David M. Hart, “Reassessing Frédéric Bastiat as an Economic Theorist”

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Bio

David Hart was born and raised in Sydney, Australia. He did his undergraduate work in modern European history and wrote an honours thesis on the radical Belgian/French free market economist Gustave de Molinari, whose book *Evenings on Saint Lazarus Street* (1849) he is currently editing for Liberty Fund. This was followed by a year studying at the University of Mainz studying German Imperialism, the origins of the First World War, and German classical liberal thought. Postgraduate degrees were completed in Modern European history at Stanford University (M.A.) where he also worked for the Institute for Humane Studies (when it was located at Menlo Park, California) and was founding editor of the *Humane Studies Review: A Research and Study Guide*; and a Ph.D. in history from King's College, Cambridge on the work of two early 19th century French classical liberals , Charles Comte and Charles Dunoyer. He then taught for 15 years in the Department of History at the University of Adelaide in South Australia where he was awarded the University teaching prize.

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 editor of Liberty Funds online discussion forum "Liberty Matters, the Academic Editor of Liberty Fund's translation project of the *Collected Works of Frédéric Bastiat* (in 6 vols.), the editor of a translation of Molinari's *Evenings on Saint Lazarus Street: Discussions on Economic Laws and the Defence of Property* (1849), and is compiling a 7 volume collection of *Leveller Tracts (1638–1660)*.

David is also the co-editor of two collections of 19th century French classical liberal thought (with Robert Leroux of the University of Ottawa), one in English published by Routledge: *French Liberalism in the 19th Century: An Anthology* (Routledge Studies in the History of Economics, May 2012), and another in French called *The Golden Age of French Liberalism. The 19th Century* (Paris: Editions Ellipses, 2014).

Abstract (500 words)

The≠ 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 "no 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 Cercle Bastiat (especially Murray Rothbard, Ralph Raico, and Leonard 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. 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.

The conclusion I reach in this paper is that Bastiat had conceived of a multi-volume work on social and economic theory the outline of which I have been able to reconstruct from his scattered remarks: volume one would be a general theory of how human society in general functions, called *Social Harmonies*; volume two would be his economic theory, called *Economic Harmonies*; and the final volume or volumes would deal with disrupting factors or "disharmonies" and would be called *A History and Theory of Plunder.* Not having time to complete this project because of his rapidly failing health, Bastiat focused the time remaining to him to the *Economic Harmonies*. I have identified 16 elements of his economic thought which I believe demonstrate his sophistication and originality as an economic theorist. These include an individualist methodology of the social sciences (in particular his invention of "Crusoe economics" to explore the logic of human action), an early form of subjective value theory, the interdependence or interconnectedness of all economic activity, the transmission of economic information through the economy, the idea of opportunity cost, the idea of the "ricochet effect" or multiplier, and his Public Choice-like theory of politics and "place-seeking", among others.

In summary I would argue that Bastiat was a "proto-Austrian" economist and perhaps even a "Public Choice" economist *avant la lettre*.

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Reassessing Frédéric Bastiat as an Economic Theorist

Introduction

Frédéric Bastiat's reputation traditionally has been that he was a gifted economic journalist who used his talents to oppose protectionism in the mid and late 1840s (1845–47) and the rise of socialism during the 1848 Revolution and the Second Republic. He was not recognized as a profound and original economic or social theorist until quite recently when a number of scholars began to reinterpret his contributions in the light of the resurgence of interest in Austrian economics which has taken place since the 1970s. This re-evaluation of Bastiat was summarizedd at a conference on Bastiat's ideas which was held to mark the bicentenary of his birth in his home town of Mugron, in South West France (Les Landes, Gascony) in June 2001 which was organised by the French businessman Jacques de Guenin.[1] Since then, there has been a small publishing boom in Bastiat studies both in France (Guenin, Minart, Leroux) and here in the US (the Mises Institute, Liberty Fund).[2]

This view of Bastiat as a "mere" economic journalist was one shared, perhaps surprisingly, by his contemporaries (more on this below). He burst onto the Parisian political economy scene in late 1844 when he submitted out of the blue a brilliant article on French and British trade which called for a policy of free trade between the two countries.[3] It showed a command of economic data and theory which so impressed the Political Economy Society (founded 1842 in Paris) that they invited him to Paris, held a banquet to welcome him into their ranks in May 1845, and eventually offered him the editorship of their flagship journal, the *Journal des Économistes* (JDE). He turned this down because his real interest at that time was to start a French version of Richard Cobden's Anti-Corn Law League (ACLL) and agitate for free trade in France. He initially had no interest in being an economic theorist.

During 1845 and 1846 Bastiat worked at this task with considerable energy. He made contact with Richard Cobden, studied the League's strategy for repealing the Corn Laws (especially their use of travelling lecturers and signing petitions for Parliament), published a book on *Cobden and the League* (June 1845),[4] as well as many brilliant short articles attacking protectionism and the myths and errors used to justify it, which were published in early January 1846 as his first series of *Economic Sophisms* (the second appeared in January 1848).[5] This both established his reputation as a brilliant economic journalist as well as got him elected a corresponding member of the prestigious Academy of Moral and Political Sciences (part of the Institute of France) on January 24, 1846. He, along with a group of economists and some financial backers (including Horace Say, the son of J.B. Say), founded a French Free Trade Association (FFTA) in Bordeaux in 23 February, 1846 and he began travelling the country giving public lectures, thus modelling himself quite closely on Cobden and the League. A National FTA was established in Paris in 10 May and Bastiat was appointed secretary of the Advisory Board. In quick succession the FFTA set up branches in Marseilles, Lyon, and Le Havre. Bastiat wrote dozens of articles on free trade which were published in newspapers and journals across the country which prompted the Board in 29 November 1846 to start a journal as the official mouth piece for the FFTA, *Le Libre-Échange*, which Bastiat edited and largely wrote until he withdrew on 13 February 1848 for reasons of health.[6]

The French free traders thought that the success of the ACLL in Britain that same year (the first reading of the Bill to repeal the Corn Laws was in January 1846; it was passed in June 1846) would put enormous pressure on the French government to do the same. In late 1846 and in the first half of 1847 the FFTA and their allies in the Chamber lobbied the government and there are

hints that it (under the Prime Ministership of Thiers) might consider some reforms. Unfortunately, the measure was referred to a Committee which was able to kill it and in the summer of 1847 the FFTA realised that the moment for reform has passed.

I think that it was only then that Bastiat realised that he would have to turn to other pursuits in the short term since his hopes of emulating Cobden and the ACLL had been dashed (at least temporarily). It was in the late summer or early fall of 1847 that Bastiat began to give some private lectures on political economy to a group of law and medical students in Paris, most likely with the financial support of the same men who had backed his activities in the FFTA (the manufacturer Casimir Cheuvreux and the businessman Horace Say). I suspect that Bastiat had come to realise over the previous three years of his free trade activism and journalism (mid–1844 to the summer of 1847) that he might have something original to say about economics. The background to this lies in the 20 years of intense private reading and study of economics which Bastiat had done in Mugron which we learn from his correspondence. He grew up in the wine-growing country around Bordeaux and the Gironde region (which had sent several free-trade minded Deputies to Paris during the Revolution of 1789, who formed a group known as the Giroindins) in a family with international business and trading interests, so he was predisposed to free markets. The border with Spain and the large Basque population (who largely ignored national borders) on either side meant that smuggling (or de facto “free trade”) was rife and very visible. Napoleon’s Continental Blockade and the reimposition of high tariffs when the Bourbon monarchy was restored in 1815 meant that this part of France suffered considerable economic hardship as a result. Bastiat was naturally curious, fluent in four or five languages (Spanish, Italian, English, French, and possibly Basque) and read widely in economics. He did this in virtual isolation with some encouragement from a local friend and the informal discussion group they had set up in Mugron, which they called their “Academy”. Bastiat read Smith, Ricardo, Malthus, J.B. Say, Charles Comte, Charles Dunoyer (the last three had the most profound impact on him as we know from his correspondence) as well as a great many works of 18th century political economy by French, Spanish, and Italian authors. Donald Boudreaux believes that this isolation actually worked to Bastiat’s advantage, as he was not trained in one school of thought, or under one master, and thus was free to range widely, think critically, and most importantly creatively and with some originality.[7]

Bastiat the Part-Time Economic Theorist (1847–1850)

I call him a “part-time theorist” because he had so many distractions which tempted him away from focusing on his theoretical work. They include his failing health, the distractions of the Revolution which broke out in February 1848 and his political activities in the Chamber after April 1848, his participation in the anti-socialist campaign organised by the Guillaumin publishing firm, and his perhaps misplaced desire to finish writing two long pamphlets in the summer of 1850 when he could have been working on his treatise.

His failing health was the biggest distraction or impediment to his work (most historians have thought he had TB but I think from his description of a polyp in his throat or larynx that he probably had throat cancer). We don’t know exactly when his throat condition worsened but there are indications that he was already suffering quite badly in early 1848 when he resigned as editor of *Le Libre-Échange*; then there are the difficulties he had speaking in the Chamber once he had been elected in April 1848 which meant he had to publish his speeches as pamphlets and circulate them to make his views known to the other Deputies; and by the beginning of 1850 it was clear he did not have long to live and that he would never finish his treatise (the first part of which was rushed into print in January 1850).

