Liberalism: A Short History

Richard Allsop

Foundations of Western Civilisation Program

Monographs on Western Civilisation No. 4

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A Short History

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Foreword

Liberalism is a term much misunderstood. Political philosophers and political parties have played fast and loose with the concept. Does liberalism refer to the political thought of John Locke, Herbert Spencer, and Friedrich Hayek, who believed individual liberty was the ultimate political ideal? Or does it refer to the 'modern liberalism' of Franklin D. Roosevelt, who built up the American welfare state?

The word liberalism has not been as confused in Australia as it has been in the United States. But even here it is used ambiguously. The usual distinction made by Australia commentators—that between 'big-L' Liberalism (referring to the beliefs of the Liberal Party of Australia) and 'small-l' liberalism—does little to clarify the issues at stake. Does small-l liberalism mean free market economics paired with social liberalism? Or is small-l liberalism just a marker for willingness to cede ground to the left?

The Australian economist (and now Labor member for the federal seat of Fraser) Andrew Leigh has in recent years argued that the Labor Party, rather than the Liberal Party are the heirs of Alfred Deakin. Labor is therefore the true 'liberal' party. Yet Alfred Deakin oversaw the White Australia policy and the victory of protectionism against free trade. If that is liberalism, Labor is welcome to it.

Richard Allsop's *Liberalism: A Short History* is a spirited survey of the rise, fall, and revival of the liberal idea. Beginning in earnest with the battles for toleration in the sixteenth century, liberalism was the most revolutionary philosophy for three centuries, as the world's greatest thinkers built a doctrine underpinning individual rights, private property, and representative government.

That intellectual dominance fell away in the late nineteenth and early twentieth century as Marxism—and its gradualist cousin, progressivism—seduced the intellectual classes.

In a masterpiece of public relations, the more hesitant varieties of progressive thought cast themselves as 'liberals'—claiming they were extending, rather than opposing, the classical liberalism of Adam Smith, the American Revolution and the Dutch Republic.

Richard tells this story with rare clarity. One of the important contributions this book makes is its extension of the traditional story of liberalism outside the confines of the English-speaking world. Richard reminds us that liberalism was not developed solely in the British Isles but in China, Germany, the Netherlands, France, and Spain.

The contest between 'real' and 'new' liberalism was fought in Australia as much as it was around the world. One of Australia's great contributions to liberal thought focused on this question. Richard draws our attention to the great tradition of free trade in Australia.

But few countries saw liberalism as comprehensively banished as Australia did in the first part of the twentieth century.

This book is a vital introduction to the history of the liberal idea.

Chris Berg
Institute of Public Affairs
March 2014

About the author

Richard Allsop is a Research Fellow at the Institute of Public Affairs and one of the conveners of the Foundations of Western Civilisation program.

He has written for a range of publications including *The Australian*, *The Age*, *Spectator Australia* and *Quadrant*; co-authored two books of football history; contributed a chapter in the book *The Victorian Premiers 1856-2006;* and is completing a PhD on 'The works of Geoffrey Blainey'.

He has previously been an adviser to state and federal government ministers and worked on television election night coverage since 1988. His current roles include being Director–Government Relations for The Agenda Group, and Chair of the board of the Public Transport Ombudsman Victoria.

Introduction

Of all the fruits of Western Civilisation, liberalism is surely one of the greatest. Along with its great allies, capitalism, and democracy, liberalism has not only contributed to levels of material prosperity unimaginable in previous generations, but has meant that citizens no longer have to live in fear of arbitrary punishment from governments for espousing different religious or political views.

Liberalism's contribution has certainly been widely recognised. The Australian-born classical scholar and public intellectual, Gilbert Murray commented in 1949 that 'Liberalism is an essential part of civilization, the great Hellenic or Christian tradition on which the civilization of Europe is based'.[1] A few years earlier, the British socialist Harold Laski had made a similar point, writing that 'liberalism has been, in the last four centuries, the outstanding doctrine of Western Civilization'.[2]

However, it is important to recognise that for most of those previous four centuries, there were no people who called themselves liberals, or were called that by others, nor was anybody promoting any doctrine called liberalism. Further, since the word has been in use, defining what it entails has been a problem for 'there does not exist at any one time a complete programme supported then, and thereafter, for the same reasons by all who are called liberals'.[3] Indeed, between the 1850s and

1950s, what was commonly accepted as liberalism underwent such a massive change that the very use of the term had become problematic.

The word 'liberal' stems from the Latin word *liber*, meaning free, and in several modern European languages it was in use as an adjective, in phrases such as liberal arts, for centuries before it was first used as a noun. This sometimes included deployment in a political context, for instance, in Thomas Jefferson's *Summary View of the Rights of British America* (1774) where he suggested George III should 'open your breast, sire, to liberal and expanded thought'. Yet, in their modern use as political words, liberal and liberalism have only been in use for just over two hundred years.

Liberalism, the word in the political sense, was the product of the Spanish War of Independence, better known to others as the Peninsular War (1808-14), in which Spaniards fought against the imposition of Napoleon's brother Joseph Bonaparte on the Spanish throne. By 1810, Spain had largely been conquered by Napoleonic forces, but pockets of resistance remained. Importantly for the history of liberalism one of those pockets was around Cadiz, which is where a meeting of the Spanish Cortes (parliament) began in 1810.

