
Broken Windows and House-Ownning Dogs

The French Connection and the Popularization of Economics from Bastiat to Jasay

◆

DAVID M. HART

What do broken windows and house-owning dogs have in common? They are featured in the titles of two provocative, thought-provoking, and amusing essays written to promote an understanding of how free markets operate and the benefits they provide to ordinary working people. The first is the title of a chapter in the last book Frédéric Bastiat wrote before he died, *What Is Seen and What Is Not Seen* (July 1850), in which he introduces the idea of opportunity cost in order to analyze the impact of government intervention in the economy.¹ The second is the title of the very first essay Anthony de Jasay published in the Liberty Fund web journal *Econlib* in April 2002, in which he used the figure of the family dog to ask very profound questions about how economic value is distributed among all those who contribute to the creation of a good or service (Jasay 2002b). In this case, because the dog helps defend the home, it, too, has contributed to the home's

David M. Hart is director of the Liberty Fund Online Library of Liberty.

1. In the new Liberty Fund translation of *The Collected Works of Bastiat*—of which there currently are two volumes (Bastiat 2011a, 2011b) of a projected six—*What Is Seen and What Is Not Seen* will appear in volume 3 along with a third series of *Economic Sophisms* that have never been translated into English (Bastiat forthcoming).

The Independent Review, v. 20, n. 1, Summer 2015, ISSN 1086–1653, Copyright © 2015, pp. 61–84.

value and hence in some sense “owns your house.” Both are excellent examples of how economists have used stories and catchy metaphors over the past 150 years or so to help nonacademic readers understand some of the complexities of the free market.

Anthony de Jasay, like many free-market economists before him, is concerned that popularly held fallacies about the way markets operate are very dangerous and need to be countered by economists. Most do so by writing scholarly books and journal articles, but such materials are not read by the educated public, let alone the nonacademic public. Hence, many economists feel the need to “reach out” by writing more popular pieces, which they publish in newspapers or blogs, or by making themselves available for radio and TV interviews in the hope that their “sound bites” in favor of the free market will drown out the cacophony of chomping that goes on in favor of government intervention and regulation.

Free-market voices very occasionally rise above the din of interventionist dining either because they are able to capture the popular imagination, at least for a moment, or because of the sheer quality of what they have to say and the way they say it. The textbook example of the witty and clever defender of the free market is of course Frédéric Bastiat (1801–50).² Before he came to popular attention in the mid-1840s, there had been several popularizers of economic ideas of varying levels of skill and sophistication in France and England, the most notable of which were Harriet Martineau (1802–76) and Colonel Thomas Perronet Thompson (1783–1869) in England (see Martineau 1832, 1834; Perronet Thompson [1827] 1834, 1835, 1836). Contemporary with Bastiat and probably inspired by his example the most significant in France was Gustave de Molinari (1819–1912).³ After Bastiat’s death in 1850, the numbers drop dramatically so that by the end of the century only Yves Guyot was left in France attempting to defend free ideas before a popular audience.⁴ What makes Bastiat stand out in this group of popularizers of economic ideas are his extraordinary wit and word play, which often conceal a very deep theoretical understanding of how markets operate. The activities of the English and French free traders and antisocialists in 1840s, such as Bastiat and Molinari, surely make this one of the golden ages in the history of the popularization of free-market ideas.

2. See especially Bastiat’s collections of “economic sophisms,” which appeared in two series: *Sophismes économiques* (1846) and *Sophismes économiques. 2e série* (1848). They were immediately translated into several European languages, including English, and became well known in America through the new translations made by the Foundation for Economic Education in 1964: *Economic Sophisms (First and Second Series)* ([1964] 1968). In this article, I cite series 1, 2, and 3 of the *Economic Sophisms* ([1964] 1968) as ES1, ES2, and ES3; specific essays are designated by roman numerals—for example, ES2 II.

3. See Gustave de Molinari, *Les Soirées de la rue Saint-Lazare* (1849), which was followed by two more “conversations” devoted to free trade: *Conservations familières sur le commerce des grains* (1855) and *Conversations sur le commerce des grains et la protection de l’agriculture* (1886).

4. This article is part of a longer study on the popularization of free-market ideas “from J. B. Say to Jasay.” That longer study will examine the work of Bernard Mandeville, Jean de la Fontaine, Jane Marcet, Harriet Martineau, Thomas Perronet Thompson, Antoine-Élisée Cherbuliez, Louis Wolowski, Alcide Fontenay, and Gustave de Molinari, all of whom wrote before and just after Bastiat, as well as the handful of later economists who were very influenced by Bastiat, such as Yves Guyot, Leonard Read, Henry Hazlitt, and of course Tony de Jasay.

After the near disappearance of free-market thinking in the first half of the twentieth century, there was a revival of sorts before the end of World War II. Free-market ideas were again brought to the attention of the public in works such as Friedrich Hayek's *The Road to Serfdom* (1944), the journalism of Henry Hazlitt in the *New York Times* and his book inspired by Bastiat, *Economics in One Lesson* (1946), and the republication of some of Bastiat's works by R. C. Hoiles and Leonard Read (Bastiat 1944, 1944–45). In the 1960s and 1970s, there was another burst of free-market popularization with the publication of new translations of some of Bastiat's works by the Foundation for Economic Education in 1964;⁵ the novels and essays by Ayn Rand (see, e.g., Rand 1966); and Milton Friedman's *Newsweek* column (1966–84) as well as his book *Free to Choose* (Friedman and Friedman 1980) and the television documentary made from it. It might seem strange that the 1960s and 1970s, a period during which the modern welfare state was under construction in Europe and the United States, might also be regarded as another high point in the history of the dissemination of free-market ideas with the work of Rand and Friedman, but it is if the sheer number of book sales and readership is the measuring stick.

I would argue that we are living through another golden age in the popularization of free-market ideas in the early twenty-first century given the extraordinary explosion of free-market blogs such as *Econlog* and *Café Hayek* as well as websites such as the Mises Institute site and the Online Library of Liberty, to mention only a few.⁶ This is not to argue that the dissemination of free-market ideas has been successful in changing public opinion or government policies, but the sheer volume of free-market material that is available and being distributed has never been higher. That this large amount of available material has failed to have the impact we would like is another question that we cannot enter into here.

Anthony de Jasay has been part of this new golden age with his academic books as well as his articles and monthly column “Reflections from Europe,”⁷ which he has written for *Econlib* for the past twelve years. He is an outstanding writer in English, even though it is not his native language (perhaps this Hungarian is the economic equivalent of the Polish-born English novelist Joseph Conrad), who has written some path-breaking works in political economy but who has remained for much of his life outside the academic mainstream (see Radnitzky 2004; Wolf 2011). In this article,

5. The Foundation for Economic Education published Bastiat's work *The Law* as early as 1950 and put out other newly translated volumes with the assistance of the William Volcker Fund: *Economic Sophisms (First and Second Series)* ([1964] 1968), *Economic Harmonies* (1964a), and *Selected Essays on Political Economy* (1964b). These editions introduced Bastiat's ideas to Americans in the postwar period.

6. *Econlog*, <http://econlog.econlib.org/>; Library of Economics and Liberty, *Econlib*, <http://www.econlib.org/>; *Café Hayek*, <http://cafehaye.com/>; Mises Institute, <http://www.mises.org/>; Online Library of Liberty, <http://oll.libertyfund.org/>.

7. Early in 2014 the column's title was changed from “Reflections from Europe” to “Thinking Straight” to reflect the titles of the collections of Jasay's columns that Liberty Fund has been publishing. See *Political Philosophy, Clearly* (2010e), *Political Economy, Concisely* (2010f), and *Economic Sense and Nonsense* (2014a).

I explore the “French connection” to Jasay’s economic journalism, especially his connection to the work of Frédéric Bastiat, with whom he shares many features.

Jasay as “a Frédéric Bastiat of Our Times”

In his introduction to a collection of Jasay’s writings published in 2009, *Political Economy, Concisely*, the editor Hartmut Kliemt notes of Jasay: “Anthony de Jasay may be seen in the role of a Frédéric Bastiat of our times. Like Bastiat, whom he admires . . . Jasay himself is a philosopher-economist with hard-won, practical experience. . . . A longtime resident of France, Jasay shares Bastiat’s encounters with the perversities of the centralized state. Like his great French forerunner, he took (and still takes) to the pen to express his criticism. However, unlike Bastiat, who was a Frenchman, Jasay came to France from Hungary, his native country, with stops in Austria, Australia, and finally Oxford, where he taught economics” (Kliemt 2010).