Another, perhaps key reason, were the distractions of the Revolution which broke out in February 1848 and his political activities in the Chamber after April 1848. As an activist and journalist he could not resist the temptation to get out onto the streets of Paris at the height of the Revolution. He did this twice - once in February-March with his daily paper *La République française* and again in June with the weekly *Jacques Bonhomme*.[8] Both times he handed out these publications on the streets himself and got caught in the violence and shooting of protestors by the Army and National Guard. In addition, since he had sought election to office from the early 1830s in Les Landes (unsuccessfully) he could not resist standing for election in April 1848 to the Constituent Assembly of the new Second Republic (he was successful) and then to the National Assembly in May 1849 (again successful). Given his expertise in economic matters he was elected 8 times to the position of Vice-President of the Chamber’s Finance Committee where he worked for drastic cuts in expenditure so that taxes could in turn be cut and the budget balanced. He also gave the Committee’s reports to the Chamber, gave several key speeches on tax and finance matters, and published many pamphlets and articles urging financial reform.

He also got caught up, very willingly one might add, in the anti-socialist campaign organised by the Guillaumin publishing firm. When it became clear that the socialist groups were much more powerful than the economists had expected, both in getting people out into the streets to protest and in setting up the National Workshops as a kind of parallel government in order to implement their plans to create a welfare state in France, the Guillaumin publishing firm organised a concerted program of anti-socialist activity which took the form of dozens of books and pamphlets aimed at a more popular audience. Bastiat took a major part in this with a series of a dozen anti-socialist pamphlets, “Petits Pamphlets” as they were marketed by Guillaumin, for which Bastiat became justly famous, including such classics as “Property and Law” (May 1848), “Justice and Fraternity” (June 1848), “Property and Plunder” (July 1848), “The State” (Sept. 1848, early 1849), “Capital and Rent” (Feb. 1849), “Damn Money!” (April 1849), and “The Law” (July 1850), which one would have to admit, are some of his best work.[9]

Finally, there is his perhaps misplaced desire to finish writing two pamphlets in the summer of 1850 when he could have been working on his treatise - these were “The Law” (June 1850) and *What is Seen and What is Not Seen* (July 1850).[10] Both might be seen as his “ultima verba” (last words) on his political theory (natural law, natural rights, and limited government) and one of his greatest innovations in economic theory, “the seen and the unseen” or opportunity costs, in “The Broken Window” and other chapters in *What is Seen and What is Not Seen*.

In spite of these distractions, Bastiat did manage to write one volume of his treatise *Economic Harmonies* (10 chapters which made up some 460 pages) before he died, he left enough unfinished drafts and half-finished chapters for a second volume (mid–1851 with an additional 15 chapters to make up a total of 570 pages),[11] as well as scattered thoughts and comments in his letters, journalism, more serious articles in the JDE, two discussions of his work held by the Political Economy Society, and a proposed outline of his finished treatise constructed by "The Friends of Bastiat" (Prosper Paillottet and Roger Fontenay) who published the second expanded volume in 1851. In summary, we can piece together what his completed treatise/s might have looked like from the following pieces:

- his lectures to law and medical students on the economic ideas behind free trade which he gave in the fall of 1847, a summary of which was published in *Le Libre-Échange*.[12] These lectures were suspended (along with Molinari's) when the Revolution broke out in February 1848
- the draft preface he wrote for the book (undated but probably written in the fall of 1847 when he began working on his lectures)[13]
- the more theoretical articles he wrote for the JDE which he intended as drafts of future chapters in the treatise (in particular see, his article on Malthus and population (chap. 16), or his pamphlet on rent (chap. 9))
- the draft chapters in the 2nd edition which Paillottet and Fontenay put together from his notes and papers
- the scattered references to his planned book projects in his letters and articles to his close friends back in Mugron
- the draft chapter outline in the treatise constructed by Prosper Paillottet and Roger Fontenay

I have attempted to reconstruct what his multi-volume treatise might have looked like in my "Reader's Guide to the Works of Frédéric Bastiat (1801–1850)"[14], a summary of which I give here. Throughout the period 1848–50 the serious throat condition which would eventually kill Bastiat worsened[15] and he faced a race against time to finish his treatise on economics, the *Economic Harmonies*. He described the purpose of the *Economic Harmonies* as being the opposite to that of the *Economic Sophisms* - the latter was designed to "demolish" economic falsehood, while the former was designed to "build" economic truth.[16] He first began work on it in the fall of 1847 when he gave some lectures at the Taranne Hall in Paris when he also probably wrote a touching "draft preface" in the form of an ironic letter to himself.[17] In this letter he chastises himself for being too preoccupied with only one aspect of freedom, namely free trade or what he disparagingly called this "single crust of dry bread as food", and having neglected the broader picture. To rectify this he wanted to apply the ideas of J.B. Say, Charles Comte, and Charles Dunoyer, to a study of "all forms of freedom" in a very ambitious research project in liberal social theory. In several letters[18] he refers to his project as a multi-volume study of "social harmonies" which would include a social, legal, and historical aspect, in addition to the economic. The plan was to devote one volume to the basic theory of social harmony before devoting another volume to the economic dimension, and then at least one volume to the "disturbing factors" which disrupted social harmony. The latter volume would be a study of the "disharmonies" which resulted from the upsetting of the natural harmony of voluntary and non-violent human interaction by "disturbing factors" (causes perturbatrices) such as war, slavery, and legal plunder. In other words, this volume would be "The History of Plunder" he had also planned to write.[19] Because he was so pressed for time he decided to focus on one aspect for the moment, the "economic harmonies", and leave the others to another time.

It is possible to reconstruct the outlines of these proposed treatises from the scattered comments he made in letters, the *Economic Sophisms*, some essays (such as "Property and Plunder" (July 1848),[20] and unpublished drafts made available by Paillottet and Fontenay in the *Oeuvres complètes*.[21] Here is one format it might have taken:

Volume one would be a general theory of how human society functions, called *Social Harmonies* with chapters on:

- responsibility
- solidarity

- self interest or the “social motor or driving force”
- perfectibility
- public opinion
- the relationship between political economy and morality, politics, legislation, and religion

Volume two would be his economic theory, called *Economic Harmonies* with chapters on:

- producers and consumers
- individualism and sociability
- the theory of Rent
- money
- credit
- wages
- savings
- population
- private services, public services
- taxation
- on machines
- free trade
- on middlemen
- raw materials and finished products
- on luxury

Volume three would deal with disrupting factors or “disharmonies”, perhaps called *The History and Theory of Plunder* with chapters on:

- plunder
- war
- slavery
- theocracy
- monopoly
- governmental exploitation
- false fraternity or communism

Having decided to focus his attention on finishing as much of the second volume on *Economic Harmonies* as he could, Bastiat returned to working on the project periodically as time permitted, publishing 4 draft chapters in the *Journal des Économistes* between September and December 1848 but seemed to drop the project soon after.[22]

He returned to it again during the summer of 1849 when the wealthy manufacturer and financial supporter of the economists, Casimir Cheuvreux, made a secluded hunting lodge on the outskirts of Paris available to Bastiat so he could work on his treatise in peace.[23] By the end of the year, Bastiat had enough material to publish the first part of *Economic Harmonies* (10 chapters) which appeared in January 1850.[24] He died on Christmas Eve, 1850 in Rome without having finished the second part of the treatise. Another 15 chapters were assembled from his papers by two of his friends, Paillottet and Fontenay, who published a second, larger edition of *Economic Harmonies* in June 1851.[25] A proposed list of chapters is all we have of what Bastiat intended to include in this magnum opus.

The “Rezeptionsgeschichte” of Bastiat the Theorist

In several meetings of the Political Economy Society some of Bastiat’s friends and colleagues didn’t know what to make of Bastiat’s treatise, or at least the pieces of it which they had seen. They objected to his rejection of Malthusian pessimism concerning population growth - Bastiat believed Malthus had seriously underestimated the productive power of the free market once its shackles had been removed, and the ability and willingness of rational people to plan the size of their families. Others objected to his new theory of exchange as the mutually beneficial exchange of “services” which departed from the traditional view that “products were exchanged for products”, and his more general theory of rent (he saw it as just another service like any other) which denied the special nature of returns from land.[26] The American economist Henry Carey accused him (falsely it tuned out) of plagiarising his idea of “economic harmony”.[27] Still others could not see that behind his witty journalism, like the story of “The Broken Window” or “One Profit versus Two Losses” (May 1847),[28] or his playful but clever use of Robinson Crusoe and Friday thought experiments in a handful of the Economic Sophisms and *Economic Harmonies*, lay some profound and original insights about opportunity costs (a concept Bastiat probably invented), the multiplier effect and the mathematical calculation of economic losses, and the nature of human economic action, respectively. Even his friend and colleague, Gustave de Molinari, regarded his contribution to economics as being more like that of the popularizer Benjamin Franklin, than a true original thinker like J.B. Say.[29]

Outside the circle of Political Economists in Paris Bastiat’s reputation as a theorist did not fare any better. The speed with which his journalism in the two *Economic Sophisms* was translated and disseminated across Europe and North America may have worked against him. He rapidly became famous for his clever and witty journalism but his treatise was not given the same treatment. The English translation of *Economic Harmonies* was done by the Scottish political economist Patrick James Stirling but in a bizarre fashion which made it difficult for English readers to see his bigger theoretical picture. He published the translation of the first incomplete volume of 1850 in 1860; the second part of the revised 1851 edition in 1870; the whole volume with parts one and two combined did not appear in English until 1880 some 30 years after its original publication in French, thus making it very difficult for English readers to get access to the complete text.[30]

Thus, for the hundred years following his death in 1850 Bastiat’s work as a theorist was either ignored or disparaged, until his reputation was revived in New York city in the 1950s by Murray Rothbard and his younger friends in the Cercle Bastiat (Leonard Liggio, Ralph Raico, George Reisman, Ronald Hamowy, and Robert Hessen). For a fuller history of this “Rezeptionsgeschichte” see my paper "Seeing the ‘Unseen’ Bastiat: the changing Optics of Bastiat Studies[31] but I will briefly summarise it here.