Because representatives from other parts of Spain found it difficult to attend given the war, the Cortes was skewed heavily towards locals. They 'were far from typical Spaniards', as the city of Cadiz 'boasted Spain's most bourgeois, liberal society, in which business acumen and commercial wealth counted more than aristocratic privilege.'[4] There were a group of delegates who became known as *serviles*, due to their ongoing servility to royalty, but they were outnumbered by an opposing party of reformers who became the first group in history to be called *liberales*, or liberals, and it was these men 'who introduced into the political vocabulary of England, indeed of the whole of Europe, a new word.'[5] The word was used 'to characterize a program seeking to end feudal privileges and to establish a more modern government'.[6]

In Spain, there had been little previous challenge to the monarchy, so the celebrated Constitution of 1812, which the liberals in the Cadiz Cortes drafted, was an even more daring step than one might imagine. Echoing the recent American and French bills of rights, 'it contained most of the liberal menu: sovereignty of the people; the sanctity of individual property rights; curtailment of aristocratic and church power; uniform laws; centralized government'.[7]

With the assistance of British forces under Arthur Wellesley, soon to become the Duke of Wellington, the French forces were driven from the Peninsula by 1814. However, liberalism then entered a long battle, first with conservatism and later with socialism, for the control of Spanish minds and institutions. Indeed, in 1814 a royal decree overturned the 1812 constitution and six years of absolutism followed before, in 1820, a series of uprisings in various Spanish cities led to the Cortes reconvening. Ferdinand VII, whom liberals had defended against foreign invaders, was forced to take an oath to obey the 1812 constitution. Thus, the members of the Cortes became, in Spanish eyes, 'the first Europeans to fight for liberal freedom against reactionary absolutism'.[8]

From its Spanish roots, the term 'liberal' spread quite quickly to other European countries. Its first recorded use in England was by the Tory minister Lord Castlereagh as a term of abuse, but it gradually became a term which was worn with pride. The presence of the word no doubt helped liberal self-awareness to develop more rapidly than it had previously. In German states, there had been some liberalisation, such as the Prussian Reforms in 1806, but some of these were wound back after the Congress of Vienna. An historian of German liberalism, Dieter Longewiesche has observed that the absence of the word was a potential reason why liberalism was slow to develop there:

> The development of early liberal thought in the final years of the eighteenth century has remained largely in the dark. This may be because 'liberalism', as a term of political alignment, only became current

> amongst the German public around 1830, and so the early representations of liberal thought did not yet have at their disposal the term liberal as a distinguishing political criterion.[9]

Longewiesche hastens to add that 'it should be noted that the liberals' core demands had been formulated … before the new meaning of the word 'liberal' emerged.'[10] This point is almost universally accepted. Political liberals and liberalism pre-date the use of the word, and have been retrospectively applied to a whole host of previous individuals and movements as 'writers of the calibre of Locke, Voltaire, Montesquieu and Adam Smith were elected ancestors'.[11]

The key starting point for an understanding of the history and prehistory of liberalism is the issue of religious toleration. For much of the liberal story this meant trying to ensure that no society was so religious that it failed to tolerate those of other creeds or atheists. In the twentieth century, the liberal view also faced the challenge, largely from Communist regimes, of government-mandated atheism that did not allow the practice of any religion. Some have suggested that the fight against powerful organised religion was a less important aspect of the work of liberals as 'it is only the state, not religious institutions, that possess that critical power to aggress against the life and liberty of the individual' but, as my Institute of Public Affairs colleague Chris Berg has argued, 'in the long expanse of history, economic and political liberty are second order issues—the importance that religious belief and doctrinal differences had for our intellectual ancestors requires us to view tolerance as the biggest development in the history of liberalism'.[12] Perhaps this point has been overlooked in recent decades, because 'contemporary liberals can afford to be benignly indifferent towards organized religion in most countries only because their eighteenth century forebears were not'.[13] Only once religious toleration was secured in much of the Western world by the middle of the nineteenth century could other issues begin to loom larger. However, ironically, it is those 'second order issues' which have created

the problems of defining the essence of liberalism.

The understanding of what constituted a liberal program underwent a significant shift around the end of the nineteenth century. In 1850, it was generally accepted that liberalism entailed religious toleration, minimalist government, a hostility to standing armies, concepts of individualism and progress, and the ability to trade freely. By the mid-twentieth century, much of what was considered liberalism was indistinguishable from Laski's socialism, as many so-called liberals supported expanding the size of government to deliver redistributive economic outcomes, often combining this with protectionism and militarism.

The question which thus arose was whether there are different brands of liberalism or whether there is a true brand and deviations from it. In the dark days of the 1930s, when the competing totalitarianisms of fascism and communism seemed set to dominate the globe, any social democrat seemed liberal by comparison. Similarly, Deng Xiaoping could perhaps be described as 'liberal' in relative terms when compared to Mao, even though ordering tanks to run over demonstrators in Tiananmen Square obviously tends to disqualify him from being a 'liberal' in absolute terms.

The challenge to describe what characterises a liberal in absolute terms was certainly made exceedingly hard by an enormous change in attitudes towards government intervention among the political mainstream between 1850 and 1950. English historian, Andrew Vincent proposed three ways of responding to this change:

> The first and crudest is that classical liberalism was a clearly identifiable creed which was betrayed by the new liberalism. The second … was that liberal ideology had two faces—the individualist and collectivist [and] a shift of seismic proportions took place at the turn of the century as liberalism adapted to the needs of a new age. [The third is] that there was really no division at all between the classical and new liberalism [and] they were all part of a 'broadchurch' doctrine.[14]

If we accept the third idea, that classical and modern are not contradictory, it is hard to see that the word has much use at all as a political descriptor. Given that one could, in the 1960s, describe both Frederich Hayek and Lyndon Baines Johnson as liberal the term would clearly be problematic.[15] The second perhaps made some sense around the middle of the twentieth century when it appeared that classical liberalism might disappear entirely, except as a historical concept, but its revival in more recent decades has ruled this out. One who supported this view, David Manning, argued that liberalism's 'policies and theoretical foundations constantly change' and, while it was 'tempting to consider mid-nineteenth century liberal theories and prescriptions as representing the doctrine in its maturity', this would be a mistake.[16]

However, it is hard not to be tempted by what Vincent dubbed the 'crudest' response and accept that mid-nineteenth century liberal theories and prescriptions reflected the most genuine liberalism. If you have a political creed based around reducing the power of the state vis-à-vis the individual and you then subvert that creed into one advocating an increased role for the state it probably deserves a new name. What made the betrayal all the more vexing was that it came just as liberalism was at its highpoint of influence and achievement.