I would make a slight correction to Kliemt’s passage by noting that although technically Bastiat was a Frenchman, he came from the southwest province of Gascony, which made him somewhat of an outsider when he went to Paris because of his strong regional accent and his country style of dress that amused the Parisian economists very much. Growing up on the border with Spain and the Basque country, Bastiat was fluent in the Gascogne dialect and Spanish and knew some Basque as well. He also read Italian and spoke reasonable English. I don’t know how many languages Jasay speaks, but being a Hungarian he probably speaks German as well as French, English (both the Oxford and the Australian versions), and obviously his native tongue. Thus, in my view, Jasay is even more like Bastiat than Kliemt thinks. As polyglot outsiders, they both see the world they inhabit quite differently from others.

Jasay has referred to Bastiat explicitly at least six times in his *Econlib* columns, but Bastiat’s ideas and style of writing are present in many more. In “Thirty-Five Hours,” the second article Jasay wrote for *Econlib*, he laments the fact that France has ignored two of its greatest economists, J. B. Say and Frédéric Bastiat, whom he describes as “shamefully neglected and underestimated.” He specifically mentions Bastiat’s “most brilliant essay,” *What Is Seen and What Is Not Seen*, credits Bastiat for having anticipated the concept of opportunity cost, and states that he was “to my knowledge, the first economist ever to use and explain it” (2002a).⁸ He also credits Bastiat with having discovered a number of other important economic ideas, such as rent seeking in the essay “The State” (1848), which was well ahead of the public-choice school, and the notion of negative-factor productivity in “The Negative Railway.”⁹ A number of

8. Jasay repeats this claim in “Weeding Out the ‘Socially Not Useful’” (2010h).

9. On rent seeking and Bastiat, Jasay says: “Well over a century before ‘public choice’ or ‘rent-seeking’ have [*sic*] become passwords among the initiated, Frederic Bastiat described the state as the instrument by which everybody is trying to live at everybody else’s expense” (2010a). On negative-factor productivity and

contemporary economists have also noted the similarity between Bastiat and the approach of the public-choice school, and there is of course the claim for his membership in the Austrian school that goes back to William Stanley Jevons in the 1870s and that a number of economists associated with the Ludwig von Mises Institute strongly advocate.¹⁰

Jasay's explanation for the neglect of Bastiat by the academy is a cynical one, though not untrue because of that. In an early article, "The Seen and the Unseen, Part I: On the Economics of Protecting Employment" (2004), he comments on Bastiat's brilliant writing style (as does Murray Rothbard¹¹) and attributes the neglect of him by modern economists and historians of economic thought such as Joseph Schumpeter to the assumption that because he could write so well, he must therefore not be a proper economic theorist. One should recall Schumpeter's notorious assessment of Bastiat: although Bastiat was "the most brilliant economic journalist who ever lived," he was also an example of a "bather who enjoys himself in the shallows and then goes beyond his depth and drowns" (1954, 500–501).¹² Jasay, however, provides a very different assessment: "The misfortune of Bastiat was that he never spouted endless pages of obscure prose. He wrote with such impeccable, jargon-free clarity that his readers thought he was simply stating the obvious that they knew anyway. He was, and still is, widely taken for a mere vulgarizer, clever with his pen but not a great thinker. In his own country, where obscure and high-flown writing is often prized above simplicity, Bastiat is as good as unknown. Yet it is there that heeding his words would do the most good" (2004).

Like Bastiat, Jasay is a polyglot outsider who has new ways of looking at economic issues, is a brilliant stylist with a wickedly funny turn of phrase, has been badly neglected by the academic mainstream, and has been largely ignored in his adopted country. Before turning to an examination of Jasay's work in economic popularization, I would like to examine Bastiat's work in more detail because he has had such an important influence on Jasay in both content and style.

Bastiat, he says: "Putting things in absurdly comic terms may highlight their truth more than serious argument ever could. Frédéric Bastiat's mock advocacy of a 'negative railway' made the idea of protecting horse drawn transport from the advance of technology unforgettably laughable. The notion of a 'negative factor productivity,' applied to the state as a supposed factor of production, could be similarly enlightening, though far less funny" (2010g).

10. See my comments on the question "How Austrian was Bastiat?" in my paper "Seeing the 'Unseen' Bastiat" (2014). Those who see Bastiat as an early or "proto" Austrian include Murray Rothbard, Joseph Salerno, and Jörg Guido Hülsmann. Those who see him as a public-choice economist include James A. Dorn, Michael Munger, Bryan Caplan, and Edward Stringham.

11. In the second volume of his history of classical economics, Rothbard comments on Bastiat's ability to write: "Bastiat was indeed a lucid and superb writer, whose brilliant and witty essays and fables to this day are remarkable and devastating demolitions of protectionism and of all forms of government subsidy and control. He was a truly scintillating advocate of an untrammelled free market" (2006, 444–45).

12. When asked about Bastiat's status as an economic theorist, Schumpeter dismissed him: "I do not hold that Bastiat was a bad theorist. I hold that he was no theorist" ([1954] 1974, 500–501).

Bastiat: From Plays on Words to Plays about Economics

In the work of popularization for which he was best known in his lifetime, the *Economic Sophisms*, Bastiat used a variety of formats, including essays written in informal or more conversational prose, essays written in dialog or constructed in conversational form, stand-alone economic tales or fables, fictional letters or petitions to government officials and other documents, essays written in more formal or academic prose, and direct appeals to the workers and citizens of France.¹³ He used a mixture of satire, irony, wicked humor, and barely concealed outrage at the injustices he could see around him—a style that he himself referred to as “the sting of ridicule,” which he used to point out the absurdities, contradictions, and blatant self-interest of those who defended tariffs and subsidies to industry at the expense of ordinary taxpayers and consumers. He deliberately chose humor and satire because he believed that economists had to make the presentation of economic ideas less “dull and dry” if they wished to change the way ordinary people thought about economic matters.¹⁴ A closer examination of his use of humor shows that he was very adept at creating neologisms (he called the tax official “M. Lasouche,” or Mr. Blockhead), using parody (for instance, writing fictitious petitions by manufacturers—such as the candle manufacturers—to the government or rewriting passages from Molière’s plays to attack contemporary tax collectors’ behavior), making puns (about using or not using one’s right hand or left hand to labor), as well as frequently making plays on words (such as “upper” and “lower” councils¹⁵).

The basic argument of his economic sophisms was that those who benefited from the power of the state to get special privileges and benefits cloak their self-interest in a combination of outright economic fallacies (patently false ideas) and sophistry (a mixture of half right and half wrong ideas). In his own day, manufacturers and farmers and their supporters in the government and the press presented these ideas to the public as being in the national interest or even in the interests of the very consumers and taxpayers who were paying for these special privileges and benefits in higher prices, lessened competition, and lower economic productivity. Ordinary people were being “duped” into believing this argument and as a result were being deprived of their property both directly by means of *la force* (coercion or force) or indirectly by means of *la ruse* (fraud or trickery) or *la duperie* (deception). The point of Bastiat’s economic journalism was to expose how the ordinary people were duped by bad economic arguments and half-truths into going along with the transfer of their property to powerful vested interests.

13. For a more detailed discussion of Bastiat’s economic sophisms, see my introduction to vol. 3 of Liberty Fund’s *Collected Works of Frédéric Bastiat* (Bastiat forthcoming). See also Hart 2011.

14. The phrase is “de sécheresse et de prosaïsme,” from Bastiat, “Two Moral Philosophies,” ES2 II ([1964] 1968), http://oll.libertyfund.org/titles/276#f0182_head_058.

15. Explaining French puns is not very funny. I explain this particular instance of word play at greater length in my introduction to the forthcoming volume 3 of Liberty Fund’s translation of Bastiat’s collected works.