First, there was the botched publication of the translation of *Economic Harmonies* by Stirling which appeared in 2 separate parts over a period of 30 years before the whole text appeared, thus limiting access to the full text in England and the U.S. to those who could read French. Then there was the comprehensive demolition job by Marx in vol. 1 of *Das Capital* (1867)[32] where he pilloried Bastiat as a mere “bagman” of the capitalist class. Even among the radical reformers of classical political economics, the marginalists of the 1870s, he was largely ignored except for W.S. Jevons. Böhm-Bawerk largely dismissed him as light weight and irrelevant.[33] In the mid–20th century there was another devastating demolition job of his reputation by Schumpeter in 1954 who put the seal on the intellectual fate of Bastiat by calling him “no theorist at all” but a journalist who got out of his depth in the swimming pool of theory and drowned.[34] This was a very witty comment but completely false in my view and did lasting damage to Bastiat as a theorist worthy of any attention by other economists.

Even among his “friends”, those who liked his work on free trade and who did much to revive interest in him in the post-WW2 period such as R.C. Hoiles and Leonard Read, his achievements as an economic journalist rather than as a theorist were stressed for political purposes. The southern Californian newspaper publisher R.C. Hoiles came across Bastiat’s work and

republished the *Economic Sophisms* and *Economic Harmonies* in the mid–1940s as part of his campaign against FDR's New Deal.[35] His protégé Leonard Read, whom he helped set up on the East Coast with FEE, was very interested in Bastiat's religiously based defence of liberty in *The Law* (1950).[36] When Read began the important translation and publication of some of Bastiat's other works in the 1960s he enlisted the support of F.A. Hayek to write an introduction to Bastiat's *Selected Essays on Political Economy* (which included *What is Seen and What is Not Seen*), Hayek virtually conceded Schumpeter's evaluation by damning Bastiat's contribution to economic theory with the faintest of praise.[37] This was followed by Read's publication of Dean Russell's short biography of Bastiat in which he praised his economic journalism and his contributions to political theory, but disparaged his orignality as an economic theorist.[38]

The real rediscovery of Bastiat the economic theorist took place in NYC in the 1950s by Murray Rothbard and the Cercle Bastiat, many of whom were graduate students and attendees of Ludwig von Mises's seminar at NYU.[39] Ralph Raico and Leonard Liggio in particular went on to write PhDs in French intellectual history inspired no doubt by reading Bastiat and discovering some of the other liberals who either inspired him (such as Charles Comte (1782–1837) and Charles Dunoyer (1786–1862)) or were his colleagues or contemporaries.[40] Rothbard took the leading role in this as Leonard Liggio attested to me personally before he died. Rothbard had come across Bastiat no doubt through the republishing efforts of R.C. Hoiles. His reading of Bastiat led him to discover the work of Dunoyer and Gustave de Molinari. He introduced the former to Liggio (see the inscription from him and his wife Joey in a copy of Dunoyer's magnum opus *De la Liberté du travail* which they gave him as a graduation present in February 1959.[41] Liggio was to later write a PhD on the work of Dunoyer which was never published[42] and then wrote an important essay on him for the *Journal of Libertarian Studies*, thus bringing him to the attention of the broader libertarian movement.[43]

However, the most profound impact Bastiat had was on the thinking of Rothbard himself while he was researching his "textbook" introduction to Austrian economics which eventually turned into his own magnum opus *Man, Economy, and State* (1962). Rothbard was struck by Bastiat's use of the Robinson Crusoe thought experiment (which I believe is original to Bastiat) as a way of elucidating the logic of human action from first principles.[44] This theory of "Crusoe economics" became the basis for Rothbard's reworking of Austrian economic fundamentals in MES during the 1950s. It also was used later to ground Rothbard's theory of politics in *The Ethics of Liberty*.[45] One might ask whether Bastiat's innovation in thinking about the theory of abstract human action with his Robinson Crusoe thought experiments is enough on its own to make him an Austrian economist, or at least a "proto-Austrian." Rothbard would later acknowledge his great intellectual debt to Bastiat and the other French economists (not to mention Molinari and the theory of anarcho-capitalism which is another story) in his unfinished history of economic thought.[46]

After Rothbard's death the interest in Bastiat as "an Austrian" has been taken up with gusto by the Mises Institute in many publications, including their own editions of his works including the Stirling translation of *Economic Harmonies*.[47] We also have had the 2001 bicentennial conference in France where a number of economists argued in favour of Bastiat. This conference also was the catalyst for the Liberty Fund translation project of Bastiat's *Collected Works*[48] and the decision to republish his works in a modern French edition by Jacques de Guenin. (See above for details).

Reassessing Bastiat's Sophistication and Originality as a Social and Economic Theorist

Bastiat's Sophistication and Originality as a Social Theorist

This is not the place to go into much detail about the Bastiat's broader social theory, which is a form of sociology or historical analysis of institutions (most notably the State), except to note the following general features of his thought which I summarize below:

- the idea of natural versus artificial orders
- the essential harmony of human social and economic life
- the theory of the State as the organisation of plunder
- the State maintains its power through a combination of force and ideological deception or "sophistry"
- the idea that social and political economy is a "moral economy"

"Natural" versus "Artificial" Orders.

Bastiat makes a distinction between "Natural" and "Artificial" Orders, by which he means that an order emerges "spontaneously (if you will allow me to insert a Hayekian term here) when individuals are left free from coercion and theft to go about their own business (literally), and organising voluntary communities and associations of all kinds (civil, religious, political). On the other hand, when violence, force, or fraud, intrudes, this natural order is "disrupted" with significant economic, political, and social costs for all involved. An "artificial" or constructed order (again to use another Haykeian notion) is created when social or economic planners attempt to impose their view of society upon others - this has been done by theocrats for centuries in Europe, by protectionists and interventionists for a couple of hundred years, and by the newly emergent socialists in Bastiat's own day. According to Bastiat's theory, the free market is just one of several examples of this free, spontaneous, non-violent, prosperous, natural order

The Harmony of Human Social and Economic Life.

Artificial orders are created by violence and threats of violence which are "disturbing factors" which disrupt the natural "harmony" of voluntary peaceful activity. This harmony is a product of Providence and the natural law which governs human behaviour, especially economic natural laws. By this he means that if left alone, people can achieve their different social and economic needs through cooperation, production, and exchange without "inevitably" violating each other's rights to life, liberty, and property. When people use violence against others they either do so because they are predators or plunderers (spoliateurs) like the ancient Roman elite who owned slaves and waged constant war, or they have been deceived (duped) by false theories about the source of peace and prosperity, like the current French public has been duped about false ideas concerning protectionism and socialism. Again, according to Bastiat, the harmony of the market is only one of many examples of a broader "social harmony" made possible by non-violent interactions between people. This is one reason why he was such a fervent advocate of the peace promoting consequences of free trade.

The Theory of the State as the Organisation of Plunder.