By the middle of the twentieth century, it was debatable whether what had once been the pure liberal creed should continue to carry the name. Joseph Schumpeter noted that 'as a supreme, if unintended, compliment, the enemies of private enterprise have thought it wise to appropriate its label' and proponents of liberalism, such as Hayek wondered 'whether in these circumstances one ought to make an effort to rescue the term from what one feels is its misuse'.[17] The supporters of the new liberalism often dubbed the older version as 'classical liberalism' at best and 'conservatism' at worst. Thus, as David Boaz writes, 'we now refer to the philosophy of individual rights, free markets, and limited government—the philosophy of Locke, Smith, and Jefferson—as clas-

sical liberalism' or, in Boaz's case, deciding that 'classical liberalism' was 'not much of a name for a modern political philosophy', plumped for the term 'libertarian'.[18]

As well as specific policies, there is also what has been described as a liberal outlook, or a 'liberal attitude toward life', something which others have rejected as reducing the meaning of liberalism as a political ideology.[19] Bertrand Russell argued that a liberal outlook was reflected 'not in what opinions are held but in how they are held; instead of being held dogmatically they are held tentatively'.[20] Russell's position is half true. A liberal is not prescriptive about specifics; they do not have a five year plan they want everyone to follow but they can, and should, be proscriptive that freedom is essential. Liberals have dogmatic views on fewer things but, on certain key matters, liberals should be dogmatic.

At times, liberals have had to take up arms to promote or defend freedom. The story of liberalism is one of the developments of ideas and political action, something which we can see throughout liberal history. It is perhaps best illustrated by John Locke's involvement in the Rye House plot to assassinate a monarch and an heir (detailed in Chapter One below). Locke's political activity demonstrates that the story of liberalism should never be told in purely philosophical terms because what it really entails is an interaction between the actions of players and the thoughts of writers, for often 'the philosopher is only acclaimed because he recommends what the party would have done in any case'.[21]

So liberalism 'requires a historical rather than purely conceptual and inherently static type of analysis'.[22] One needs to understand how liberalism evolved to understand why one can succumb to the 'crude' temptation and accept that the liberalism of the mid-nineteenth century was a much healthier product of the West, than the one which much of the West was peddling a century later.

1 The origins

While it is generally accepted that liberalism pre-dates the Spanish Cortes of 1810-11, its starting point has been keenly disputed. Some libertarian writers, such as Murray Rothbard and David Boaz, have spotted elements of liberalism in the ancient Chinese philosopher Lao Tzu, who authored the *Tao Te Ching* in the 6th century BC, the foundation document of the philosophy of Taoism, while the Book of Samuel in the Old Testament was cited by Thomas Paine and Lord Acton as a liberal source.

A more common starting point, although still a minority position, has been the classical world of Greece and Rome. In 1895 the future Australian Prime Minister, Alfred Deakin argued that 'liberalism originated when opposition to authority first manifested itself'. Thus, he saw conflict between aristocrats and democrats in Athens, or that between patricians and plebeians in the Ancient Rome, as 'synonymous with the Conservatives and Liberals' of his own day.[1] In the 1950s, one classicist, Eric Havelock, argued that 'the boundaries of the word liberal, when used in a political context' were broad enough to be given to a group of classical Greek political theorists, so much so that he called his book *The Liberal Temper in Greek Politics*.[2] Another American historian, J. Salwyn Schapiro, while acknowledging that Socrates 'had no notion of what is now called the 'natural right' of every individual, nonetheless felt able

to describe him as 'a notable liberal in ancient times'.[3] In turn, Anthony Arblaster commented that to call Socrates a liberal was 'defensible even if implausible', but argued that, in doing so, Schapiro had needed to use a very loose definition of liberalism.[4] More recently Alan Ryan has argued against any existence of liberalism in the ancient world:

> There is no economic or political reason why liberalism could not have arisen in Athens in the fourth century BCE, but Greek religion and ethics would have had to be very different. In other words, liberalism required a particular intellectual and moral outlook and way of conceptualizing moral and political issues that existed in no ancient society, but it did not require any particular social, economic or political structure.[5]

While the consensus of historians of liberalism seems to deny its existence in the ancient world there certainly were clear components of what would come to be regarded as the liberal political agenda in ancient Athens. While democracy and liberalism are different concepts, they are undoubtedly fellow-travelers and the development of the former in Athens was obviously important to the development of liberalism in the second half of the second millennium AD. As M.I. Finely observed 'it was Greek writing provoked by the Athenian experience that the eighteenth and nineteenth centuries read, insofar as reading history played a role in the rise of modern democratic theories'.[6] And Freidrich Hayek was in no doubt that liberalism was around in classical times citing examples of an Athenian general inspiring his troops by reminding them of the 'unfettered freedom' of their city, the Stoics' conception of laws of nature which limited government powers, and the rhetoric of Marcus Tullius Cicero.[7]

Others have spotted elements of liberalism in the works of certain Sophists or in the pronouncements of the Roman Emperor Marcus Aurelius in support of equal rights and freedom of speech for Roman citizens. The Roman Empire, although often a persecutor of minorities,

also saw some early expressions of religious toleration. This was helped by the fact that for three centuries Christianity was a minority religion. One prominent early Christian figure Tertullian pointed out that there was no part of the religion which compelled adherence to that religion. Once Christianity became the established church throughout Europe it had greater potential to become dominant in all aspects of life, but there were usually counterbalancing state forces who were able to quote Christ's words that one should 'render unto Caesar the things that are Caesar's and unto God the things that are God's'.

Various writers have pointed to elements of liberalism in medieval times, most commonly in Magna Carta in England in 1215, although Voltaire mocked this idea.[8] Other possible examples of liberalism in action include the laws in the German town of Magdeburg and the Golden Bull in Hungary, while the theologian Peter Abelard in the early twelfth century queried whether Church teachings should be automatically accepted, instead suggesting questioning, balancing arguments and opening up the scope for doubt.[9] Others, including Arblaster, see liberalism beginning with the Renaissance:

> The development of modern liberalism is dated from the Renaissance. For it is not until that period that we find the development on a significant scale of the view of humanity and the world which forms the indispensable philosophical core of modern liberalism. That core is individualism, and an unprecedented perception of the human person as an individual is a central feature of the Renaissance.[10]

Others have argued that the Renaissance was actually a step backwards for the development of liberal societies. For instance, Boaz contends that 'the medieval charters of rights and independent legal institutions provided a more secure footing for freedom than the Promethean individualism of the Renaissance'.[11]

