



French freedom fighters?

Julie Novak explores the work
of the most important French
classical liberal, Frederic Bastiat.

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In many ways France is a representative case for much of what is wrong with the European model of economic development.

With a willing embrace of welfare statism at home and a compliant attitude towards European regulations encroaching into its internal affairs, France is an epitome for what is more commonly known as 'Eurosclerosis'-a combination of persistently sluggish growth and high unemployment.

The unenviable French economic record over recent decades has persisted while most of the remainder of world has realised, in theory at least, that the secret to attaining high living standards depends upon implementing the exact opposite of those policies that modern France endorses.

There are many complex reasons to explain why France has not followed the path of, say, the

Anglosphere or more recently East Asia, towards greater prosperity, but a lack of intellectuals and commentators prepared to make the case for liberty is not one of these.

Indeed, a new book published by the Liberty Fund of the correspondence of French economist, writer, and statesman Claude Frédéric Bastiat shows that France possesses a rich classical liberal tradition spanning centuries that it-and other countries-could use as inspiration to pull itself out of the big-government quagmire.

The Man and The Statesman presents, in the English language for the first time, a comprehensive collection of Bastiat's letters stretching from his youth in 1819 to his untimely death at the prime of his intellectual prowess in 1850.

Despite the efforts of a small number of English-speaking scholars, including Australian David Hart in his capacity as academic editor of *The Man and The Statesman*, the French strain of classical liberalism remains something of an unknown intellectual quantity amongst many English speakers lacking fluency in the French language.

This statement would certainly hold for many of the French classical liberal identities of the Eighteenth and Nineteenth Centuries, including Turgot, Say, Comte, Dunoyer, and de Molinari, whose names would almost certainly be lost upon many English-speaking scholars of the history of economic thought.

A lack of recognition is less applicable to Frédéric Bastiat, at least to the extent that his parables exposing common economic fallacies are discussed to this day. However the great puzzle of modern assessments of Bastiat is not that he is judged to be liberalism's greatest ever polemicist, but there is allegedly little within his works to regard him as an economic theoretician of consequence.

The famed economic historian Joseph Schumpeter recognised Bastiat as 'the most brilliant economic journalist who ever lived.' However, in passing comment on the partly completed *Economic Harmonies*, Schumpeter caustically stated 'I do not hold that Bastiat was a bad theorist. I hold that he was no theorist.'

Friedrich Hayek also granted Bastiat the honorific of 'a publicist of genius,' and went further to describe the title of his famous essay on 'That Which Is Seen, and That Which Is Not Seen' as the 'decisive argument for economic freedom' and a 'text around which one might expound a whole system of libertarian economic policy.'

As generous as Hayek's words were, he too downplayed the theoretical contributions of Bastiat: 'it is true that when, at the end of his extremely short career as a writer, he attempted to provide a theoretical justification for his general conceptions, he did not satisfy the professionals.'

With numerous illustrations of Bastiat's incisive wit and humorous turns of phrase conveyed through his letters, *The Man and The Statesman* ironically will in some respects reinforce Bastiat's reputation as perhaps the most effective writer in all of the history of classical liberalism.

The criticism that Bastiat could only skilfully stroke a pen in conveying basic economics to the general public misrepresents the importance that the Frenchman placed on the role of effective economic education in shaping attitudes:

‘Will we finally understand that, since public opinion is the monarch of the world, it is public opinion that we have to work on and to which we have to communicate the enlightenment which shows it the right direction together with the energy to take it?’

Similarly, in a letter to his close friend, the English free trade advocate Richard Cobden, ‘there is one point on which I do not agree with you, that is, on public speaking. I think it is the most powerful instrument of propagation. Is it nothing to have several thousand listeners who understand you much better than if they were reading you? Afterward, the next day, everyone wants to know what you said and the truth goes on its way’.

However the greatest value *The Man and The Statesman* provides the reader that it reveals, in an uncensored fashion, the lengths to which Bastiat applied often unique theoretical insights to the great and controversial issues in political economy of the period.

The economic theories of Bastiat were firmly grounded on the basis that the pursuit of legitimate self-interest by individuals, undertaken with due respect to the sanctity of private property rights, would engender peaceful and productive social and economic orders throughout the community at large: ‘social laws have their harmonies just like the laws governing the physical world’

There is one aspect of Bastiat’s theorising that remains underappreciated. Bastiat’s notion of harmony engendered through the pursuit of self-interest is couched within a theory of economic value, which crucially avoided the theoretical dead-ends of labour or land value theories, often propounded by English classical economists.

As described in a letter dated March 1850, Bastiat stated ‘people will end up acknowledging that value can never lie in materials and the forces of nature... This leads to the mutual nature of services and the absence of any reason for men to be jealous of and hate each other’.

Bastiat’s theory of value edged closer to the subjectivist theory of value later developed by the Austrian economist Carl Menger in 1870. Indeed, if Bastiat rigorously made the connection that value not only lies in the services exchanged, but is also subjectively and not objectively defined, then the basis for economics as it is known today may well have possessed a more distinctive French flavour.