The other side of his theory of social and economic harmonies was his theory of social and economic "disharmonies" which he wanted to explore in a series of volumes on the "History of Plunder". Bastiat distinguished between private plunder by highwaymen and brigands, and that of more organised "legal plunder" undertaken by states on behalf of the elites which controlled them. He thus had a theory of class - the plunderers who controlled the state, and their allies, and the plundered who paid the taxes or were forced to labour for the benefit of those elites. He also had an incipient theory of "rent seeking" (although he did not call it that, rather "place-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. Bastiat sketched out his theory of plunder and his planned book in several essays in ES2 (see my paper on Bastiat's Theory of Plunder).[49] His theory of the State can also be pieced together from several essays and scattered remarks and when combined with his history of plunder suggest a rich and potentially very interesting research project which might have occupied him for some time. (building on the work of Charles Comte and Charles Dunoyer done in the 1820s and 1830s,[50] and taken up by Molinari in his two volumes published in the late 18670s and early 1880s,[51] and also independently by Herbert Spencer[52]). Although Bastiat rejected Malthusianism when it came to the growth of human populations, he accepted a version of the theory to explain the inevitable limits which were placed upon the size to which the state could grow. According to Bastiat, the number and wealth of the tax-payers who could be exploited placed an upper limit to how much of their resources the state could plunder before it was forced to cut back its size, thus allowing taxpayers a chance to increase their wealth temporarily, before the state would begin increasing its size all over again. Bastiat also had a modification of this theory to explain the way in which individual bureaucracies and their administrative leaders within a state competed with other bureaucracies for resources.[53]:

The State maintains its Power through a Combination of Force and Ideological Deception or "Sophistry"

Like David Hume and others before him, Bastiat was well aware that the State could not maintain control of the taxpayers by naked force for long. The ordinary person or taxpayer accepted or acceded to the power of State to regulate his or her conduct and to take some or all or his or her property. This insight was central to the purpose of Bastiat's best-known journalism, the *Economic Sophisms* which were designed to expose the lies (fallacies), deceptions ("la ruse"), and sophistry (twisted half-truths) used by the elites who benefited from state power such as tariffs, subsidies, and grants. He believed that closely allied to the state were a group of intellectuals who used their knowledge and skill at argument to deceive the people about what the state was doing to them and to hide the fact that a small but powerful elite were benefiting from this. They use "la ruse" (trickery and deception) to confuse "les dupes" (the dupes was the word Bastiat used to describe the gullible ordinary people) that the state was "plundering" them on an almost permanent basis. The role of economists like him was to expose this deception, to delegitimize the activities of the State, and show the people how they were being "filched" (Bastiat has a whole series of words like this to describe what the state does to ordinary taxpayers and consumers). In the "Conclusion" to *Economic Sophisms. Series I* (Jan. 1846) he summed up his program in the following way:[54]

> For them (the plundering classes) to rob the public, the latter have to be misled. To mislead them is to persuade them that they are being robbed for their own good; it is to make them accept fictitious services and often worse in exchange for their possessions. This gives rise to Sophism. Theocratic Sophism, economic Sophism, political Sophism and financial Sophism. Therefore, since the time when force has been held in check, Sophism is not only an evil, it is the very genius of evil. It must in its turn be held in check. And to do this the public must be made more shrewd than the shrewd, just as it has become stronger than the strong.

It is not well known that Bastiat also wrote a series of what he called "Political Sophisms" in order to do to politics what his "Economic Sophisms" were doing for economics. His most developed example of how the State used ideology to maintain power concerned "theocratic plunder" where he discusses the role played by priests who offered promises of future "fictitious services" (such as a promise of the afterlife) to consumers of religion in a fraudulent "exchange" for their money in the present. One of the

things that made Bastiat such a brilliant journalist was his command of language and his understanding of how rhetoric is used by political and economic “sophists” to deceive the public. In response, he developed his own “rhetoric of liberty” in order to expose and undermine this.[55]

Political Economy is a “Moral Economy”.

Central to Bastiat’s social, political, and economic theory is that it had to be grounded on firm moral principles which were an essential part of its structure. He did not believe in a value-free economic or political methodology which was the direction economic theory would take later in the 19thC. Economics, like the other branches of his social theory, were based upon a moral foundation of support for private property and non-violence, in other words the natural rights of individuals as he expounded them in his essay “The Law” (July 1850). Bastiat believed that the socialists’ critique of profit, interest, and rent in the 1840s had exposed a serious weakness in classical political economic theory which had to be addressed. If those three linchpins of economic theory were “unjust” as Proudhon, Considerant, and Blanc had argued; and if the present-day followers of the greats of the classical school like Smith and Ricardo refused to answer the objections of the socialists, then he (and Molinari) would have to rethink economic theory in order to do so.

These five things made up Bastiat’s social theory - the idea of natural versus artificial orders, the essential harmony of human social and economic life, the theory of the State as the organisation of plunder, the ideology of deception which helped the State maintain its power over others, and the idea that social and political economy is a “moral economy” - and the great tragedy for him and for classical liberalism is that he did not live long enough to finish his work in this area, work which I think he was capable of doing. See my post in the “Liberty Matters” discussion of Bastiat where I talk about the possibility of Bastiat becoming “the Karl Marx of the classical liberal movement” if he had lived longer and been able to complete this ambitious research project.[56]

Bastiat's Sophistication and Originality as an Economic Theorist

I would like to spend some time in what follows outlining some of the contributions to economic theory which Bastiat made which in my view justify us in taking him very seriously as an economic theorist. I would argue that both Schumpeter and Hayek got him very wrong when they dismissed him as "no theorist at all" or damned him with faint praise. The danger in assessing the merits of an author who did not finish his first and only theoretical work is that we read into what are just so many scattered and disjointed insights, something which he never intended working up into a coherent theory. I admit that this is a danger for proponents of Bastiat as a theorist, that we, intentionally or not, are creating "a theoretical mountain" out of what is in effect merely "a journalistic mole hill".[57]

Let me begin by listing some of Bastiat's economic insights which I have drawn from his journalism, academic articles, pamphlets, letters, as well as from his treatise *Economic Harmonies*. When these are considered together I think they show a new and original economic mind has been at work. The unanswered question however is whether these scattered insights actually comprise or might have comprised a coherent economic theory. Consider the following:

1. an individualist methodology of the social sciences
    1. his use of "Crusoe economics" to analyse the science of human action in the abstract, and the idea that human beings make economic decisions (the economizing of limited resources) even before they become involved in exchanging goods and services with others
    2. a consumer-centric view of economic activity, that consumption is the goal and thus determines the economic activity of producers and entrepreneurs, or in other words, that the "wants" of people are the goal of economic activity, giving rise to "efforts" by producers and entrepreneurs to satisfy those wants, and eventually yielding "satisfactions" for consumers
    3. an early form of subjective value theory with his insight that individuals "compare, assess, and evaluate" goods and services before they engage in trade. Although Bastiat explicitly rejected 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. Unfortunately, his language is somewhat confusing on this matter.
    4. 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. He argued that all human transactions are the reciprocal or mutual exchange of services (or "service for service")
    5. the idea that individuals are rational actors and planners
2. the interdependence or interconnectedness of all economic activity, with his version of Leonard Read's "I, Pencil" story: the village cabinet maker and the student
3. the transmission of economic information through the economy which he likened to flows of water or electricity (he did not quite have the Hayekian idea of the role of price information in this process)
4. the idea of opportunity cost, or what he called the "seen" and the "unseen" (Jasay believes Bastiat was the first to make use of this idea)[58]
5. the free market "harmoniously" solves the problem of economic coordination without the need for central planners, as in the provisioning of Paris
6. the idea of the ricochet effect, or the multiplier which can be both negative (tariffs) and positive (steam power) in its impact on the economy
7. the quantification of the impact of economic events ("double incidence of loss")
8. his "Public Choice" like theory of politics (politicians and bureaucrats have interests, rent seeking or what he termed "place-

seeking")

9. the idea of negative factor productivity in "The Negative Railway" (c. 1845) (see Jasay on this)[59]
10. his awareness of the danger of paper money in the hands of a state which wants to expand its activity without imposing the taxes necessary to pay for them; problems caused by below market (or free) interest rates on loans
11. that human wants are unlimited and that the means to satisfy those needs will increasingly become available in a free economy
12. that Malthusian pessimism about population growth is wrong because he underestimated
    1. the productivity of the free market once its shackles had been removed, and
    2. the ability and willingness of rational people to plan the size of their families.
    3. He also thought larger and more concentrated populations expanded the size of the market, increased the division of labour, and reduced costs for trading with others, all of which increased wealth.
    4. he saw human beings as valuable "human capital"
13. that the human labour and exertion which produce physical (material) goods as well as "non-material goods" (or services) is a productive activity and these goods and services have value to others
14. Ricardian rent theory is wrong because there is nothing special about the productivity of land, and thus charging rent for the use of the land is productive and just, and hence a "service" like any other. He expanded these insights about rent into a more general theory of returns on capital, including profit, interest, and rent.
15. he was an early user (in France) of the principle of "ceteris paribus" (other things being equal) and the concept of the elasticity of demand
16. the idea of economic equilibrium: the free market has a built-in mechanism for returning to an equilibrium (or near equilibrium) state after being disrupted by "disturbing factors" (war, protectionism, interventionism, taxation); the market is a "self-repairing" order

A Closer Examination of 3 of Bastiat's Innovative Economic Ideas

Let me take three of the above insights to explore in more detail the innovative nature of Bastiat's economic thinking:

- his individualist methodology: Crusoe economics and the logic of human action
- the interdependence or interconnectedness of all economic activity
- the transmission of economic information through the economy
- the idea of opportunity cost

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 began working on this 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 Babbington 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.”[60] Thus, Bastiat’s extensive use of “Crusoe economics” between 1847 and 1850 may well be an original contribution to economic reasoning. However, it should be noted that Henry Carey also makes use of Robinson Crusoe but, as with his theory of harmony, this was developed independently and was not known to Bastiat.[61]

In fact, Rothbard regards “Crusoe economics” as “the indispensable groundwork for the entire structure of economics and praxeology”[62] 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.[63] 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: provocatively and perhaps sarcastically (given his recent altercations with French protectionists), 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.