A few examples demonstrate Bastiat's technique and cleverness. One of his preferred methods of arguing was to create a dialog between two or more individuals, each of whom represented one of the sides in the free trade versus protectionism debate. These dialogs were much shorter and pithier than the "conversations" devised by Harriet Martineau or later by Molinari in his "soirées" and much, much funnier and more clever. As spokesmen for the free-market and free-trade cause, Bastiat used stock characters, such as Jacques Bonhomme (a French Mr. Everyman) and Robinson Crusoe (from Defoe's novel). In "The Tax Collector," Bastiat pits the wily Jacques Bonhomme against a tax collector called Monsieur Lasouche (Mr. Blockhead), who attempts to persuade Jacques that his tax money is being wisely spent by his responsible political representatives in the Chamber of Deputies.¹⁶ Jacques is very skeptical, and the conversation between the two is hilarious as Jacques points out all the ways in which the government actually spends money irresponsibly and how the elected deputies do not in fact represent people like Jacques. Beneath the humor, Bastiat has some profound and important things to say about the nature of political representation and the rent seeking it engenders.

Another example is his use of Robinson Crusoe in thought experiments to understand the way human beings go about economizing their scarce labor and other resources in order to survive, which may be one of his greatest contributions to the science of economic reasoning. Bastiat was not the first to mention Crusoe in an economic context, but he was the first to make this example central to his understanding of how individuals went about making their economic decisions. In a lecture in 1831, Richard Whately had dismissed Crusoe stories as useless in explaining economic ideas because to him economics was the study of "exchange" only (or "catalaxy"): Crusoe has nobody to exchange with before Friday comes along, so by definition there can be no economic activity on the island. What Crusoe does is "a situation of which Political-Economy takes no cognizance" (Whately 1832, lecture 1).

However, Bastiat's great insight was that Crusoe does in fact engage in all sorts of economic activity even before Friday appears on the island because Crusoe has to make decisions to "economize" on the use of his scarce resources, whether they be his time, his food supply, his shelter, and so on. This was an important "Austrian" insight about the nature of human action (or "praxeology") that was not appreciated at the time Bastiat wrote. Once Crusoe has made decisions about how to best use the resources he has on the Island of Despair, the next stage of the thought experiment is to introduce Friday, whose presence makes it possible for Crusoe to cooperate with another person, to begin the division of labor (one fishes

16. Bastiat, "The Tax Collector" (c. 1847), ES2 X ([1964] 1968), http://oll.libertyfund.org/titles/276#f0182_head_074.

and the other grows vegetables), and to trade with that person. The third and final step is to introduce a third party, a person in a canoe from another island, who then opens up the possibility of international trade. And so it goes on. Bastiat's extensive use of "Crusoe economics" between 1847 and 1850 may well be an original contribution to economic reasoning and the logic of human action.¹⁷ Murray Rothbard supports this view, regarding "Crusoe economics" as an essential even "indispensible" part of the basic principles of praxeological analysis¹⁸ and notes Bastiat's contribution.¹⁹

A third example of Bastiat's cleverness involves the use of several characters in a miniplay about economics. These miniplays can be quite elaborate at times, as in "Protection, or the Three Municipal Magistrates,"²⁰ which contains four scenes with five main characters and several supporting characters, or they can be quite simple, as in "The Broken Window," with only three characters—Jacques, the glazier, and the shoe maker. The latter is a classic example of Bastiat's skill at writing economic parables that seem simple on the surface but contain deep and sophisticated economic insights. It is in fact Jasay's favorite. In "The Broken Window," Bastiat brilliantly demonstrates what Jasay believes is his greatest contribution to economics—namely, the idea of opportunity cost. In the story, Jacques Bonhomme's hooligan son (let us call him "Thomas"²¹) breaks one of Jacques's shop windows. The nub of the tale is that Bastiat wants to refute the idea that there can be a silver lining in the destruction of an economic good: the breaking of Jacques's window may be a boon for the window-making industry (which it is), and it might make society better off in the long run (which it doesn't). Bastiat introduces the key idea of opportunity cost, however, by showing that as a result of the broken window, Jacques has lost

17. The first time Bastiat used Crusoe was in "Something Else" (March 1847), ES2 XIV ([1964] 1968), where he pairs Crusoe with Friday and puts the arguments of the protectionists in the mouth of the supposedly civilized European Crusoe and the arguments of the free traders in the mouth of the supposedly primitive native Friday in a witty reversal of what one might have expected.

18. See chapter 6, "A Crusoe Social Philosophy," in *The Ethics of Liberty* where Rothbard restores Friday to his rightful place in the discussion (1982, 29). See also the dozens of references to Crusoe and "Jackson" (not Friday) in the first two chapters of *Man, Economy, and State* (Rothbard [1962] 2009). In the preface to the latter, Rothbard makes the thought experiment of "Crusoe economics" the foundation upon which he places his entire economic edifice ([1962] 2009, lvi). Thus, one might conclude that once Bastiat had started going down the path of Crusoe economics, he was already essentially an economist of the Austrian or "praxeological" school.

19. See, for example, *Man, Economy, and State* ([1962] 2009, 84 n. 7), where Rothbard cites Bastiat's *Economic Harmonies* (R. C. Hoiles's edition, Bastiat 1944–45), and *Power and Market* (1970, 1103 n. 27), where Rothbard cites the 1964 edition of *Economic Harmonies* (Bastiat 1964a).

20. Bastiat, "Protection, or the Three Municipal Magistrates" (n.d.), ES2 XIII ([1964] 1968). Three magistrates, Pierre, Paul, and Jean, scheme to get the council and the people of Paris to agree to adopt tariffs and trade prohibitions in order to benefit themselves by excluding out of town competition. Twenty years later Jacques Bonhomme is tired of the poverty that protectionism has brought to Paris, and he is determined to right the wrong. Jacques and Pierre urge the people to either support free trade (Jacques) or protectionism (Pierre), but the people are fickle and keep changing their minds.

21. Jacques's son is unnamed in Bastiat's story, but perhaps we should call him "Thomas" after Thomas Piketty because neither of them seems to understand the problem of "the unseen" in economics.

something of value (his capital stock in the form of a window), so he is forced to dip into his savings to buy a new window or not make some other purchase he intended to make, and the shop keeper from whom Jacques might have bought a new pair of shoes does not make a sale he might have expected to make. In Bastiat's view (borrowing terminology from Perronet Thompson), there is "a double incidence of loss" that is not a net gain to society:

Let us now draw up Jacques Bonhomme's account.

In the first case, that of the broken window, he spends six francs and enjoys the benefit of a window neither more nor less than he did before.

In the second, in which the accident had not happened, he would have spent six francs on shoes and would have had the benefit of both a pair of shoes and a window.

Well, since Jacques Bonhomme is a member of society, it has to be concluded that, taken as a whole and comparing what he has to do with his benefits, society has lost the value of the broken window.

From which, as a generalization, we reach the unexpected conclusion: "Society loses the value of objects destroyed to no purpose," and the aphorism that will raise the hackles of protectionists: "Breaking, shattering and dissipating does not stimulate the national employment," or more succinctly: "Destruction is not profitable."²²

One might mention many other examples of Bastiat's skill as an economic storyteller and satirist of economic fallacies, but the ones given so far are sufficient for our purposes here.

The French Connection Continues: Does Jasay's Dog Own His House, or Does It Just Rent?

The true heir to the Bastiat tradition of economic popularization, Anthony de Jasay, burst onto the scene with the article "Your Dog Owns Your House" (2002b) for the

22. "The Broken Window" (Bastiat 1995). The translation is Liberty Fund's new one. In drawing up this account, Bastiat was keen to introduce some mathematical precision into his calculations. He was first inspired by the work of the anti-Corn Law advocate Colonel Thomas Perronet Thompson, who between 1834 and 1836 developed the idea of a calculable "double incidence of loss," by which he meant "the (part) of the sum gained to the monopolists and lost twice over by the rest of France,—(viz. once by a corresponding diminution of business to some other French traders, and once more by the loss to the consumers, who are the nation). . . . The understanding of the misery of this basis, depends upon a clear comprehension of the way in which the gain to the monopolist is lost twice over by other parties; or what in England has been called the double incidence of loss" (1836, 188–89). Bastiat took up this idea and made it the basis for two sophisms beginning with "One Profit vs. Two Losses" (May 7, 1847), ES3 IV ([1964] 1968). Later that month he wrote an appeal to one of the leading physicists in France, François Arago (1786–1853), who was active in liberal politics, to assist him in making these arguments more rigorous mathematically and thus "invincible." See "Two Losses vs. One Profit" (May 30, 1847), ES3 VII ([1964] 1968).

relatively new web journal *Econlib* (founded in 1999).²³ The rest of this paper explores Jasay's approach to the popularization of free-market ideas, his debt to Bastiat, and the similarities and differences between the two writers.