More common than pointing to the Renaissance, as the progenitor of liberalism has been to ascribe it to the Reformation, the religious revolution in the Catholic Church in the 16th century which evolved into a new strand of Christianity—Protestantism. This was certainly the old Whig view 'which saw the Reformation as leading, in a direct line, to some of the major principles and achievements of liberalism' as Protestant emphasis on the individual 'led logically, as well as historically, to toleration and freedom of conscience'.[12] This linear ascent of liberalism has been challenged by many writers, most famously by Herbert Butterfield's *The Whig Interpretation of History*. Butterfield coined the term 'Whig history' for those who told their history as the story of liberal progress. However, while few modern historians can be defined as Whigs, there are certainly recent writers on the subject of liberalism, such as Ryan, who continue to place its origins firmly in the Reformation:

> Liberalism as I understand it is essentially a modern creed, but not simply a nineteenth- and twentieth-century one. Its modernity lies in the fact that it is, not in logic, but in fact, an offshoot of Protestant Christianity.[13]

It is true that neither Luther nor Calvin were particularly liberal in outlook, but the religious tumult, which the arrival of Protestantism unleashed, was a vital element in liberalism's creation. Without the religious conflict which Protestantism engendered, seventeenth century England would have been very different. Without it, none would be able to suggest that 'by historians' consensus, liberalism (the thing if not the name) emerged in England in the political struggle that culminated in the 1688 Glorious Revolution against James II'.[14]

However, the concept of toleration, such an inherent feature in the development of liberalism, pre-dates 1688. Sebastian Castellio was a French theologian who in 1554 asked whether heretics should be persecuted and answered his own question in the negative, thus becoming

the first to suggest toleration as a solution to religious difference and to argue that maters of opinion should not be the concern of the state.

There were other seeds of change in other places in the sixteenth century. In Poland in 1505, a parliamentary act called *Nihil novi nisi commune consensu* ('Nothing new without the common consent' or, more colloquially, 'no taxation without representation') was signed by the King. This established what has been dubbed a 'nobles' democracy' meaning that the King had to secure the agreement of the parliament in which approximately ten per cent of the population were represented. In the same century, the Grand Duchy of Lithuania 'provided refuge for radical religious thinkers', especially at Troki, where Jewish Karaites analysed texts alongside Polish anti-Trinitarians and one work, the *Hizzuk Emunah* ('Fortress of Faith') of Isaac ben Abraham 'was regarded by the *philosophes* of the Enlightenment as one of the founts of their thought'.[15]

At the other end of Europe, scholars at the School of Salamanca, a Spanish centre of Renaissance theology in the 16th century, had developed the idea that a just price for any item was what someone was prepared to pay for it, not the cost of producing it. One particularly enlightened scholar there, Francisco de Vitoria argued that the native peoples of the Americas had rights and therefore it was not legitimate for the Pope to divide their lands up between European powers.

However, the most important location outside England was the Dutch Republic which was established in 1588 and, after a series of struggles, confirmed its independence from Spain in 1609. The original motive of the fight for independence had been Philip II of Spain's repression of Protestantism but, with the seven Netherlands provinces which formed the Republic having differing compositions of Protestants and Catholics, some accommodation was necessary if the small country was to survive and prosper, hence 'religious peace was a political necessity first and a principle second'.[16]

It underlined why the Reformation was crucial in the development

of liberalism. By creating two competing versions of the Christian religion across Europe, it meant that there either had to be a fight to the death, or some form of toleration. The Dutch Republic was the first country to choose the latter path. An early intellectual rationale for toleration was provided by Dirck Volckertszoon Coornhert, one of the first to express humanist ideas in the vernacular who, in the 1560s, argued against capital punishment of heretics.

Not only did the Dutch Republic develop religious toleration, it also demonstrated that monarchy was not essential and its energetic trading ethos showed the best method to become economically prosperous. In turn, this pushed the Republic towards a self-interested and largely pacific foreign policy, and 'an individualistic ethos, striking to observers in its novelty'.[17] It provided not only a shining example for proto-liberals in other countries but also, later in the seventeenth century, became a place of refuge for several prominent English liberals.

The Dutch Republic also produced several of the most important figures in the development of liberal philosophy in the seventeenth century, including Hugo Grotius, Baruch (later Benedict) Spinoza, and Pieter de La Court.

Grotius has been described as 'one of the inventors of what we now call liberalism' and his 'contributions to political liberalism are comparable to Hobbes, Spinoza, Locke and other seventeenth century luminaries'.[18] He asserted the idea that individuals and groups of individuals are bearers of rights, including property rights, and developed a theory that all countries were free to use the seas for trade. However, his liberalism was uneven for he accepted that there were a number of circumstances in which rights might be surrendered, or even just overridden, that slavery could be tolerated and that sovereigns were superior to all other citizens. His own life also demonstrated that, while compared to most places the Dutch republic was remarkably tolerant, it was far from a liberal idyll. Grotius was imprisoned in 1618, after he became embroiled in a debate

between two religious factions, the Arminians or 'Remonstrants', and the strongly Calvinist 'Counter-Remonstrants' over the nature of Biblical authority, predistination, and atonement. Toleration was finally granted in 1625 and many exiled Remonstrants began to return to the Netherlands and a few years later they were allowed complete freedom to establish churches and schools. Unlike many others, Grotius refused to ask for pardon since it would imply an admission of guilt, and after a brief return was again forced into exile.