The *Interdependence or Interconnectedness* of all Economic Activity

“I, Carpenter”

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)[64] 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.[65] 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.

"The Provisioning of Paris"

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. [66] 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.

"The Ricochet Effect"

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 thus "unseen" to use his terminology) 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).[67] 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 ricocheted throughout the economy and 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":[68]

> 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, or the "Unseen"

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.[69] Since this idea of Bastiat's is quite well known I will not go into it in any detail here.

Conclusion: What kind of an Economist was Bastiat?

There are several ways to answer this interesting question. One school of thought, the modern Austrians (Salerno, Thornton, DiLorenzo, Hülsmann), have identified many Austrian insights in Bastiat's thinking and have claimed him as one of their own. In a previous paper I discuss in some detail the positive things Jevons (1879), Mises (1959), the early Rothbard (1960), and Kirzner (1960) had to say about him.[70] 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 (Dorn, Stringham, Caplan, Munger). One might also make the argument that Bastiat was an early "Northian" or a "Levite" in his understanding of institutions, the predatory state, and economic growth.[71] 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.[72] The later 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 traité 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*.[73]

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.[74] 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.[75] 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.[76] 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.[77]

Michael Munger's thoughts on this are particularly interesting:[78]

> 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 according to his article in the *Concise Encyclopedia of Economics*:[79]

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 (in **bold**); partially true for proposition for 4; close but not there yet for 5, 6, 7 (in *italic*); 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.

My Conclusion is the following: 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.

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Handout 1: A Reconstruction of Bastiat's Multi-Volume Unfinished Treatises. The Social and Economic Harmonies and The History of Plunder

David M. Hart, "Reassessing Frédéric Bastiat as an Economic Theorist" (Oct. 2015)

Email: dhart@libertyfund.org

Further Information: "The Unfinished Treatises: The Social and Economic Harmonies and The History of Plunder (1850–51)" http://oll.libertyfund.org/pages/FB-Treatises.

Volume one would be a general theory of how human society functions, called *Social Harmonies* with chapters on:

- responsibility
- solidarity
- self interest or the "social motor or driving force"
- perfectibility
- public opinion
- the relationship between political economy and morality, politics, legislation, and religion

Volume two would be his economic theory, called *Economic Harmonies* with chapters on:

- producers and consumers
- individualism and sociability
- the theory of Rent
- money
- credit
- wages
- savings
- population
- private services, public services
- taxation
- on machines
- free trade
- on middlemen
- raw materials and finished products
- on luxury

Volume three would deal with disrupting factors or "disharmonies", perhaps called *The History and Theory of Plunder* with chapters on:

- plunder
- war

- slavery
- theocracy
- monopoly
- governmental exploitation
- false fraternity or communism

Handout 2: "Bastiat's Sophistication and Originality as an Economic Theorist"

David M. Hart, "Reassessing Frédéric Bastiat as an Economic Theorist" (Oct. 2015)

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Further Information: http://davidmhart.com/liberty/Papers/DMH_Bastiat-EconomicTheorist21Sept2015.html.

A list of some of Bastiat's economic insights:

1. an individualist methodology of the social sciences
    1. his use of "Crusoe economics" to analyse the science of human action in the abstract, and the idea that human beings make economic decisions (the economizing of limited resources) even before they become involved in exchanging goods and services with others
    2. a consumer-centric view of economic activity, that consumption is the goal and thus determines the economic activity of producers and entrepreneurs, or in other words, that the "wants" of people are the goal of economic activity, giving rise to "efforts" by producers and entrepreneurs to satisfy those wants, and eventually yielding "satisfactions" for consumers
    3. an early form of subjective value theory with his insight that individuals "compare, assess, and evaluate" goods and services before they engage in trade. Although Bastiat explicitly rejected 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. Unfortunately, his language is somewhat confusing on this matter.
    4. 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. He argued that all human transactions are the reciprocal or mutual exchange of services (or "service for service")
    5. the idea that individuals are rational actors and planners
2. the interdependence or interconnectedness of all economic activity, with his version of Leonard Read's "I, Pencil" story: the village cabinet maker and the student
3. the transmission of economic information through the economy which he likened to flows of water or electricity (he did not quite have the Hayekian idea of the role of price information in this process)
4. the idea of opportunity cost, or what he called the "seen" and the "unseen" (Jasay believes Bastiat was the first to make use of this idea)[58]
5. the free market "harmoniously" solves the problem of economic coordination without the need for central planners, as in the provisioning of Paris
6. the idea of the ricochet effect, or the multiplier which can be both negative (tariffs) and positive (steam power) in its impact on the economy
7. the quantification of the impact of economic events ("double incidence of loss")
8. his "Public Choice" like theory of politics (politicians and bureaucrats have interests, rent seeking or what he termed "place-seeking")
9. the idea of negative factor productivity in "The Negative Railway" (c. 1845) (see Jasay on this)[59]
10. his awareness of the danger of paper money in the hands of a state which wants to expand its activity without imposing the

taxes necessary to pay for them; problems caused by below market (or free) interest rates on loans

11. that human wants are unlimited and that the means to satisfy those needs will increasingly become available in a free economy
12. that Malthusian pessimism about population growth is wrong because he underestimated
    1. the productivity of the free market once its shackles had been removed, and
    2. the ability and willingness of rational people to plan the size of their families.
    3. He also thought larger and more concentrated populations expanded the size of the market, increased the division of labour, and reduced costs for trading with others, all of which increased wealth.
    4. he saw human beings as valuable “human capital”
13. that the human labour and exertion which produce physical (material) goods as well as “non-material goods” (or services) is a productive activity and these goods and services have value to others
14. Ricardian rent theory is wrong because there is nothing special about the productivity of land, and thus charging rent for the use of the land is productive and just, and hence a “service” like any other. He expanded these insights about rent into a more general theory of returns on capital, including profit, interest, and rent.
15. he was an early user (in France) of the principle of “ceteris paribus” (other things being equal) and the concept of the elasticity of demand
16. the idea of economic equilibrium: the free market has a built-in mechanism for returning to an equilibrium (or near equilibrium) state after being disrupted by “disturbing factors” (war, protectionism, interventionism, taxation); the market is a “self-repairing” order

Endnotes

1. See Garello et al., *Journal des Économistes et des Études Humaines,* vol. 11, no. 2/3 (June 2001). Editor-in-Chief: Garello, Pierre. Special issue devoted to papers given at the Bastiat bicentennial conference. ↩

2. Jacques de Guenin is republishing Bastiat's 7 volume *Oeuvres complètes* in French: Frédéric Bastiat, *Oeuvres complètes. Édition en 7 volumes,* sous la direction de Jacques de Guenin. (Paris: Institut Charles Coquelin, 2009). Minart, Gérard. *Frédéric Bastiat (1801–1850). Le croisé de libre-échange* (Paris: L'Harmattan, 2004). Robert Leroux, *Lire Bastiat: Science sociale et libéralisme* (Paris: Hermann, 2008); *Political Economy and Liberalism in France: The Contributions of Frédéric Bastiat* (London: Routledge, 2011). ↩

3. Bastiat, "De l'influence des tarifs français et anglais sur l'avenir des deux peuples" (On the Influence of French and English Tariffs on the Future of the Two People), *Journal des Économistes*, T. IX, Oct. 1844, pp. 244–71. [OC1.6, pp. 334–86][CW6]. Online: http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/JDE/BastiatTarifs-JDE-1844-T9-AugNov.pdf. ↩

4. Bastiat, *Cobden et la Ligue, ou l'agitation anglaise pour la liberté du commerce* (Paris: Guillaumin, 1845). ↩

5. Bastiat, *Sophismes économiques. Première série.* (Paris: Guillaumin, 1846). Published Dec. 1845 or Jan. 1846. [ES1][OC4.1, p. 1] [CW3]. Online: http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/Books/1846_SophismesEconomiques1-1st.pdf. ↩

6. *Le Libre-Échange. Journal du travail agricole, industriel et commercial.* Première année, No. 1: 29 novembre 1846; No. 52: 21 novembre 1847. Edited by Frédéric Bastiat and Charles Coquelin. Bastiat edited and wrote for the magazine until February 13, 1848 when Coquelin took over the editorial duties. The magazine is available online: http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/LibreEchange/index.html. ↩

7. See the Liberty Matters discussion of Bastiat: Lead essay by Robert Leroux, "Bastiat and Political Economy" (July 1, 2013) with response essays by Donald J. Boudreaux, Michael C. Munger, and David M. Hart. http://oll.libertyfund.org/pages/bastiat-and-political-economy. ↩

8. Bastiat et al., *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. And Bastiat et al., *Jacques Bonhomme* appeared approximately weekly with 4 issues between 11 June to 13 July. Online: http://davidmhart.com/liberty/FrenchClassicalLiberals/Molinari/JB/index.html. ↩

9. See the list of Bastiat's anti-socialist pamphlets in the Bibliography. ↩

10. "The Law" (June 1850) is in CW2; and *What is Seen and What is Not Seen* (July 1850) will be in CW3. ↩