Of the more than 140 articles Jasay has written for *Econlib* since 2002, a little more than 20 (18 percent) show striking similarities to the style and method of Bastiat's economic sophisms. Jasay is definitely not a clone of Bastiat. He is a professionally trained economist and political philosopher who has a long track record of academic publishing and engagement with fellow professionals. Bastiat was not. In fact, he was the reverse—a successful economic journalist and popularizer who only late in life turned his hand to doing economic theory. What they do share—and Jasay himself has made this commonality explicit in a couple of his articles—is a common purpose to their journalism (to expose economic fallacies) and a certain temperament and methodology. The temperament is composed of a shared outrage at how easily people can be fooled by false economic arguments and a fierce desire to show the economic truth. The common methodology is to use their skill with words to create apt and colorful metaphors that make their economic arguments more understandable to the intelligent reader who is not an expert in economics.

Here I discuss how both writers were driven to economic journalism as a result of the economic and political crises through which they lived and how they use animal imagery in making difficult economic ideas more understandable by the general public, “reductio ad absurdum” argument to mock their adversaries, as well as colorful images, metaphors, and economic tales.

Economic Journalism as a Reaction to Crisis: 1848 and 2008

The two authors have something in common regarding the reasons why they became economic journalists or popularizers of economic thought in the first place. Two external stimuli provoked Bastiat: first, his opposition to protectionism and the inspiration provided by Richard Cobden and the English Anti-Corn Law League in 1844–46, and, second, the rise of socialism in the early months of the February Revolution in Paris in 1848. Both sets of stimuli made Bastiat rethink how he did his economic journalism, whether to take a serious approach or to use satire and amusing stories to make his ideas interesting to ordinary readers; whether to pull his punches and use matter-of-fact technical economic language in analyzing problems or to use “harsh” language, to call a spade a spade and theft “theft,” and thus run the risk of alienating his readers. He oscillated between the various approaches because he couldn't decide on the best method at any given time. This oscillation was unsettling for him, but it is marvelous for the modern reader because it reveals

23. Another candidate for “the true heir” to Bastiat might be Donald Boudreaux, whose letters to the editor at *Café Hayek* are a new economic art form very much in the tradition of Bastiat—short, pithy, and devastating refutations of economic errors. He began writing these letters in late 1999 or 2000 and circulating them as emails before posting them at *Café Hayek* starting in April 2004.

Bastiat's great talent in a range of styles and provides a large store of very clever and amusing articles that we can still appreciate today.

The external stimulus that motivated Jasay to turn his hand to journalism was the dotcom crash of 1999–2001, later reinforced by the global financial crisis of 2008. His first article for *Econlib*, “Your Dog Owns Your House,” appeared in April 2002 and is a classic example of the Bastiat style, as is one of his most recent columns, “The Python That Eats Itself by the Tail” (2014c), in which he demolishes Thomas Piketty's arguments in a devastating review of Piketty's book *Capital in the Twenty-First Century* (2014). He notes in the preface to his collection of *Econlib* articles from 2008–2012 that the great financial crisis of 2008 transformed the “Washington consensus” into a panic of neo-Keynesianism, which he was valiantly trying to counter in his columns:

Those five years (2008–12) were something of a shambles in most of the Western economies, and their intellectual climate was not really pleasant. My five dozen essays . . . are contending with this climate and seek to defend what I believe is valid economics and the liberal thought which such economics supports. It is odd that it should require a defense. Prior to 2007, it was the accepted orthodoxy, the Washington consensus of reasonably free markets, free trade, flexible exchange rates, and decreasing regulation. In the changed climate of the past five years, this orthodoxy has been partly or wholly rejected” (2014a, xi).

In his *Econlib* columns, Jasay uses a number of devices to refute his opponents' arguments and to defend the free market that are very similar to those used by Bastiat 160 years earlier.

The Use of Animal Imagery: Weasels, Dogs, Tadpoles, and Parrots

Bastiat liked to quote the fables of Jean de La Fontaine to make his economic arguments better understood by ordinary people who had been brought up on La Fontaine's stories. These fables featured animals whose behavior mimicked that of humans and whose mistakes and errors were useful foils to make moral or economic arguments for people who would not listen to or perhaps could not understand formal economic logic. One particularly clever and amusing example is Bastiat's use of the story “The Weasel and the Granary” to argue for a reduction in military expenditure.²⁴ A weasel decides to break into a farmer's granary to eat his grain. He sneaks through a crack in the wall and gorges himself on the food supplies. A rat warns him that the farmer will be angry if he finds him here and will kill him.

24. See Fontaine's fable “La Belette entrée dans un grenier” (The weasel that got caught in the storeroom) (1826, book 3, fable 17, 150–51).

The weasel, however, has grown fatter after weeks of eating the farmer's grain, so he cannot escape through the same narrow crack in the wall through which he came. The weasel will thus have to go on a strict diet if he hopes to get thinner and escape the farmer's wrath. The moral lesson to be learned here is simple: that stealing will have consequences and that one must change one's behavior if one wishes to escape those consequences. Bastiat turned the story to his advantage by comparing profligate military expenditure by the French state to theft that will anger the taxpayers, who will seek their revenge through the Parliament by cutting the military budget. If readers understand the La Fontaine fable, then it is quite likely they will also see the analogy of large military budgets and heavy rates of taxation.

Jasay also likes to use animal imagery for much the same purpose. There is no longer a stock of universally known children's stories involving moral lessons like La Fontaine's, but Jasay nevertheless is able to cleverly use animals in his articles.

"Your Dog Owns Your House" (Jasay 2002b) takes a simple story about a dog and turns it into an analysis of a complex economic idea about how various contributors to the value of a piece of property are paid for their services. The average reader can readily understand the analogy; the story is amusing, and it cleverly gets to the heart of the issue. Shortcuts to a reader's heart and mind are the key to understanding the power of good writing for a popular audience. In "A Tadpole Constitution" (Jasay 2003) uses the image of the metamorphosis of a common animal—through a series of necessary steps imposed by millions of years of evolutionary biology, the tadpole changes into a very different-looking and much larger animal, a frog—to argue that a federal structure, like that of Europe or even the United States, may start off as a modest tadpole of federalism but will inevitably turn into a frog of a centralized nation-state through a process of public-choice incentives for politicians and bureaucrats who run the system. The comparison is simple and clever, and it is an excellent example of how Jasay introduces complex political and economic ideas into his material.

In "Finance in Parrot Talk" (2011a, 2011b, 2012b), Jasay uses a strategy that Bastiat frequently used in *Economic Sophisms*—namely, the identification of a "sophism" widely believed by the public to reveal to them how they are being deceived. In the first part of "Finance in Parrot Talk" (2011a) the fallacies Jasay identifies are "that risk is a bad thing and ought to be purged from the economy as far as possible" and that "[c]apitalism is immoral because it promotes immoral or at best amoral conduct in pursuit of a morally worthless objective, profit." He defines "parrot talk" in the following manner:

I call "parrot talk" the loud and relentless repetition of some plausible fallacy that is first launched as an original and debatable notion by some minor authority or small group, often with an axe to grind, and then, by a

mysterious process of perverse selection, is taken up and hammered home by public intellectuals and the media, triumphantly becoming a firmly established truth. When used as prophecy or forecast it is liable to be self-fulfilling. When used as explanation and diagnosis, it dictates the remedy. In either case, it is capable of causing deep and lasting damage in political thought and the public policy the thought tends to shape.

This passage is, of course, pure Bastiat at work, cloaked in the amusing metaphor of a parrot mindlessly repeating what it has heard its master say without understanding what the words mean. In Jasay's view, the entire body of "public intellectuals and the media" constitutes a flock of rowdy and mindless parrots when it comes to understanding how capitalism really works.