Spinoza was born in 1632, half a century after Grotius, and coincidentally in the same year as John Locke. Thus, there is a tendency to compare the two. Arblaster argues that 'in some ways the supposedly more marginal figure of Benedict Spinoza embodies the confidence and dynamism of developing liberalism more truly than Locke'.[19] Chris Berg makes a similar point arguing that Spinoza's 'ground-breaking statement of liberalism … [was] in many ways superior to its English seventeenth century counterparts penned by John Milton and John Locke'.[20] Spinoza was Jewish, but his unorthodox religious views, which could be construed as either pantheist or atheist, led to his expulsion from the faith in 1656. His two most famous works were *Theologico-Political Treatise* published in 1670 and his *Ethics* (published posthumously after his 1677 death). A key aspect of Spinoza's writing was that he argued that political authority derived its legitimacy from the self-interest of individuals. As one commentator has observed:

> He argues not only that everyone, and everything, for that matter, is driven by self-interest but that they ought to be as well. 'The more every man endeavours and is able to seek his own advantage, the more he is endowed with virtue,' he says in the *Ethics*. 'To act in absolute conformity with virtue is nothing else in us but to act, to live, to preserve one's own being (these three mean the same) under the guidance of reason on the basis of seeking one's advantage.'[21]

Pieter de La Court, a Dutch businessman, wrote a strong defence of free trade, freedom of religion, and the open economy, most notably in his liberal masterpiece, *The True Interests and Political Maxims of the Republic of Holland* (1662). According to De La Court, 'the highest perfection of politics and human society consists in this single point, namely, that the Subjects are left as much natural liberty as is in any way doable'. The *Interest van Holland* became an immediate bestseller in the Dutch Republic and its influence spread throughout Europe, being translated into German, French, and English, influencing many eighteenth century liberal writers and politicians.

The Dutch Republic also showed that liberalism can lead to one of the other obvious manifestations of Western Civilisation—great art. One historian of the Dutch Republic has commented that 'as the Dutch economy grew, nurtured by the 'first principles' of freedom, so did the middle class that depended on such a philosophical climate.[22] This rising group of entrepreneurs, in turn, helped to foster one of the greatest eras in the history of art, the era of Rembrandt and others.

However, while there were signs of liberal progress in the seventeenth century, it was also a century which saw the rise of absolute monarchs, the most famous being Louis XIV of France. It was he who produced the massive step backwards on the issue of religious toleration with his 1685 revocation of the Edict of Nantes. The edict, which guaranteed some tolerance for the Calvinist Protestant 'Huguenots', was granted by Henry IV in 1598. After it was revoked 400,000 Huguenots fled France. Some went to other countries on the Continent, but many sought sanctuary across the English Channel to the country which was becoming the most liberal.

It is hard to underemphasise the significance to the modern world of events in England in the seventeenth century. The ferment created by the desire of Stuart monarchs to rule without opposition led to the Civil War, the execution of Charles I and then the Glorious Revolution

which created a new more liberal model of government than had been seen anywhere else. And in amongst all the action, there was much unprecedented thinking about political and philosophic possibilities. As Arblaster has commented, the 1640s had 'many of the characteristic marks of a revolutionary epoch' citing as evidence 'the amazing flood of pamphlets, books and newspapers … [and] the intensity and quality of the political debate of the period'.[23] Yet, in 2011, Monash University associate professor of education (and architect of the Gillard government's national history curriculum) Tony Taylor described the English Civil War as 'arguably just a series of confused and confusing localised squabbles that may have a special significance for UK history, but not for anybody else (unless they like dressing up in period costume)'.[24] This is a bizarre underestimation of a period which produced a ferment of political ideas that had a profound influence on the major events of the subsequent century, especially the American and French Revolutions. For the American revolutionaries, 'the intellectual and political legacy of the English Civil War was vital'.[25] The English Civil War must form an integral part of any study of political ideas today.

Many aspects of Oliver Cromwell's puritan Roundheads may seem to be quite illiberal but, through the overthrow and execution of a King, it was shown that much of what had been considered inevitable was now up for grabs. Just as Protestantism had challenged the authority of the universal church in the sixteenth century, the brief period of Cromwell's Commonwealth joined the Dutch Republic in demonstrating that theories of how to best organise civil governance could also be contestable.

In the 1640s, the Levellers developed a political program which included demands for freedom of the press, religious toleration, the end of government-protected monopolies and low taxes. John Lilburne was one of their leaders. In 1637, he was arrested, after being informed on by a representative of the Stationers' Company, for printing and circulating unlicensed books, and brought before the Court of Star Chamber.

Instead of being charged with an offence he was asked how he pleaded. In his examinations he refused to take the oath known as the 'ex-officio' oath on the ground that he was not bound to incriminate himself. He was sentenced to be fined £500, whipped, pilloried, and imprisoned. This was the first in a long series of trials that lasted throughout Lilburne's life for what he called his 'freeborn rights'; he became known as 'Freeborn John'. However, it was his first trial which has had the most lasting impact. It is one of the historical foundations of the Fifth Amendment to the United States Constitution, which gives certain rights, including the right to remain silent, to individuals accused of crimes. Lilburne's trial was cited in the 1966 majority opinion of *Miranda v. Arizona* by the U.S. Supreme Court, the result of which required arresting police officers to notify suspects of their right to silence and counsel. Presumably, if Taylor even heard one of the regular mentions of *Miranda* in American legal television series he had no idea that the English Civil War had influenced it.

One of the most famous of contributions by the Levellers was a pamphlet written by Richard Overton called *An Arrow Against All Tyrants* which included a line subsequently paraphrased by Thomas Jefferson in the Declaration of Independence. Overton wrote:

> No man hath power over my rights and liberties, and I over no man's; I may be but an Individual, enjoy my self, and my self propriety, and may write myself no more than my self, or presume any further; if I do, I am an encroacher and an invader upon an other man's Right, to which I have no Right. For by natural birth, all men are equally alike and born to like propriety, liberty, and freedom, and as we are delivered of God by the hand of nature into this world, every one with a natural, innate freedom and propriety (as it were writ in the table of every man's heart, never to be obliterated) even so are we to live, every one equally and alike to enjoy his Birth-right and privilege; even all whereof God

by nature hath made him free.

However, the Levellers were far from alone in producing ground breaking political ideas during the Civil War. It was a period that produced the unprecedented festival of political ideas in the Putney Debates and two of the most important political tracts of all times, John Milton's *Areopagitica* (1644) and Thomas Hobbes' *Leviathan* (1651).