11. The first incomplete edition of *Harmonies économiques* appeared in January 1850 with the first 10 chapters. After his death in December 1850 his friends put together a more complete edition from his papers which was published in July 1851. See, *Harmonies économiques* (Economic Harmonies) (Paris: Guillaumin, 1850)

http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/Books/Bastiat_Harmonies_economiques1850Paris.pdf and *Harmonies économiques. 2me Édition augmentées des manuscrits laissés par l'auteur. Publiée par la Société des amis de Bastiat* (Paris: Guillaumin, 1851) http://davidmhart.com/liberty/FrenchClassicalLiberals/Bastiat/Books/Bastiat_1851HarmoniesEconomiques2nded.pdf. Introduction by Prosper Paillottet and Roger de Fontenay. ↩

12. "Réunion de la rue Taranne", *Le Libre-Échange*, 4 July 1847, no. 32, pp. 252–53. ↩

13. See his undated draft Introduction to *Economic Harmonies* written probably in late 1847 when he began lecturing on political economy. In his typical ironic style, it is in the form of a letter he wrote to himself. See, OC7.73, pp. 303–9. Translation in Frédéric Bastiat, *The Collected Works of Frédéric Bastiat. Vol. 1: The Man and the Statesman: The Correspondence and Articles on Politics*, http://oll.libertyfund.org/titles/2393#lf1573-01_label_689. ↩

14. David M. Hart, "Reader's Guide to the Works of Frédéric Bastiat (1801–1850)" (July 28, 2015) http://oll.libertyfund.org/pages/fb-readersguide in the section called "The Unfinished Treatises: The Social and Economic Harmonies and The History of Plunder (1850–51)." ↩

15. Most historians have thought Bastiat died of tuberculosis (which killed his parents when he was a young boy) but some comments in his letters suggest something more like throat cancer. See, Letter 184 to M. Cheuvreux, Mugron 14 July 1850, CW1, p.260–62: "For some time now, I have had a very local pain in the larynx that is unbearable because it is continuous."; Letter 191 to Louise Cheuvreux, Lyons 14 Sept. 1850, CW1, pp. 270–73: "Oh, how fragile is the human frame! Here I am, the plaything of a tiny pimple growing in my larynx."; and Letter 203 to Félix Coudroy, Rome 11 Nov. 1850, CW1, pp. 288–89: "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." In the Foreword to the second enlarged edition of *Economic Harmonies* (July 1851) Prosper Paillottet and Roger de Fontenay state that by the end of the summer of 1850 Bastiat had completely lost the use of his voice. ↩

16. See Letter 65 to Mr. Richard Cobden, Mugron, 25 June 1846, CW1, pp. 105–6. ↩

17. "A Draft Preface to the Economic Harmonies" (Fall 1847), CW1, pp. 316–20. ↩

18. In a letter to Richard Cobden (Aug. 1848) he explained that his aim was "to set out the true principles of political economy as I see them, and then to show their links with all the other moral sciences", Letter 107 to Richard Cobden, Paris, 18 August 1848, CW, pp. 160–61. In a letter to Casimir Cheuvreux (July 1850) he stated that "When I said that the laws of political economy are harmonious, I did not mean only that they harmonize with each other, but also with the laws of politics, the moral laws, and even those of religion", Letter 184 to M. Cheuvreux, Mugron, 14 July 1850, CW1, p.260–62. See also, his Letter 39 to Félix Coudroy, Paris, 6 June 1845, CW1, pp. 62–65; and Letter 108 to Félix Coudroy, Paris, 26 August 1848, CW1, pp. 161–63. Prosper Paillottet and Roger de Fontenay's "Foreword" to the second enlarged edition of *Economic Harmonies* (July 1851) quote an unpublished piece by Bastiat on this plan. ↩

19. In a note at the end of the "Conclusion" to ES1 Paillottet tells us that "The influence of plunder on the destiny of the human race preoccupied him greatly. After having covered this subject several times in the Sophisms and the Pamphlets (see in particular Property and Plunder and Plunder and Law) (OC, vol. 4, p. 394, "Propriété et spoliation"; and vol. 5, p. 1, "Spoliation et loi"), he planned a more ample place for it in the second part of the Harmonies, among the disturbing factors. Lastly, as the final evidence of the interest he took in it, he said on the eve of his death: "A very important task to be done for political economy is to write the history of plunder. It is a long history in which, from the outset, there appeared conquests, the

migrations of peoples, invasions, and all the disastrous excesses of force in conflict with justice. Living traces of all this still remain today and cause great difficulty for the solution of the questions raised in our century. We will not reach this solution as long as we have not clearly noted in what and how injustice, when making a place for itself amongst us, has gained a foothold in our customs and our laws."' In CW3 (in production). FEE ed. ↩

20. "Propriété et spoliation" (Property and Plunder). Originally published in *Le Journal des débats*, 24 July 1848, CW2, pp. 147–84. ↩

21. See in particular the list of planned chapters following chapter 10 "Competition" in the published version of *Economic Harmonies* (1851). FEE ed. http://oll.libertyfund.org/titles/79#lf0187_head_072. ↩

22. Bastiat, "Harmonie économiques. I, II, III (Des besoins de l'homme)", *Journal des Économistes*, T. XXI, No. 87, 15 Sept. 1848, pp. 105–20; "Harmonie économiques. IV", *Journal des Économistes*, T. XXII, No. 93, 15 Dec. 1848, pp. 7–18. Our edition of *Economic Harmonies* will be in CW5 (forthcoming). FEE ed. ↩

23. See Bastiat's description in Letter 140 to Bernard Domenger, Paris, Tuesday, 13 … (Summer 1849), in CW1, pp. 205–6. ↩

24. The first part of *Economic Harmonies* published in Bastiat's lifetime contained only the first 10 chapters and appeared in Jan. 1850 but was not reviewed by the JDE until June. See, "Harmonies économies, par M. Frédéric Bastiat. (Compte rendu par. M. A. Clément), JDE, T. 26, no. 111, 15 juin 1850, pp. 235–47. Bastiat realised that he had upset the economists with his radically new interpretations of key aspects of orthodox classical economics such as rent, Malthusian population theory, and value theory. Bastiat mentions its appearance in January 1850 in Letter 158 to Félix Coudroy, Paris, Jan. 1850, CW1, pp. 228–9. ↩

25. The second, enlarged edition of the *Economic Harmonies* was published posthumously by "les Amis de Bastiat" (the friends of Bastiat), or Prosper Paillottet and Roger de Fontenay, who added an additional 15 chapters which they had reconstructed from Bastiat's notes and drafts. See, *Harmonies économiques. 2me Édition augmentées des manuscrits laissés par l'auteur. Publiée par la Société des amis de Bastiat* (Paris: Guillaumin, 1851). Introduction by Prosper Paillottet and Roger de Fontenay. It was reviewed by Joseph Garnier in JDE in August 1851 so it may have been published in June or July. See, Garnier, Joseph Garnier, "La deuxième édition des Harmonies économiques de Frédéric Bastiat," JDE, T. 29, no. 124, 15 août 1851, pp. 312–16. ↩

26. The Political Economy Society discussed his chapter on rent in *Economic Harmonies* at their Dec. 10, 1849 meeting. In a very vigorous and critical discussion they rejected his theory. See, *Annales de la Société d'Économie politique. Publiés sous la direction de Alph. Courtois fils, secrétaire perpétuel. Tome premier, 1846–1853* (Paris: Guillaumin, 1889), p. 94. ↩

27. See the debate in the JDE in the first half of 1851: "Les Harmonies économiques. Lettre de M. Carey; Réponse de MM. Frédéric Bastiat et A. Clément," JDE, T. 28, N° 117, 15 janvier 1851, pp. 38–54; "Observations de M. H.C. Carey sur la dernière note de FRÉDÉRIC BASTIAT," JDE, T. 29, N° 121, 15 mai 1851, pp. 43–54; "Correspondance. Au sujet des reclamations de M. H. Carey, par M. PAILLOTTET," JDE, T. 29, N° 122, 15 juin 1851, pp. 156–60. The end result was that it seems they had both independently come upon the same idea at the same time. ↩

28. ES3.4 "Un profit contre deux pertes" (One Profit versus Two Losses), *Le Libre-Échange*, 9 May 1847, no. 24, p. 192 in CW3 (in production). ↩

29. Molinari, "Nécrologie. — Frédéric Bastiat, notice sur sa vie et ses écrits," JDE, T. 28, N° 118, 15 février 1851, pp. 180–96. ↩

30. The incomplete first edition of 1850 (1st 10 chapters) was translated as: *Harmonies of Political Economy, by Frédéric Bastiat. Translated from the French, with a Notice of the Life and Writings of the Author (Patrick James Stirling)* (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 complete volume as it appeared in the 3rd French edition of 1855: *Harmonies of Political Economy, by Frédéric Bastiat. Translated from the Third Edition of the French, with a Notice of the Life and Writings of the Author. Second Edition* (Edinburgh: Oliver and Boyd, 1880). ↩