Two very recent uses of animal imagery by Jasay are his articles "Two Horses, Four Grooms" (2014c) and "The Python That Eats Itself by the Tail: A Self-Contradictory Theory of Capitalism" (2014b). The charming and witty story about "the two horses and the four grooms" is pure La Fontaine in its absurdity and its cleverness in getting to the core of the problem at hand. Here Jasay compares the massive French bureaucracy to a pair of grooms who are needed to "make the horses walk" and pull their masters carriage. They assume that without their assistance the horses will not be able to put one foot in front of the other. The horses are likened to the French people, who have forgotten how to walk because they haven't done it on their own for centuries as generation after generation of interventionist monarchs, emperors, and presidents have controlled nearly every aspect of their walking.

Jasay concludes with the following sardonic observation about the state of France: "The allegory of the horses and the grooms is, of course, just made of sardonic humour. Its parallel about peoples and their governments is much to be regretted reality. It is reality of the clumsy, absurd and invasive kind. It seems as if it were getting clumsier and more invasive in our own lifetime, and this impression does have some objective ground in the year-to-year march of economic and social statistics." He asks why France, which claims to be "the greatest lover of liberty," has "the highest and most expensive team of 'grooms' of any country in Europe." One answer he gives is the historically large role the state has always played in France throughout its history, which has resulted in the sorry situation where "[i]t is beginning to look as if the horses, aided by the grooms, have unlearned how to trot and canter unaided" (2014c).

"The Python That Eats Itself by the Tail" (2014b) is less like a La Fontaine fable than a Rudyard Kipling "just so story" (Kipling 1903). It is Jasay's devastating demolition of Thomas Piketty's thesis of the inexorable growth of the capital accumulated by the top 1 percent. By likening capital to a python that attempts to eat everything it comes across because of its voracious appetite and keeps growing larger and larger, Jasay makes a very clever point that there must be a limit to the growth of

capital; otherwise, the python will have to start eating its own tail. As he describes the “self-destruction” of Piketty’s theory of capitalism,

By the end of year 60, total output will have grown to 2.44 and capital to 56.11. To grow at its predetermined rate of 4.5% in year 61, capital would need to grow by 2.52 but, in that year output would only be 2.48. The whole of the year’s output would have been swallowed up by capital. There would be less than nothing left for consumption and the few workers who have held out so far would finally give up and die of hunger. In a sense, the python will have swallowed itself up. The half-way house to this result will have been reached in year 37, with half of output left over for consumption and part of the work force still surviving on meagre rations. All this is, of course, preposterous and lays bare the logical deformity of the model. (2014b)

The Piketty article also shows Jasay’s use of harsh language in sweeping aside a particularly foolish set of false economic arguments. Like Bastiat, Jasay does reach the end of his tether (another animal image) now and again, and his frustration with his intellectual opponents reveals itself. But this is part of his charm, and it is the combination of clear thinking, witty language, and passion for economic truth that keeps this reader, and I’m sure others as well, coming back for more.

The Reductio ad Absurdum: Candle Makers, Bootstraps, and Social Credit Cards

Bastiat was a master at using the reductio ad absurdum (taking an argument to its logical but ultimately impossible conclusion), as his famous “Petition of the Makers of Candles” and “The Negative Railway” demonstrate clearly.²⁵ In “Petition,” Bastiat invents a fictional petition to Parliament by a group of candle manufacturers asking for taxpayer assistance to help them cope with a cheaper product from a foreign competitor. He uses the same arguments that contemporary vested interests groups, such as French farmers and iron manufacturers, had used over the previous forty years—namely, that it is important for the nation to have XYZ industry because it meant employment for French workers and taxes for the government and that their foreign competitors had an “unfair advantage” over French producers and could supply their goods at lower prices. The absurd kicker, which is not revealed until the very end of the story, is that the foreign competitor that has the unfair advantage is none other than the sun. This brilliant piece of writing is very funny and

25. Bastiat, “A Petition, from the Manufacturers of Candles,” ES1 VII ([1964] 1968), http://oll.libertyfund.org/titles/276#lf0182_head_020; and “A Negative Railway” (c. 1845), ES1 XVII ([1964] 1968), http://oll.libertyfund.org/titles/276#lf0182_head_041.

very clever and very effective. In “The Negative Railway,” the railway is required to make an infinite number of stops to stimulate local industry around each railway station, but it never gets to its ultimate destination— another superb example of this method.

An excellent example of Jasay’s use of the absurd is the story about financial speculators and Baron von Münchhausen in “The Speculator’s Bootstrap and the Efficient Market” (2013b). The German raconteur nobleman Baron von Münchhausen (1720–97) was famous for telling tall tales at dinner parties. One such tale concerned his efforts to get out of a swamp into which he had fallen. One version of the tale has him pull himself up and out of the swamp by his own hair; another version has him pull himself up by his own bootstraps, which is how the story is best known today. Jasay uses this absurd story to show that at least two economic fallacies are perpetuated by common belief in “the bootstrap principle”—the first being the story that Henry Ford “overpaid” his workers so that they could afford to buy his cars and the second being the notion that speculators can make profits by driving the market up and then buy the stock back at lower prices by driving the market down and then do it all over again. In the following passage, Jasay draws his essay to a conclusion with a surreal combination of the absurdity of the Münchhausen story with some serious economic analysis of the process of speculation:

The almost trivial insight that successful speculation is the result of the correct anticipation of future asset prices, including the asset prices that would prevail if speculators did not correctly anticipate them and by so doing did not smooth them out, does not spare much mercy for the bootstrap theory. It does not altogether wipe it out, though. If asset price expectations have strongly positive elasticity Munchausen could generate a buying spree for the asset by buying it and cause an uptick in its price, or a selling spree by selling it and provoking a downtick. With the elasticity of expectations strongly positive, an uptick would cause the public to revise its price expectation strongly upward, and doing the reverse when seeing a downtick. The crowd behaves like a flock of sheep or perhaps a stampeding herd of cattle, magnifying the boom or bust of the price. Munchausen could then profit from the price movement he brought about for that purpose. Very elastic asset price expectations could be partly responsible for such events as the forced abandonment of the European exchange rate mechanism by the British pound in 1992, the near-crash of Spanish government security prices in 2012, more generally, asset price “bubbles” and stock market crashes. However, no such spectacular movements can plausibly be ascribed to expectations generated by some initial price move alone, any more than the trigger can make the gun shoot unless the explosive charge is ready for it. (2013b)

Two other good examples of Jasay's skill at choosing the right metaphor to explain and simplify a complex economic argument can be found in his articles "Is Society a Great Big Credit Card?" in two parts (2010a, 2010b) and "Is Society a Great Big Insurance Company?" (2010c). In the former series of articles, he takes on the question of time preference and how interest-rate charges on credit can be explained by using this theoretical concept. Jasay is not opposed to credit cards. In fact, he describes them as (next to the contraceptive pill) "the mightiest agent of social change in our age" (2010a). What he does object to is the way many people have come to regard the modern welfare state as "a great big collective credit card which allows them to have public goods, social services, subventions and tax breaks simply by voting for them" (2010a). Given the fact that the modern welfare state never pays back the loans it takes out on the international bond market, the credit card bill never arrives for the present generation of users, who leave it for future generations to pay. This two-part article also provides Jasay with one of the few opportunities in his body of work to directly mention Bastiat, who is otherwise a largely invisible but powerful presence that hangs over much of Jasay's own writing—noting in particular Bastiat's essay "The State" (June 1848). Here Jasay acknowledges Bastiat's recognition of the problem of rent seeking and free riders one hundred years before the public-choice school tackles the issue:

Though the national accounts balance in the aggregate, the accounts of particular individuals need not; some end up as suckers, others as free riders. Well over a century before "public choice" or "rent-seeking" have become passwords among the initiated, Frederic Bastiat described the state as the instrument by which everybody is trying to live at everybody else's expense. All cannot succeed to ride free, but many will. Political economy and political science analyse these sub-surface goings-on as the product of rational opportunism, the calculating exploitation of voting strength, the sale of souls to the highest bidder and so forth. All that is valid enough, but tells only half the story. The other half, perhaps the more important one, is about the un-calculating, unconscious and unwary manner in which the majority of people regard and handle the collective credit card. It is as if they sincerely believed, without consciously believing it, that the state is sitting by a vast reservoir of good things and useful deeds, rivulets and avalanches of which are regularly released. The stock has perhaps all been paid for beforehand, or need never be paid for—the question does not arise. (2010a)