Milton produced a number of pamphlets in support of the cause of Parliament and Cromwell. However, in contrast to the bulk of his political output, *Areopagitica* was actually an attack on a law the Parliamentarians had passed in 1643. This law sought to impose a new form of censorship on a literary scene that had exploded into life after Royal censorship had broken down about 1641. The issue had become personal for Milton when his *Doctrine and Discipline of Divorce* was published in 1643. Its radical arguments, including advocacy of divorce, had been almost universally condemned, with religious leaders demanding that the work be burned, while the Stationers' Company, with more secular concerns, were upset that his failure to obtain a license jeopardised the copyright system.

A key aspect of *Areopagitica* was Milton's argument that censorship had not been a part of ancient Greek or Roman society. The work gets its name from the Areopagus, a hill in Athens, which was the ancient site of courts. In the fifth century BC, the hill's name had been invoked by the Athenian orator, Isocrates, who gave a speech arguing for the restoration of power to the tribunals. Although the English had been subject to some form of censorship for over a century, Milton claimed that it was a more recent Catholic import—a product of the King's Star Chamber, which so recently had been abolished (1641), and which had been the principal opponent of the Protestant Parliament

On the other side of the philosophical divide in the 1640s was Thomas Hobbes. When his first significant work *The Elements of Laws, Natural and Politic* was circulated in 1640 its claim that the establishment

of an absolute monarchy would be best for Britain outraged parliamentarians and Hobbes decided it would be safer for him to flee to Europe. Thus, he wrote his best-known work *Leviathan* from the sanctuary in France of the 1640s avoiding the tumult of the English Revolution, just as forty years later his philosophical rival John Locke was to write his *Two Treatises* in Holland having been forced to flee England for similar reasons under a different regime. Hobbes returned to England under the Protectorate, as Cromwell appreciated that Hobbes' absolutist arguments could be equally well deployed to justify the Commonwealth as they could an absolute monarchy.

The book is remembered for its illiberal conclusion that society can only be governed by an authoritarian ruler, but Hobbes' argument was an important step on the path to liberalism. Hobbes believed that, with the decline of a universally recognised religious authority, the basis of order would need to be secular and could not rely on ideas such as the divine right of kings:

> He didn't take for granted that the Leviathan, or any political arrangement was justified. He asked whether subjects had reason to obey, and treated the question as important. In this way Hobbes sowed the seeds of the liberal view that governments are accountable to those governed. In this way, even if Hobbes was hardly what today we would call a liberal, he was nevertheless one of liberalism's inventors.[26]

The thing which distinguished Hobbes from others who formed the liberal tradition, such as Locke and Adam Smith, was that he had a pessimistic view of what would happened if individuals were given free rein to pursue what they perceived to be their own self-interest. In Hobbes' view, seeking the best for one self would lead to insecurity and violence, not cooperation and trade. However, while his ideal state was authoritarian, it was also limited and his religious views were close to atheistic.

From the time of the Restoration of Charles II in 1660, it seemed that, in the end, monarchy had triumphed, albeit operating in a slightly less extreme manner than it had under Charles' father. For much of the 1670s, a loose grouping of members of parliament, known as the Country party, opposed the Court party on issues such as the persecution of Protestant nonconformists, the direction of foreign policy and corruption. Their efforts would probably not have achieved much traction if it had not been for the identity of Charles' successor, James, the Duke of York. Disturbed by James' Catholicism, French connections and absolutist inclinations, many English citizens considered him a clear threat to their liberties as Protestants. Acting on this sentiment, the Country party attempted to exclude James from the succession producing what became known as the Exclusion Crisis of 1679-81. The Country party secured big victories in the three elections for the 'Exclusion Parliaments' but, each time the Commons passed the Exclusion Bill, Charles dissolved parliament. It was during this period that the Court party began to use the term Whig as one of abuse towards the Country party, who in turn began to wear it with pride. (The word was originally derived from the Scottish term 'whiggamor', meaning 'cattle driver', and first applied derisively to Scottish Presbyterians opposed to the imposition of the English church in Scotland.)

Those of liberal-mind in England were left with little option other than direct action when Charles dissolved the third Exclusion Parliament and indicated he would rule without parliament. A group of extreme Whigs decided to use Rye House in Hertfordshire as base to ambush the King and Duke on their way back to London from the races at Newmarket. The plot was never executed as, due to a fire at Newmarket, the races were abandoned and the royal party came back early. The plot was publicly revealed in June and the king moved quickly to arrest and send to trial many alleged plotters. As this history shows, many early struggles for liberalism were violent struggles. While in a reasonably

liberal society liberals are likely to behave in a moderate manner, in a strongly illiberal society more radical ideas and action may be required. As Arblaster explains:

> Liberalism is now so generally interpreted as a cautious empirical and often explicitly anti-utopian creed that it is hard to realize that, in its period of dynamic growth, utopianism was a quite natural expression of liberal confidence in the future and the power of liberal ideas. In the English revolution utopianism and liberalism overlap and are combined.[27]

In reaction to the Whigs, a 'Tory' ideology had developed by 1681 which equally loudly supported the monarchy and the Church. (Like Whig, 'Tory' was originally a term of abuse, from the Irish word *tóir* referring to outlaws. The epithet was thrown at those who supported the the suspected Catholic James' rights to the throne.) As the British Parliamentary website comments:

> The Whigs and Tories of 1679-85 are seen by some as embryonic political parties in England. Although each group's relation to government and political power changed over time, they continued to fight for dominance in Parliament over the next centuries.[28]

Given Hobbes' denial of the divine right of kings, he was not the favourtite writer of monarchs of his era. That title belonged to Robert Filmer who, by the 1640s, had written a book called *Patriarcha: a Defense of the Natural Power of Kings against the Unnatural Power of the People*, which was not published until 1680. It argued that the government of a family by the father is the true origin and model of all government. Filmer denied that human beings have natural rights and insisted that even a bad ruler must be obeyed because he was, in effect, the head of a family. The doctrine of political absolutism seemed to be gaining support, and in the event it became the universal creed, a monarch could not be safely opposed.

Two men wrote works in opposition to Filmer and, in the process, gained the title of the most influential figures in the development of the intellectual basis for liberalism. The two men were Algernon Sidney and John Locke. Today, Locke is far better known than Sidney which perhaps reflects what happened to the two men in the wake of the Rye House Plot.

