the "free world" for his great contribution: "Frederic Bastiat is one of the leaders of the revolution whose work and fame, like Aristotle's, belong to the ages. Aristotle, too, was a pioneer in an unexplored continent of human knowledge; he did little more than blaze two trees where the Wilderness Road began; he showed the way to a new world that he did not reach. What modern science owes to Aristotle, a free world will someday owe to Bastiat." p. 3.

68. Social Fallacies by Frederic Bastiat, translated from the 5th ed. of the French by Patrick James Stirling, with a foreword by Rose Wilder Lane (Santa Ana, Calif.: Register Publishing Co., 1944); and Harmonies of Political Economy, trans. Patrick James Stirling (Santa Ana, Calif.: Register Pub., 1944-1945). 2 vols: vol. 1. The Original version of Economic Harmonies translated from the French, with a notice of the life and writings of the author, by Patrick James Stirling. Vol. 2. Comprising additions published posthumously, from manuscripts left by the author, translated from the third edition of the French with notes and an index to both parts by Patrick James Stirling; also, The Law, one of Bastiat's masterpieces published before his death. Inside the front cover the three volumes of Bastiat were advertised for the price of $2.50 per volume or $6 for the set of three. Also for sale was Leonard Read's Pattern for Revolt which was a 44 page pamphlet for 25 Cents. The latter was strongly influenced by Bastiat's Sophism.
"The Utopian" and his style of composing fictional speeches in order to make his points more effectively. Hoiles left out chaps. XI and XII of the original ES2 translation (XI. "The Utopian" and XII. "Salt, the Mail, and the Customs Service") in his edition for some reason but he and Read must have known about them from Stirling's translation.


70. Frédéric Bastiat, *The Law* (Los Angeles, Pamphleteers, 1944). It was probably also reprinted in the first issue of *The Freeman*, v. 1, no. 1.


72. Bastiat, *The Law*, trans. Dean Russell (Irvington-on-Hudson, NY: Foundation for Economic Education, 1950). According to the introductory blurb to the pamphlet the reason given for its retranslation and republication was that "*The Law* is here presented again because the same situation exists in America today as in the France of 1848. The same socialist-communist ideas and plans that were then adopted in France are now sweeping America. The explanations and arguments then advanced against socialism by Mr. Bastiat are - word for word - equally valid today. His ideas deserve a serious hearing." The printing history shows that the 1st printing of 1950 was of 58,675 copiers, and over the next 25 years (1950-74) 211,675 copies were printed.


74. See the Bibliography for full citations of these works.


Irish World and American Industrial Liberator, and serialised from 12 July through 11 October 1879. It has been transcribed and put online by Roderick Long [http://praxeology.net/FB-PJP-DOI.htm#contents]. See CW vol4 (forthcoming).

77. A clue that it might have been via Hoiles that Rothbard in particular came to Bastiat can be found in the references used by Rothbard in his treatise MES (1962). The first reference to Bastiat come in a footnote which cites Hoiles 1944 edition of Harmonies of Political Economy (MES, p. 84, fn 7). He also mentions Bastiat's idea of "the seen" and "the unseen" (MES, p. 940 but does not cite any edition). Only in P&M (1970) does Rothbard cite the FEE edition of Economic Sophisms.


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90. Richard Whately, *Introductory Lectures on Political Economy*, Chapter: Lecture I. “A man, for instance, in a desert island, like Alex. Selkirke, or the personage his adventures are supposed to have suggested, Robinson Crusoe, is in a situation of which Political-Economy takes no cognizance,” http://oll.libertyfund.org/titles/1377#Whately_0208_28.


92. References to Robinson Crusoe can be found in ES3 14 “Making a Mountain out of a Mole Hill” [c. 1847] and ES2 14 “Something Else” [March 21, 1847]. In addition, there is a discussion of how a negotiation might have taken place between Robinson and Friday about exchanging game and fish in “Property and Plunder” (July 1848), CW2, p. 155; and there are 16 references to “Robinson” in the *Economic Harmonies*, especially in Chapter 4 “Exchange.”


97. See ES3 VII. “Deux pertes contre un profit” (Two Losses versus One Profit) [30 May 1847].

98. Krugman’s ideas about the “silver lining” which disasters bring in their wake can be found going back to immediately after the 9/11 attacks and have continued until today: Paul Krugman, "Reckonings; After the Horror", New York Times, September 14, 2001; Paul Krugman on Fareed Zakaria’s GPS program, CNN, August? 2011; Paul Krugman, interviewed by Paul Solman on PBS NewsHour, June 18, 2012; he has been joined by Peter Morici, "The Economic Impact of Hurricane Sandy … Not all Bad News, Yahoo! Finance, Monday, Oct. 29, 2012. These ideas have been challenged by free market economists like Walter Williams who asks "where is our Frédéric Bastiat when we need him?": Walter Williams, "Economic Lunacy," Creators.com, March 22, 2011. See also, Andrew T. Young, “Why in the World are We all Keynesians again? The Flimsy Case for Stimulus Spending, Policy Analysis (Cato institute), February 14, 2013.

99. 1845.12 XVII. “Un chemin de fer négatif” (A Negative Railway] [n.d.][ES1] [OC4.1.17, pp. 93-94][CW3]

100. See, Charles Fourier, Le Nouveau monde industriel et sociétaire (The New Industrial and Social World) (1829); Louis Blanc, L’Organisation du travail (The Organisation of Work) (1839); and Victor Considerant, Théorie du droit de propriété et du droit au travail (Theory of Justice and the Right to Work) (1845). The growth of socialist ideas during the 1840s and the economists' response is discussed in more in my Introduction to Molinari's Les Soirées (forthcoming).

101. See the section "Plain Speaking" in the Introduction to CW3 where I discuss the harsh language Bastiat used in ES2 9 "Theft by Subsidy" where he called for "an explosion of plain speaking".


103. “Spoliation et loi” (Plunder and Law) JDE, 15 May 1850 [OC5.1, p. 1][CW2]; and “Propriété et spoliation” (Property and Plunder), Journal des débats, 24 July 1848] [OC4.7, p. 394][CW2].


106. Molinari, *Les Révolutions et le despotisme envisagés au point de vue des intérêts matériel; précédé d'une lettre à M. le Comte J. Arrivabene, sur les dangers de la situation présente, par M. G. de Molinari, professeur d'économie politique* (Brussels: Meline, Cans et Cie, 1852), pp. 81-152.


109. The most important have been gathered here under various topics, "Selected Quotations from Bastiat's Collected Works vol. 1" [http://oll.libertyfund.org/pages/selected-quotations-from-bastiat-s-collected-works-vol-1](http://oll.libertyfund.org/pages/selected-quotations-from-bastiat-s-collected-works-vol-1).

110. CW1, 203. Letter to Félix Coudroy, Rome, 11 November 1850.

111. CW1, 150. Letter to Mrs. Schwabe, Paris, 14 October 1849.

112. A full list of these, also known as the "Petits pamphlets" which is how the Guillaumin firm marketed them, can be found in the bibliography.


114. CW1, 104. Letter to Julie Marsan (Mme Affre), Paris, 29 June 1848.


123. *Journal des Économistes et des Études Humaines*, vol. 11, no. 2/3 (June 2001). Editor-in-Chief: Garell, Pierre. The full list of the papers is provided in the bibliography.