Related to the "society is a big credit card" analogy is "society is a big insurance company." Here Jasay takes on the topic of the origin of the state and why people acquiesce in its rule over them and again uses an apt analogy that makes it much easier for the general reader to understand his arguments. How states have arisen is one of

the most profound political and historical problems there is to solve. One tradition within classical liberalism is the “conquest theory of the state” which had an articulate defender in David Hume (see Hume 1987). Another tradition is the “contractarian” theory espoused by James Buchanan and Gordon Tullock ([1962] 1999) as well as by John Rawls on the left. Jasay accepts the “wisdom” of Hume but does not pursue Hume’s argument any further. However, he does discuss in more detail the “contractarian fairy story” that people agree to be a member of the state in the belief that among the several good things it will provide is insurance against risk—hence the title of his article “Is the State One Big Insurance Company?” (2010c). Jasay rejects the social contract theory as nothing more than “a bedside fairy tale for wide-eyed children” but admits that it does reveal a disturbing factor in contemporary society—namely, the desire for the government to provide its citizens with a “safety first” culture. He sees this tendency as having accelerated since the September 11, 2001, attacks on New York and the Pentagon, wherein a frightened and even panicked public seek security from a government very willing to expand its powers in order to provide the appearance of greater security and “insurance” against future harm that might result from another such attack.

The difference between a private insurance company offering insurance policies in a competitive market and the government is that the government does not have to make a profit or, at least, does not have to cover its payouts for damages with the carefully calculated premiums that its customers pay. The actuarial calculation of risk is a well-developed branch of applied mathematics that allows insurance companies to know with a considerable degree of statistical probability what their liabilities might be for a huge range of risky or dangerous activities and accidents. The government does not have to make such calculations because it has at its disposal a “giant credit card” that future generations may or may not have to pay back. The government does not charge premiums for a specific risky activity, other than general taxation, and it has no incentive to attract customers by charging the lowest premiums it can. As events since September 11, 2001, have shown, the government can and does impose very costly restrictions on its citizens, such as inspecting passengers before they board planes, tapping citizens’ phone calls and emails, and invading and bombing foreign countries that are suspected of “harboring terrorists.” Compliant citizens have put up with these extraordinary inconveniences and costs because they demand from the government a risk-free world that is impossible to achieve. So with this one apt analogy Jasay is able to make some profound observations about different theories concerning the origin of the state and to puncture some important myths about the government’s ability to insure its citizens against risk in a post-September 11 world.

Additional examples of Jasay’s approach include “A War of White Hats and Black Hats” (2005b), in which he chooses to frame his article using the language of the American Western movie, where the good guys who understand economic principles, the “White Hats,” fight to defend prosperity against the forces of evil, the “Black Hats,” who are trying to seize control of the ranch for their own

personal benefit; “Ned Ludd, Handloom Weaving, and Franco-German Moral Banking” (2010d), in which he likens nineteenth-century Luddites to those who today indulge in “bashing the bankers,” such as the members of the Occupy Wall Street movement; and “Class War by Judo” (2012a), in which he contrasts the unproductive head-to-head class warfare between bosses and their workers in Europe to the much more pragmatic Japanese and South Korean workers who continued to work and earn wages even while they were “officially” on strike during wage negotiations with their bosses.

As clever and Bastiat-like as Jasay is, he also sounds a warning about the use of colorful metaphors, analogies, and “little tales” as “teaching aids” to instruct people in sound economic thinking because such aids can also be used to cloud or hide economic truth. In “Helicopter Money and Stone-Age Banking” (2013a), he makes this statement about how such tales might be used to either good or ill effect: “Teaching aids can be treacherous instruments. Images, metaphors and little tales, addressed to all and by no means only to children, are designed to convey some truth in an easy to grasp and hard to forget [manner]. Some of these aids however, also contain half-truths and falsehoods. Worse still, some of them do this by design, deliberately implanting lies in people’s minds. They are easier to plant than to eradicate once they have taken root.” He gives the following specific examples of metaphors that hide the truth: the national product as society’s “cake,” which can be cut up and divided at will by politicians; “helicopter money,” by which the government can solve all manner of economic problems by “print[ing] a few hundred tons of banknotes, load[ing] them into helicopters and . . . letting the money pour down like blissful rain in a drought”; and the “velocity of circulation of money,” which if it becomes too fast can lead to depressions and bank runs. Another example that will irritate economists of the Austrian school is Jasay’s inclusion of the idea of a 100 percent reserve requirement for bank money as one of the “silly beliefs fostered by false teaching aids.” In fact, he dismissively calls it “stone-age banking” that is not suitable for the modern age.

Conclusion: The Success and Failure of Popular Economics, or Why It Is so Hard to Kill “Zombie Economics”

By the time Molinari wrote his third and final attempt at popularizing economics using a dialog form in 1886, he had reached the point of despair. He admitted to himself (or rather via one of his characters) that he had wasted his life writing books that nobody read and explaining ideas about the free market that everyone rejected. He complained that it didn’t seem to matter what he said, whether in times of shortage, as in 1847, or when the price of food was high, as in 1855, or in times of plenty when the price of food was low and people continued to believe in the virtues of government regulation and the need for subsidization of the grain market, as in

1886. This obstinacy led Molinari to declare in justified frustration, “[U]nfortunately, hardly anyone listens to economists” (1852, 151).

Which brings us back to Jasay in the first decade of the twenty-first century, when he began writing his articles for *Econlib* to debunk the economic follies of the new century. Whereas Bastiat and Molinari were spurred into journalistic activity by two economic crises of their own day—first, the crop failures of 1846–47 and the political elites’ refusal to countenance free trade to relieve the crisis and to prevent future ones, and, second, the attempt by socialists in the first half of 1848 to implement the first primitive welfare state in Europe—Jasay was spurred into action by the emerging crises of the advanced welfare states in Europe at the time of the bursting of the dotcom bubble from 1999 to 2001 and the great financial crisis that started in 2007–2008 and continues to the present. His and other free-market voices are being drowned out by the cacophony of noise emanating from the resurgence of neo-Keynesianism since 2008. I, for one, think I can see moments of despair (certainly frustration) in Jasay’s most recent writings as he, too, comes to realize that nobody listens to economists and that he may have written in vain all those words for *Econlib* and the books published by Oxford University Press and Liberty Fund.

There are two interrelated problems to consider here. First, there is the general problem of the “mature” or “late” welfare state with its high levels of taxation, rigid labor markets, and a large percentage of the labor force (voters) dependent on government-administered and taxpayer-funded transfer payments. Public-choice theory tells us why the vested interests that benefit from the bloated welfare-warfare state will not just walk away from the many dollar bills lying on the political pavement that they can pick up and pocket. It also explains why politicians can’t help falling over themselves trying to satisfy the political and financial needs of these groups if they want to be reelected. Bryan Caplan’s (2007) work on “the myth of the rational voter” also explains why it is not in voters’ interest to educate themselves in economics so that they will no longer be the “willing dupes” of the political class that controls the states in which they live. As the Marxists know very well, systemic change (i.e., revolution) does not take place until there is a conjunction of the “objective conditions” and “subjective conditions.” Objective conditions for systemic change can occur in a financial crisis or other economic breakdown, when the ruling elites are in disarray or have been discredited in the public mind. This essential precondition for revolution seems to have occurred in France in 1847–48 and in the West in 2008–2009. What was lacking were the “subjective conditions”: the correct ideas that are necessary to solve these economic and political problems.