Born in 1623, Sidney absorbed his father's philosophical views which included reading Grotius' *Law of War and Peace*. He made his mark during the Civil War fighting in the battle of Marston Moor and being a member of the Long Parliament. At the time he opposed the execution of Charles I but later accepted this had been necessary. When Cromwell closed down Parliament in 1653, Sidney opposed him but later in the decade he was appointed as an emissary to end a long-running war between Denmark and Sweden, a task he successfully completed. It was at Copenhagen University that he signed the guest book with the words 'Manus haec inimica tyrannis, Ense petit placidam sub liberate quietem.' In English this means: 'This hand, enemy to tyrants, By the word seeks calm peacefulness with liberty,' words which became the motto of Massachusetts.

Following the Restoration of the monarchy in 1660, those responsible for the execution of Charles II's father were themselves put on trial, and Sidney prudently stayed abroad, until finally returning in 1677. When Filmer's work appeared he began drafting a detailed point-by-point refutation. The work displayed Sidney's vast learning. He drew extensively on English and European history, ancient Greek history, Roman history, and the historical books of the Old Testament. At his 1683 trial for treason for allegedly being involved in the Rye House Plot, the prosecution used the manuscript, which had been found at his house, as evidence against him. The judge Jeffreys denounced the work for 'fixing power in the people.' Sidney was found guilty and sentenced to death, his execution taking place on 7 December 1683. In a brief final piece, *Apology in the Day of*

His Death, Sidney wrote: 'I had from my youth endeavored to uphold the common rights of mankind, the laws of this land, and the true Protestant religion, against corrupt principles, arbitrary power, and Popery, and I do now willingly lay down my life for the same.'

Sidney never finished his major work and for a while the original manuscript was lost. When the work appeared in print 15 years after Sidney's death, it was given the title *Discourses Concerning Government*. Sidney affirmed the right of people to rebel against unjust rulers writing that 'every man has a right of resisting some way or other that which ought not to be done to him.' He also made it clear that rulers could not make arbitrary laws as the whim took them for 'laws therefore they are not, which public consent hath not made so' and that citizens 'have by the law of nature a right to their liberties, lands, goods.'

A century later, Sidney was praised by Charles James Fox, while he was also greatly admired by the French political philosophers Montesquieu, and Condorcet. However, his greatest influence was in the North American colonies where Thomas Jefferson cited Sidney's writings as one of the sources for the Declaration of Independence, commenting that 'a rich treasure of republican principles … probably the best elementary book of the principles of government, as founded on natural right which has ever been published in any language.'[29] Indeed, one Jefferson critic complained that 'his opinions upon government are the result of fine spun theoretic systems drawn from the ingenious writings of Locke, Sidney and others of their cast, which can never be realized.'[30] Sidney's influence in the United States extended beyond the Founding Fathers to the mid-nineteenth century abolitionists, as he was quoted variously by William Lloyd Garrison, Wendell Phillips, William H Seward, and Charles Sumner.

While their names often remained linked, unlike Sidney, who became a martyr in the cause of liberalism after the Rye House Plot, Locke fled to Holland and lived to fight, and write, another day. Locke had

spent time as a student and tutor at Oxford until his 1666 introduction to Lord Ashley (later Lord Shaftesbury) saw him move close to the political action. For 15 years he was Shaftesbury's political secretary, also gaining appointment as secretary to the board of trade. However, when Shaftesbury fell from favour Locke fled to the Netherlands.

Charles II died in 1685 and James II succeeded him and, while he initially resummoned parliament, he then dissolved it when members objected to his policies favouring Catholics and increasing the size of the standing army. Protestants' fears were heightened as it was the same year in which Louis XIV of France had revoked the Edict of Nantes. When James' second wife, the Catholic Mary of Modena, gave birth to a son in June 1688, it appeared that a Roman Catholic dynasty would be established. Fortunately for Protestant England, James' daughter Mary from his first marriage had not only remained a Protestant but was married to William of Orange. William was invited to invade which he did in November, leading to large scale desertions from James' army and James himself fleeing to France.

In February 1689, Parliament formally offered the Crown to William and Mary but, in doing so, it stated its Declaration of Rights, which outlined the rights of the subjects and the liberties of Parliament (such as the frequency of Parliaments and freedom of speech for politicians) which the last Stuart monarchs had infringed. The sovereignty of the Parliament was clearly stated in the wording of the revised oath written by Parliament for the coronation of William and Mary in April. The new monarchs swore to govern according to 'the statutes in Parliament agreed on' instead of by 'the laws and customs … granted by the Kings of England'. The rights affirmed in the Declaration took statutory effect in December 1689 when Parliament passed the Declaration as an Act of Parliament, the Bill of Rights, and it received royal assent from William and Mary. Although much of the document related to the specific misdeeds of James II, the Bill of Rights is still one of the landmark

documents in the development of liberalism and a model for later, more general, statements of rights, such as the United States Bill of Rights.

The change in the monarch meant that Locke was able to return from exile and in conjunction with the political events, he produced the three books on which his influence is based—*A Letter concerning Toleration* (1689), *Two Treatises of Government* (1689), and *An Essay concerning Human Understanding* (1690).

In the *Essay* he argued that experience is the sole original source of human understanding. In *Toleration* he argued that there should be no sanction on religious belief (although he believed that Catholics might have divided loyalties). However, it was his *Treatises* that was to have the biggest political impact, especially the Second Treatise which argued that humans were not only born with natural rights, these rights were inalienable, and they could not be taken away by governments. Locke nominated the right to property as one of the inalienable rights. This meant that the sole purpose of government was to protect people's natural rights. If a government tried to extend its powers beyond that specific role, the people were justified in taking whatever action was required to remove the government. In contrast to Hobbes' pessimistic vision of what would happen in a world where all individuals were free to pursue their own desires, Locke believed that the pursuit of self-interest would produce a far happier world. As John Simmonds explains:

> Locke's entire philosophy (including his epistemology and philosophy of language) sides with individual freedom against the forces of authoritarian repression and inculcation, and Locke was one of the first noteworthy philosophers of whom this was true. Locke straightforwardly embraces the moral and political individualism of liberalism, according to which individuals are the proper primary objects of moral judgements and polities must be viewed as artificial constructions for the purposes of serving individuals' interests.[31]