31. David M. Hart, "Seeing the 'Unseen' Bastiat: the changing Optics of Bastiat Studies. Or, what the Liberty Fund's Translation Project is teaching us about Bastiat" (1 Dec. 2014) http://davidmhart.com/liberty/Papers/DMH_Bastiat-SeenAndUnseen15Nov2014.html. ↩

32. 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". Marx's comments: "Bastiat, the most superficial and therefore the most adequate representative of the apologetic of vulgar economy", p. 20 http://oll.libertyfund.org/titles/965#Marx_0445-01_41; "the modern bagmen of Free Trade, such as Bastiat" p. 71 http://oll.libertyfund.org/titles/965#Marx_0445-01_164; and "a dwarf economist like Bastiat " fn. p. 93, http://oll.libertyfund.org/titles/965#lf0445-01_footnote_nt042. See, Karl Marx, *Capital: A Critique of Political Economy. Volume I: The Process of Capitalist Production,* by Karl Marx. Trans. from the 3rd German edition, by Samuel Moore and Edward Aveling, ed. Federick Engels. Revised and amplified according to the 4th German ed. by Ernest Untermann (Chicago: Charles H. Kerr and Co., 1909). http://oll.libertyfund.org/titles/965. ↩

33. Of the triumvirate of original marginalists, only Jevons mentioned Bastiat as a forerunner and urged his fellow economists to read him. William Stanley Jevons, *The Theory of Political Economy (1871). Second Edition, Revised and Enlarged, with New Preface and Appendices* (London: Macmillan and Co., 1879). Preface to the Second Edition, p. xlviii; pp. 43–44; "Concluding Remarks: The Noxious Influence of Authority", pp. 298–300. ↩

34. Joseph A. Schumpeter, *History of Economic Analysis.* Edited from Manuscript by Elizabeth Boody Schumpeter (New York: Oxford University Press, 1974). 1st ed. 1954). See, "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." And "I do not hold that Bastiat was a bad theorist. I hold that he was no theorist." pp. 500–01 ↩

35. Bastiat, *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, which also included *The Law*. ↩

36. "The Law" was probably also reprinted in the first issue of FEE's magazine *The Freeman*, v. 1, no. 1. Also as an illustrated version: *Samplings of Important Books No. 4. The Law by Frederic Bastiat.* "Law is organized justice." (The Foundation for Economic Education, Incorporated. (Irvington-on-Hudson, N.Y., n.d.). http://www.fee.org/library/books/from-the-archives-the-law-illustrated-sample/. My discussion of the images: http://davidmhart.com/blog/C20111228141034/E20120629082046/index.html. And then as a pamphlet: 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. ↩

37. Hayek's "Introduction," Bastiat, *Selected Essays* (FEE ed.), p. ix, http://oll.libertyfund.org/titles/956#Bastiat_0181_14. ↩

38. Russell translated the 100th anniversary edition of "The Law" (1950), wrote a PhD on his thought under Wilhelm Roepke during the late 1950s which was published in revised form by FEE 1965 as Dean Russell, *Frédéric Bastiat: Ideas and Influence* (Irvington-on-Hudson, New York: The Foundation for Economic Eduction, 1969), especially Chap. 3 "Economic and Social Harmonies". Russell states that Bastiat's theory of value was "not merely wrong but somewhat pointless". In his mind, the real value of Bastiat's work was as a political theorist who developed an important theory of "the source, purpose, and organization of government". p. 28. ↩

39. The details of Mises' arrival in New York and the impact his seminar had on the libertarian movement of the late 1940s and 1950s can be found in Jörg Guido Hülsmann, *Mises: The Last Knight of Liberalism* (Auburn, Alabama: Ludwig von Mises Institute, 2007), Part VI "Mises in America", "18. Émigré in New York" pp. 789–835 and "19. Birth of a Movement" pp. 837 ff. ↩

40. Raico's 1970 PhD has been republished as Ralph Raico, *The Place of Religion in the Liberal Philosophy of Constant, Tocqueville, and Lord Acton (1970),* A Dissertation Submitted to the University of Chicago's Faculty of the Division of the Social Sciences in Candidacy for the Degree of Doctor of Philosophy for the Committee on Social Thought, Chaired by F. A. Hayek (Auburn, Alabama: Ludwig von Mises Institute, 2010). See also his essay "The Centrality of French liberalism" in *Classical Liberalism and the Austrian School,* Foreword by Jörg Guido Hülsmann. Preface by David Gordon (Auburn, Alabama: Ludwig von Mises Institute, 2012). "The Centrality of French liberalism," pp. 219–53. And Ralph Raico, "Classical Liberal Exploitation Theory: A Comment on Professor Liggio's Paper," *Journal of Libertarian Studies,* 1979, vol. 1, no. 3, pp. 179–183. ↩

41. The inscription reads: "Feb. 1959. To Leonard Liggio, historian of liberty, on the occasion of his M.A., with affection and best wishes for a bright future. Murray and Joey Rothbard." The edition was published in Liége, 1846. ↩

42. Leonard P. Liggio wrote his thesis on Dunoyer which was never completed and not submitted. See, "Dunoyer and the Bourbon Restoration of 1814". (Date unknown, probably done while he was at Fordham University in New York City). It is now online http://davidmhart.com/liberty/LPL/LPL-PhD.pdf. ↩

43. See, Liggio, "Charles Dunoyer and French Classical Liberalism," *Journal of Libertarian Studies*, vol. 1, no. 1, 1977, pp. 153–78 http://davidmhart.com/liberty/LPL/JLS/Dunoyer_1_3_1.pdf and another on Bastiat, "Bastiat and the French School of Laissez-Faire" in *Journal des Économistes et des Études Humaines*, vol. 11, no. 2/3 (June 2001). See also, Liggio's account of the early libertarian movement at this time in *Liggio Living Legacy Project* http://leonardliggio.org/; and Ralph Raico's talk, "Memoirs of Hayek in Chicago and Rothbard in New York," by Ralph Raico, 1 Aug 2005 http://media.mises.org/mp3/MU2005/MisesCircle-Raico.mp3. ↩

44. See my paper on "Crusoe economics": "The Economics of *Robinson Crusoe* from Defoe to Rothbard by way of Bastiat". A Paper given at the Association of Private Enterprise Education, International Conference (April 12–14, 2015). <davidmhart.com/liberty/Papers/Bastiat/DMH_CrusoeEconomics.html>. ↩

45. Murray N. Rothbard, *Man, Economy and State: A Treatise on Economic Principles, with Power and Market: Government and the Economy. Second Edition. Scholar's Edition* (Auburn, Alabama: Ludwig von Mises Institute, 2009). And Murray N. Rothbard, *The Ethics of Liberty* (Atlantic Highlands, N.J.: Humanities Press, 1982). ↩

46. Rothbard, *Classical Economics: An Austrian Perspective on the History of Economic Thought. Volume II* (Auburn, Alabama: Ludwig von Mises Institute, 2006), p. 444. Rothbard pays his debt to the French economists in his own intellectual development in this volume in which the references to Say, Comte, Dunoyer, Bastiat, and Molinari are too many to mention. See, especially chap. 14 "After Mill: Bastiat and the French laissez-faire tradition," pp. 439–75; especially 14.2 "Frédéric Bastiat: the central figure," p. 444. ↩

47. *The Bastiat Collection. Introduction by Mark Thornton. Second Edition.* (Auburn, AL.: Ludwig von Mises Institute, 2011). ↩

48. See the Bibliography for details. ↩

49. 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 morales" (Two Moralities) http://oll.libertyfund.org/titles/276#lf0182_head_056 and http://oll.libertyfund.org/titles/276#lf0182_head_058. See David M. Hart, "Frédéric Bastiat's Distinction between Legal and Illegal Plunder" - A Paper given at the Molinari Society Session "Explorations in Philosophical Anarchy" at the Pacific Meeting of the American Philosophical Society, Seattle WA, 7 April, 2012. PDF: http://davidmhart.com/liberty/Papers/Bastiat/Bastiat_LegalPlunderPaperApril2012.pdf. ↩

50. The pioneers of classical liberal sociology, or "industrialism" as they called it, were two people who very much influenced Bastiat's thinking, Charles Comte and Charles Dunoyer. See their works which he would have read as a young man: Charles Comte, *Traité de législation, ou exposition des lois générales suivant lesquelles les peuples prospèrent, dépérissent ou restent stationnaire,* 4 vols. (Paris: A. Sautelet et Cie, 1827); *Traité de la propriété,* 2 vols. (Paris: Chamerot, Ducollet, 1834); Charles Dunoyer, *L'Industrie et la morale considérées dans leurs rapports avec la liberté* (Paris: A. Sautelet et Cie, 1825); *Nouveau traité d'économie sociale, ou simple exposition des causes sous l'influence desquelles les hommes parviennent à user de leurs forces avec le plus de LIBERTÉ, c'est-à-dire avec le plus FACILITÉ et de PUISSANCE* (Paris: Sautelet et Mesnier, 1830), 2 vols.; *De la liberté du travail, ou simple exposé des conditions dans lesquelles les force humaines s'exercent avec le plus de puissance* (Paris: Guillaumin, 1845). ↩