In the first half of 1848, when Bastiat was active, free-market ideas were weak and easily shunted aside, and they continue to be so in the immediate aftermath of the great financial crisis of 2007–2008, when Jasay has been active. In Bastiat’s case, the better-organized socialist groups were able to seize control of one section of the new republican government in order to begin implementing their agenda to build socialism in France by means of the national Workshops. After several months, they

were defeated, but not by the spread of free-market thinking among the political class. Instead, the so-called Party of Order of conservatives gathered around the army and then Louis Napoléon to repress the revolution and to build a new authoritarian interventionist state in France. In Europe in 2008–2009, European governments reacted to the financial and banking crisis with massive Keynesian-style infusions of credit to prop up an increasingly insolvent banking and investment sector. Even though many, such as Jasay, thought free-market ideas had made some headway in the academy after Hayek won the Nobel Prize in 1974, the reality was that this progress was an illusion. Keynesian ideas remained firmly entrenched in the academy, the state, and central-banking bureaucracies, and their supporters acted swiftly when the economic crisis erupted, finding politicians more than ready to accept the advice they had to offer. The pinnacle of neo-Keynesian folly seems to have been reached with the rise to power of Shinzō Abe in the December 2012 election in Japan and the introduction of his policy of “Abenomics” with Paul Krugman’s strident support. This event showed that the progress that free-market economists thought they had made since mid-1970s was only skin deep. Beneath the superficial scratches made by free-market economists, Keynesian orthodoxy remained virtually untouched.

Jasay must feel some sympathy with his nineteenth-century liberal French forebears on this matter. It seems that some economic ideas and policies are a form of “zombie economics” that cannot be killed no matter how many times an economist takes an ideological ax to its head. Two policies in particular lay claim to being examples of “the living dead” of the economics world: protectionism and Keynesianism. More than two centuries ago, in 1776, Adam Smith decapitated the idea that tariff protection and subsidies for “national industry” can make an economy better off. In the 1840s, Bastiat guillotined the idea that natural disasters such as earthquakes, tsunamis, and hurricanes can have a “silver lining” in the rebuilding of a destroyed city. And in 2010, Jasay took a pump-action rifle to the idea that the government is like one “giant credit card” by which people in the present can happily live at the expense of future taxpayers. But none of those ideas died, and they continue to shamle through our world today voraciously in search of fresh gullible meat. One can extend these examples of dead economic ideas coming back to life almost indefinitely. Just when one might feel that one is making headway against economic fallacies and sophisms, up pops a Piketty (another French connection) who writes a runaway best seller on the self-regenerating and perpetual-motion capital machine that can be controlled only by confiscatory taxation and ever-vigilant government regulation. One can feel Jasay’s frustration as he writes his devastating refutation of Piketty’s ideas and perhaps also a sense of weariness that it might have to be done all over again when the next Piketty rises up from the Keynesian and neo-Marxist swamplands of academia.

I don’t know what motivates Jasay to keep doing what he has been doing. It is probably a mixture of moral outrage that a few can live at the expense of the many, anger at the waste of resources caused by foolish economic policies, frustration that

people cannot or will not see economic reason as he sees it, and just plain habit. He has made the effort for most of his life, and he apparently sees no reason to stop now that he is approaching his ninetieth year. I hope he continues to write for *Econlib* as long as he can. We still need people like him, and he is in very good company. Bastiat would approve.

References

- Bastiat, Frédéric. 1846. *Sophismes économiques*. Paris: Guillaumin.
- . 1848. *Sophismes économiques. 2e série*. Paris: Guillaumin.
- . 1944. *Social Fallacies by Frederic Bastiat*. Translated by Patrick James Stirling, with a foreword by Rose Wilder Lane. Santa Ana, Calif.: Register.
- . 1944–45. *Harmonies of Political Economy*. 2 vols. Translated by Patrick James Stirling. Santa Ana, Calif.: Register.
- . 1950. *The Law*. Atlanta, Ga.: Foundation for Economic Education.
- . 1964a. *Economic Harmonies*. Atlanta, Ga.: Foundation for Economic Education.
- . 1964b. *Selected Essays on Political Economy*. Atlanta, Ga.: Foundation for Economic Education.
- . [1964] 1968. *Economic Sophisms (First and Second Series)*. Translated and edited by Arthur Goddard. Irvington-on-Hudson, N.Y.: Foundation for Economic Education. At <http://oll.libertyfund.org/titles/276>.
- . 1995. The Broken Window. In *Selected Essays on Political Economy*, translated by Seymour Cain, edited by George B. de Huszar, introduction by F. A. Hayek. Irvington-on-Hudson, N.Y.: Foundation for Economic Education. At http://oll.libertyfund.org/titles/956#ff0181_head_005.
- . 2011a. *The Law, The State, and Other Political Writings, 1843–1850*. Translated by Jane Willems and Michel Willems. Vol. 2 of *The Collected Works of Bastiat*. Edited by Jacques de Guenin. Indianapolis, Ind.: Liberty Fund.
- . 2011b. *The Man and the Statesman: The Correspondence and Articles on Politics*. Translated by Jane Willems and Michel Willems. Vol. 1 of *The Collected Works of Bastiat*. Edited by Jacques de Guenin. Indianapolis, Ind.: Liberty Fund.
- . Forthcoming. *Economic Sophisms and “What Is Seen and What Is Not Seen.”* Vol. 3 of *The Collected Works of Bastiat*. Edited by Jacques de Guenin. Indianapolis, Ind.: Liberty Fund.
- Buchanan, James M., and Gordon Tullock. [1962] 1999. *The Calculus of Consent: Logical Foundations of Constitutional Democracy*. Vol. 3 of *The Collected Works of James M. Buchanan*. Indianapolis, Ind.: Liberty Fund. At <http://oll.libertyfund.org/titles/1063>.
- Caplan, Bryan. 2007. *The Myth of the Rational Voter: Why Democracies Choose Bad Policies*. Princeton, N.J.: Princeton University Press.
- Fontaine, Jean de la. 1826. La Belette entrée dans un grenier (The weasel that got caught in the storeroom). In *Fables de La Fontaine: Nouvelle édition, revue et accompagnée de notes par C. A. Walkenaer*, book 3, 150–51. Paris: Nerveu.

- Friedman, Milton, and Rose Friedman. 1980. *Free to Choose: A Personal Statement*. Harmondsworth, U.K.: Penguin.
- Hart, David M. 2011. Oposing Economic Fallacies, Legal Plunder, and the State: Frédéric Bastiat's Rhetoric of Liberty in the Economic Sophisms (1846–1850). At http://davidmhart.com/liberty/Papers/Bastiat/Hart_BastiatsSophismsAug2011.html.
- . 2014. Seeing the “Unseen” Bastiat, or the Changing Optics of Bastiat Studies. Paper presented at the Colloquium on Market Institutions and Economic Processes, New York University, December 1. At http://www.davidmhart.com/liberty/Papers/DMH_Bastiat-SeenAndUnseen15Nov2014.html.
- Hayek, Friedrich A. 1944. *The Road to Serfdom*. Chicago: University of Chicago Press.
- Hazlitt, Henry. 1946. *Economics in One Lesson*. New York: Harper and Brothers.
- Hume, David. 1987. *Essay V: Of the Origin of Government*. In *Essays Moral, Political, Literary*, rev. ed., edited and with a foreword, notes, and glossary by Eugene F. Miller. Indianapolis, Ind.: Liberty Fund. At http://oll.libertyfund.org/titles/704#lf0059_label_134.
- Jasay, Anthony de. 2002a. Thirty-Five Hours. *Econlib*, July 15. At <http://www.econlib.org/library/Columns/Jasaywork.html>.
- . 2002b. Your Dog Owns Your House. *Econlib*, April 22. At <http://www.econlib.org/library/Columns/Jasaydog.html>.
- . 2003. A Tadpole Constitution, Part I. *Econlib*, December 1. At <http://www.econlib.org/library/Columns/y2003/Jasaytadpole.html>.
- . 2004. The Seen and the Unseen, Part I: On the Economics of Protecting Employment. *Econlib*, December 6. At <http://www.econlib.org/library/Columns/y2004/Jasayunseen.html>.
- . 2005a. The Seen and the Unseen, Part II: The Costly Mistake of Ignoring Opportunity Cost. *Econlib*, January 10. At <http://www.econlib.org/library/Columns/y2005/JasayunseenB.html>.
- . 2005b. A War of White Hats and Black Hats: A War of Attrition between Economic Reality and Political Dreams. *Econlib*, March 7. At <http://www.econlib.org/library/Columns/y2005/Jasayhats.html>.
- . 2010a. Is Society a Great Big Credit Card? Part I. *Econlib*, May 3. At <http://www.econlib.org/library/Columns/y2010/Jasaycreditcard.html>.
- . 2010b. Is Society a Great Big Credit Card? Part II. *Econlib*, June 7. At <http://www.econlib.org/library/Columns/y2010/Jasaydebtcard.html>.
- . 2010c. Is Society a Great Big Insurance Company? *Econlib*, July 5. At <http://www.econlib.org/library/Columns/y2010/Jasayinsurance.html>.
- . 2010d. Ned Ludd, Handloom Weaving, and Franco-German Moral Banking. *Econlib*, January 4. At <http://www.econlib.org/library/Columns/y2010/Jasayluddite.html>.
- . 2010e. *Political Philosophy, Clearly: Essays on Freedom and Fairness, Property, and Equalities*. Edited and with an introduction by Hartmut Kliemt. Indianapolis, Ind.: Liberty Fund.