It was within the vision of a harmonious society and economy that Bastiat promoted the cause of liberty in its broadest sense. In a letter written to Cobden in March 1847, Bastiat wrote that:

‘I want not so much free trade itself as the spirit of free trade for my country. Free trade means a little more wealth; the spirit of free trade is a reform of the mind itself, that is to say, the source of all reform’.

It was in his numerous letters to Cobden that Bastiat further refined the compatibility between free trade and the securing of peace between nations and, following this, the prospects for military disarmament that would consequently greatly relieve taxpayers of considerable financial burdens:

If you reduce your navy, I would like you to link this measure specifically to free trade and proclaim loudly that England had gone down the wrong path and that, because her current purpose is diametrically opposed to that it has pursued up to now, its means need to be the opposite as well.

Unsurprisingly Bastiat deplored the erection and maintenance of trade barriers, 'this absurd system which, apart from the direct harm it causes, causes so many ancillary calamities, national hatreds, wars, standing armies, taxes, restrictions, plunderings, etc.'

Whereas Richard Cobden's campaign for free trade eventually met with great practical success, with the repeal of the Corn Laws in 1846, attempts by Bastiat to build a political momentum in France for the elimination of trade barriers could only be described as a venture initially bearing mixed success at its best.

In a January 1846 letter to Cobden, Bastiat wrote in despairing tones of his frustrations in attempting to organise a free trade association in Paris:

Perhaps you will have some idea of the mental suffering I am experiencing when I tell you that we tried to organise a League in Paris. This attempt has failed and was bound to fail. The proposal was put forward during a dinner with twenty people at which two ex-ministers were present. You can imagine how much success that was likely to have! Among the guests, one wanted 1/2 freedom, another 1/4 freedom, yet another 1/8 freedom, and perhaps three of four were ready to request freedom in principle. Just try to make a united and fervent association out of that!

According to Bastiat, the lack of acceptance by the French of the principles of free trade in general derived partly from an intense nationalistic suspicion of the English.

Again writing to Cobden in March 1846, he stated, 'our nation is so susceptible to, and also so imbued with, the idea that free trade is good for you but not for us, and that you have adopted it in part through Machiavellianism and to inveigle down this path...People will not fail to say that we are the dupes of perfidious Albion'.

A year later Bastiat's diagnosis of the underlying factors preventing the realisation of free trade broadened to identify protectionism as a species within the genus of socialist doctrine:

socialism ... accepts free trade in principle but postpones its implementation until the time when the world is organised in accordance with the design of Fourier or some other inventor of social order. And what is amazing is that, in order to prove that free trade would be harmful before that, they take up all the arguments put forward by monopolists, the balance of trade, the export of specie, the superiority of England, etc. etc.

As chronicled in detail by *The Man and The Statesman*, it was the socialistic rationales for the



enlargement of the state that preoccupied the thoughts of Bastiat during his twilight years as a member of the French National Assembly. As it put it simply to his lifelong friend Félix Coudroy in January 1850, 'socialism is spreading at a frightening rate.'

Anticipating theoretical insights that would emerge from the late twentieth century in the form of public choice theory, Bastiat decried the emergence of a 'legal plunder' in which people received benefits from the state at the expense of the protection of private property:

The state has been required to provide for the welfare of its citizens directly. But what has been the outcome? Because of the natural leanings of the human heart, each person had begun to claim a greater share of the welfare for himself from the state. This means that the state or the public treasury has been plundered. Every class has demanded from the state the means of subsistence, as of rights. The efforts made by the state to provide thus have led only to taxes and restrictions and an increase in deprivation, with the result that the demands of the people have become more pressing.

Over two years later, in a letter to Horace Say, Bastiat asks of the consequences of the growth in government:

by substituting government enforcement for private activity, are we not removing the intrinsic value of individuality and the means of acquiring it? Are we not making all citizens into men who do not know how to act individually, take a decision, and repulse unexpected events and surprise attacks? Are we not preparing elements of society for socialism, which is nothing other than one man's thought taking the place of everyone else's will?

While *The Man and The Statesman* renders a great service by shedding further light on Frédéric Bastiat's economic insights, and effectively countering some firmly held but erroneous views that he was no theorist, it also delightfully unveils the humanity of a thoughtful, yet complex, man.

In addition to frequent expressions of love and emotional warmth towards surviving relations, close friends and even certain acquaintances, Bastiat canvassed his personal fears and uncertainties ranging from self-doubts about spirituality in his younger years to intense health anxieties as tuberculosis or possibly throat cancer led to his untimely death at the age of 49.

One of the finest books published in 2011, *The Man and The Statesman* extends the body of original Bastiat works in the English language in a substantive manner and, in doing so, serves as powerful inspiration for classical liberals and libertarians in the English-speaking world.