51. Bastiat's younger friend and colleague Gustave de Molinari continued this tradition with two long books published 30 years after Bastiat died: Gustave de Molinari, *L'évolution économique du XIXe siècle: théorie du progrès* (Paris: C. Reinwald 1880); *L'évolution politique et la révolution* (Paris: C. Reinwald, 1884). Shortly after Bastiat died he wrote a pioneering work on classical liberal class theory to explain how Louis Napoléon had come to power in 1858: Gustave Molinari, *Les révolutions et le despotisme, envisagés au point de vue des intérêts matériels, précédé d'une lettre à M. le comte J. Arrivabene, sur les dangers de la situation présente* (Bruxelles: Meline, Cans et Cie, 1852). ↩

52. Independently of the French classical liberals Hebert Spencer was thinking on very similar lines. There is no evidence he knew anything of their work. See especially, Herbert Spencer, *The Principles of Sociology, in Three Volumes* (New York: D. Appleton and Company, 1898). http://oll.libertyfund.org/titles/2634. ↩

53. See Bastiat's discussion of Malthusian limits to the growth of the state in ES2.1 "The Physiology of Plunder" http://oll.libertyfund.org/titles/276#Bastiat_0182_723 and with regard to civil servants in "Speech on the Tax on Wines and Spirits" (12 Dec. 1849) [CW2.16 pp. 328–47] http://oll.libertyfund.org/titles/2450#Bastiat_1573-02_2136. See my paper,

”Frédéric Bastiat’s Distinction between Legal and Illegal Plunder". A Paper given at the Molinari Society Session “Explorations in Philosophical Anarchy” at the Pacific Meeting of the American Philosophical Society, Seattle WA, 7 April, 2012. ↩

54. Frédéric Bastiat, *Economic Sophisms,* trans. Arthur Goddard, introduction by Henry Hazlitt (Irvington-on-Hudson: Foundation for Economic Education, 1996).http://oll.libertyfund.org/titles/276#Bastiat_0182_649. The new Liberty Fund translation is given in the text. ↩

55. See my paper on Bastiat’s Rhetoric of Liberty: “Opposing Economic Fallacies, Legal Plunder, and the State: Frédéric Bastiat’s Rhetoric of Liberty in the Economic Sophisms (1846–1850)”. A paper given at the July 2011 annual meeting of the History of Economic Thought Society of Australia (HETSA) at the Royal Melbourne Institute of Technology. http://davidmhart.com/liberty/Papers/Bastiat/Hart_BastiatsSophismsAug2011.html. ↩

56. David M. Hart, “What Might Bastiat Have Achieved If He Had Lived as Long as Karl Marx?” [Posted: July 26, 2013] in *Liberty Matters: Robert Leroux, “Bastiat and Political Economy” (July 1, 2013)* http://oll.libertyfund.org/pages/bastiat-and-political-economy#conversation17. ↩

57. See his ES3.14 “Making a Mountain out of a Mole Hill” - “Midi à quatorze heures” (Making a Mountain out of a Mole Hill). An unpublished outline from 1847, OC, vol. 2, pp. 400–09. (Thinking it is midday/noon at 2 o’clock in the afternoon) ↩

58. 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.” ↩

59. Jasay has argued that Bastiat’s notion of negative factor productivity in “The Negative Railway” (c. 1845) was an innovation ahead of its time. See, Jasay, “Two Cheers For Fiscal Austerity: Part I.” *Econlib*, Aug. 02, 2010 http://www.econlib.org/library/Columns/y2010/Jasayausterity.html, and Bastiat, “Un chemin de fer négatif” (A Negative Railway] [n.d.][ES1] [OC4.1.17, pp. 93–94][CW3] http://oll.libertyfund.org/titles/276#lf0182_head_041. ↩

60. 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. ↩

61. Henry Carey makes no reference to Robinson Crusoe explicitly but does discuss the predicament of “an individual of mature age, thrown upon and sole occupant of an island” in *Principles of Political Economy, Part the First: Of the Laws of the Production and Distribution of Wealth* (1837), chap II Of Value, p. 7, but there is no evidence that he took the concept much further or that Bastiat knew anything of his work. ↩

62. “A Crusoe Social Philosophy,” in *The Ethics of Liberty* (Atlantic Highlands, N.J.: Humanities Press, 1982), p. 29. ↩

63. 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.” ↩

64. Leonard Read, “I, Pencil: My Family Tree as Told to Leonard E. Read,” *The Freeman* (December 1958). On the FEE website it is described as an economic “parable.” http://fee.org/library/detail/i-pencil-audio-pdf-and-html. See also Leonard E. Read, *I Pencil: My Family Tree as told to Leonard E. Reed* (Irvington-on-Hudson, New York: Foundation for Economic Education, Inc., 1999). http://oll.libertyfund.org/titles/112. ↩

65. Both are in Chap. 1: Natural and Artificial Social Order in *Economic Harmonies*. In the FEE edition, pp. 3–4 (cabinet maker) and pp. 5–6 (student in Paris): *Economic Harmonies,* trans by W. Hayden Boyers, ed. George B. de Huszar, introduction by Dean Russell (Irvington-on-Hudson: Foundation for Economic Education, 1996). http://oll.libertyfund.org/titles/79#Bastiat_0187_150. ↩

66. ES1.18 “There are No Absolute Principles (1845). FEE ed.: Frédéric Bastiat, *Economic Sophisms,* trans. Arthur Goddard, introduction by Henry Hazlitt (Irvington-on-Hudson: Foundation for Economic Education, 1996). XVIII “There Are No Absolute Principles” http://oll.libertyfund.org/titles/276#Bastiat_0182_482. ↩

67. Bastiat, “Un profit contre deux pertes” (One Profit versus Two Losses), 9 May 1847, *Le Libre-Échange*, in *Oeuvres complètes* (1st ed. 1854–55), *Vol. 2: Le Libre-Échange* (1855), pp. 377–84.; “Deux pertes contre un profit” (Two Losses versus One Profit), 30 May 1847, *Le Libre-Échange*, in *Oeuvres complètes* (1st ed. 1854–55), Vol. 2: Le Libre-Échange (1855), pp. 384–91. See my paper “On Ricochets, Hidden Channels, and Negative Multipliers: Bastiat on Calculating the Economic Costs of ‘The Unseen’.” A Paper given at the History of Thought Session of the Society for the Development of Austrian Economics, 24 Nov. 2013. http://davidmhart.com/liberty/Teaching/2013/SEA/DMH-BastiatRicochet_24Nov2013.pdf. ↩

68. See ES3.7 “Deux pertes contre un profit” (Two Losses versus One Profit) [30 May 1847]. ↩

69. 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. ↩

70. For details see, David M. Hart, “Seeing the ‘Unseen’ Bastiat: the changing Optics of Bastiat Studies. Or, what the Liberty Fund’s Translation Project is teaching us about Bastiat.” A paper presented to the “Colloquium on Market Institutions & Economic Processes” at NYU, Monday, December 1, 2014. http://davidmhart.com/liberty/Papers/DMH_Bastiat-SeenAndUnseen15Nov2014.html. ↩

71. Douglass C. North and Robert Paul Thomas, *The Rise of the Western World: A New Economic History* (Cambridge University Press, 1973). And Margaret Levi, *Of Rule and Revenue* (University of California Press, 1988). ↩

72. Salerno, J.T. (1988) “The Neglect of the French Liberal School in Anglo-American Economics: A Critique of Received Explanations.” *The Review of Austrian Economics* 2: 113–56. ↩

73. Rothbard, *Classical Economics: An Austrian Perspective on the History of Economic Thought. Volume II* (Auburn, Alabama: Ludwig von Mises Institute, 2006), Especially chap. 14 “After Mill: Bastiat and the French laissez-faire tradition,” pp. 439–75. Quote from pp. 445–46. ↩

74. Thomas J. DiLorenzo, “Frédéric Bastiat: Between the French and Marginalist Revolutions,” in *15 Great Austrian Economists. Edited and with and Introduction by Randall G. Holcombe* (Auburn Alabama: Ludwig von Mises Institute, 1999), pp. 59–69. ↩

75. Jörg Guido Hülsmann, “Bastiat’s Legacy in Economics,” *The Quarterly Journal of Austrian Economics*, vol. 4, no. 4, (Winter 2001), pp. 55–70. ↩

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

77. James A. Dorn, “Bastiat: A Pioneer in Constitutional Political Economy” *Journal des Economistes et des Etudes Humaines*, vol. 11, no. 2/3 (June 2001); Caplan, Bryan; Stringham, Edward (2005). “Mises, Bastiat, Public Opinion, and Public Choice”. *Review of Political Economy* 17: 79–105. http://econfaculty.gmu.edu/bcaplan/pdfs/misesbastiat.pdf. ↩

78. Michael C. Munger, “Did Bastiat Anticipate Public Choice?” in *Liberty Matters: Robert Leroux, “Bastiat and Political Economy”* (July 1, 2013) http://oll.libertyfund.org/pages/bastiat-and-political-economy#conversation3. ↩

79. Peter Boettke, “Austrian School of Economics,” *The Concise Encyclopedia of Economics*, Econlib, http://www.econlib.org/library/Enc/AustrianSchoolofEconomics.html. ↩