- . 2010f. *Political Economy, Concisely: Essays on Policy That Does Not Work and Markets That Do*. Edited and with an introduction by Hartmut Kliemt. Indianapolis, Ind.: Liberty Fund. At http://oll.libertyfund.org/titles/2455#deJasay_1535_23.
- . 2010g. Two Cheers for Fiscal Austerity, Part I. *Econlib*, August 2. At <http://www.econlib.org/library/Columns/y2010/Jasayausterity.html>.
- . 2010h. Weeding Out the “Socially Not Useful.” *Econlib*, February 1. At <http://www.econlib.org/library/Columns/y2010/Jasayweedingout.html>.
- . 2011a. Finance in Parrot Talk, Part I. *Econlib*, November 7. At <http://www.econlib.org/library/Columns/y2011/Jasayparrot.html>.
- . 2011b. Finance in Parrot Talk, Part II. *Econlib*, December 5. At <http://www.econlib.org/library/Columns/y2011/Jasaytalk.html>.
- . 2012a. Class War by Judo. *Econlib*, May 7. At <http://www.econlib.org/library/Columns/y2012/Jasayjudo.html>.
- . 2012b. Finance in Parrot Talk, Part III. *Econlib*, January 2. At <http://www.econlib.org/library/Columns/y2011/Jasaytalk.html>.
- . 2013a. Helicopter Money and Stone-Age Banking. *Econlib*, July 1. At <http://www.econlib.org/library/Columns/y2013/Jasayhelicopter.html>.
- . 2013b. The Speculator’s Bootstrap and the Efficient Market. *Econlib*, January 7. At <http://www.econlib.org/library/Columns/y2013/Jasayspeculator.html>.
- . 2014a. *Economic Sense and Nonsense: Reflections from Europe, 2008–2012*. Edited by Hartmut Kliemt. Indianapolis, Ind.: Liberty Fund.
- . 2014b. The Python That Eats Itself by the Tail: A Self-Contradictory Theory of Capitalism. *Econlib*, July 7. At <http://www.econlib.org/library/Columns/y2014/Jasaypython.html>.
- . 2014c. Two Horses, Four Grooms. *Econlib*, April 7. At <http://www.econlib.org/library/Columns/y2014/Jasayhorses.html>.
- Kipling, Rudyard. 1903. *Just So Stories for Little Children*. Vol. 20 of *The Writings in Prose and Verse of Rudyard Kipling*. New York: Scribner’s.
- Kliemt, Hartmut. 2010. Introduction to Anthony de Jasay, *Political Economy, Concisely: Essays on Policy That Does Not Work and Markets That Do*, edited by Hartmut Kliemt. Indianapolis, Ind.: Liberty Fund. At http://oll.libertyfund.org/titles/2455#deJasay_1535_23.
- Martineau, Harriet. 1832. *Illustrations of Political Economy*. 9 vols. 3rd ed. London: Charles Fox. At <http://oll.libertyfund.org/titles/1873>.
- . 1834. *Contes de Miss Harriet Martineau sur l’économie politique* (a translation of *Illustrations of Political Economy*). Translated by Barthélemy Maurice. Paris: Vervloet.
- Molinari, Gustave de. 1849. *Les Soirées de la rue Saint-Lazare: Entretiens sur les lois économiques et défense de la propriété* (Evenings on Saint Lazarus Street: Discussions on economic laws and the defense of property). Paris: Guillaumin.
- . 1852. *Les Révolutions et le despotisme envisagés au point de vue des intérêts matériel* (Revolutions and despotism seen from the perspective of material interests). Brussels: Meline, Cans.

- . 1855. *Conversations familières sur le commerce des grains* (Familiar conversations on the grain trade). Paris: Guillaumin.
- . 1886. *Conversations sur le commerce des grains et la protection de l'agriculture* (Conversations of the grain trade and the protection of agriculture). Paris: Guillaumin.
- Perronet Thompson, Colonel Thomas. [1827] 1834. *Catechism on the Corn Laws; with a List of Fallacies and the Answers*. 18th ed. London: Robert Heward for the Westminster Review.
- . 1835. *Contre-enquête par l'homme aux quarante écus: Examen de l'enquête commerciale de 1834* (A counter inquiry by a man on 40 ecus a year: An examination of the trade inquiry of 1834). Paris: Charpentier.
- . 1836. *Letters of a Representative to His Constituents, during the Session of 1836. To Which Is Added, a Running Commentary on Anti-commercial Fallacies*. Reprinted from the *Spectator* of 1834, with additions and corrections. London: Effingham Wilson.
- Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Translated by Arthur Goldhammer. Cambridge, Mass.: Belknap Press of Harvard University Press.
- Radnitzky, Gerard. 2004. Tribute: Anthony de Jasay. A Life in the Service of Liberty. *The Independent Review* 9, no. 1 (Summer): 99–103.
- Rand, Ayn. 1966. *Capitalism, the Unknown Ideal*. New York: New American Library.
- Rothbard, Murray. 1970. *Power and Market: Government and the Economy*. Arlington, Va.: Institute for Humane Studies.
- . 1982. *The Ethics of Liberty*. Atlantic Highlands, N.J.: Humanities Press.
- . 2006. *Economic Thought before Adam Smith*. Vol. 2 of *Classical Economics: An Austrian Perspective on the History of Economic Thought*. Auburn, Ala.: Ludwig von Mises Institute.
- . [1962] 2009. *Man, Economy, and State: A Treatise on Economic Principles, with Power and Market: Government and the Economy*. Scholar's ed. Auburn, Ala.: Ludwig von Mises Institute.
- Schumpeter, Joseph A. [1954] 1974. *History of Economic Analysis*. Edited by Elizabeth Boody Schumpeter. New York: Oxford University Press.
- Whately, Richard. 1832. *Introductory Lectures on Political Economy, Delivered in Easter Term 1831*. 2nd and enlarged ed. London: Fellowes. At http://oll.libertyfund.org/titles/1377#Whately_0208_28.
- Wolf, Aschwin de. 2011. Interview with Anthony de Jasay. *The Independent Review* 16, no. 2 (Fall 2011): 271–78.

SUBSCRIBE NOW AND RECEIVE A FREE BOOK!



“*The Independent Review* does not accept pronouncements of government officials nor the conventional wisdom at face value.”

—**JOHN R. MACARTHUR**, Publisher, *Harper’s*

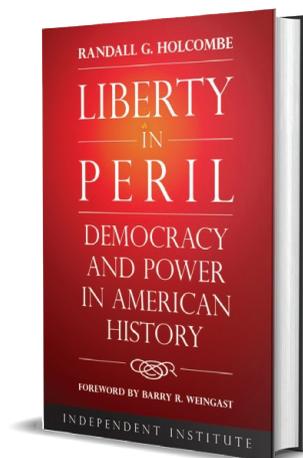
“*The Independent Review* is excellent.”

—**GARY BECKER**, Nobel Laureate in Economic Sciences

Subscribe to [The Independent Review](#) and receive a free book of your choice such as *Liberty in Peril: Democracy and Power in American History*, by Randall G. Holcombe.

Thought-provoking and educational, [The Independent Review](#) is blazing the way toward informed debate. This quarterly journal offers leading-edge insights on today’s most critical issues in economics, healthcare, education, the environment, energy, defense, law, history, political science, philosophy, and sociology.

Student? Educator? Journalist? Business or civic leader? Engaged citizen? This journal is for YOU!



Order today for more **FREE** book options

SUBSCRIBE

The Independent Review is now available digitally on mobile devices and tablets via the Apple/Android App Stores and Magzter. Subscriptions and single issues start at \$2.99. [Learn More.](#)