In recent decades, there has been a vigourous intellectual debate about the strength of Locke's radicalism. On one side there are those arguing it was strong on the basis that he was close to the Dissenters on religious issues and was strongly active in the direct action political movement of Shaftesbury. Others maintain that Locke was essentially a moderate who accepted that citizens had natural rights, but also supported political order. Either way, his status has remained high. Boaz has described him as 'the first real liberal' while Hugh Trevor-Roper called him 'the greatest of liberal philosophers'.[32] However, as W.J. Gough commented:

> The importance of his contribution to political thought lay not in it novelty but in its timelessness and its mode of expression. He summed up, and published in an easy, readable style, the accepted commonplaces of the political thought of his generation, at a moment when the successful accomplishment of the Revolution of 1688 made the government of England seem a model to be envied.[33]

Obviously, a key part of what Locke was doing in writing his classic works was justifying the Settlement of 1688-89. However, Arblaster has argued that while Locke's role as 'the ideologist of the Whig settlement' was important for the practical development of liberalism, 'it is by virtue of his empiricist philosophy of knowledge that he takes his place among the principal philosophers of liberalism'.[34]

Certainly, the events and thinking of the sixteenth and seventeenth centuries, culminating in the Glorious Revolution and John Locke, meant that by 1700 liberalism the concept, if not the word, was firmly established as a political ideal by the end of the tumultuous seventeenth century.

2 The rise

If the development of liberal ideas in the seventeenth century was most apparent in Holland and England, then in the eighteenth century the key countries in liberalism's ongoing rise were France, Scotland and the new United States of America. The eighteenth century was the century of the Enlightenment, an intellectual and cultural movement which challenged superstition and tradition with the application of scientific method and reason. This movement was clearly an ally of liberalism and, as J.G. Merquior argued, it contributed to its evolution by adding a 'worldview' to what had been purely a political doctrine for, as he writes, 'the Enlightenment gave liberalism the theme of progress'.[1]

However, before the Enlightenment contributed back to liberalism, it was the liberalism of Locke which contributed to the rise of Enlightenment thinking. Bertrand Russell made the point that, while in England Locke's writings could be seen as summarizing an orthodoxy, in France they were more radical. In the former, 'his views were so completely in harmony with those of intelligent men that it is difficult to trace their influence … [but in France] they clearly had a considerable effect in shaping the course of events'.[2]

The influence of England on the key thinkers of the French Enlightenment is underscored by the fact that both Voltaire and

Montesquieu were strongly influenced by spending time in England, from 1726-29 and 1730-31 respectively.

Before Voltaire went to London his main English contact had been the Tory Lord Bolingbroke but while there he also began to meet Whigs. He attended Isaac Newton's funeral in Westminster Abbey and was impressed by the regard in which a rational scientist was held by British society. Promoting and defending Newtonian science became a key feature of the early part of Voltaire's career, summarised in his *Éléments de la Philosophie de Newton* (1738). The book created an intellectual storm and Voltaire was assiduous at rebutting critics and advancing his position in pamphlets and periodicals. His work paid off, as 'by 1750 the perception had become widespread that France had been converted from backward, erroneous Cartesianism to modern, Enlightened Newtonianism thanks to the heroic intellectual efforts of figures like Voltaire'.[3]

For a while it seemed Voltaire would settle into a quasi-establishment position, but an ill-fated spell at the court of Frederick the Great saw him revert to a more radical stance attempting to defeat perceived enemies within both the church and government establishment. He defended the *Encyclopedie* of Diderot and d'Alembert from criticism and worked with the latter toward developing an intellectual program for the groups who had become known as *philosophes* and *encyclopedistes*. As well as defending the *Encyclopedie*, these groups campaigned against the Jesuits, whom they saw as the greatest enemies of the Enlightenment, and sought to put their own supporters in academies and other institutions. This campaign climaxed in 1774 'when the *Encyclopédiste* and friend of Voltaire and the *philosophes*, Anne-Robert Jacques Turgot, was named Controller-General of France, the most powerful ministerial position in the kingdom … Voltaire and his allies had paved the way for this victory through a barrage of writings throughout the 1760s and 1770s that presented *philosophie* like that espoused by Turgot as an agent of enlightened reform and its critics as prejudicial defenders of an ossified tradition'.[4]

Like Sidney and Locke, Voltaire was a man of action who had to suffer for his views. He was imprisoned three times and exiled twice. He did not write for the sake of it but rather he explained that he wrote to change the world.[5] Much of his work was produced in fictional form—stories and poems—including his best-known work *Candide* (1759). One of the components of Voltaire's work was advancing the call for religious toleration in Locke's work into a broader more secular toleration, pointing out in his own *Treatise on Toleration* (1763) that, while history was full of examples of intolerance causing bloody conflict, there was no evidence of tolerance doing so and thus 'the fight for religious rights fueled the idea of general individual rights, one of the very springs of liberalism'.[6]

Montesquieu shared Voltaire's regard for how public affairs were conducted in England, particularly the fact that commerce was undertaken without political interference. Montesquieu's most important contribution to the ongoing liberalising of governance was *Spirit of the Laws* (1748), in which he espoused the virtue of the separation of government into executive, legislative and judicial branches. Montesquieu believed this was happening in contemporary England, which was only partially correct, but his writing reinforced the idea that this was indeed desirable. It thus had a positive influence in England and particularly amongst the framers of the United States constitution later in the eighteenth century, for the '*Spirit of the Laws* offered what Locke's Second Treatise did not: an extensive consideration how to distribute authority and how to regulate its exercise', and thus gave liberalism an 'institutional depth' which it had previously lacked.[7]

The underlying tenor of the French Enlightenment was the application of scientific empiricism to all aspects of life. Where there was religious toleration, in Holland and Britain, science flourished, as it did not have the shackles of a state church dragging it back. It was also an era when the benefits of unfettered trade became more appreciated and

when the term *laissez-faire* came into use. France's Louis XV reputedly asked a group of merchants what the government could do to assist them to which one of their number replied '*laissez-nous faire, laissez-nous passer. Le monde via du lui-meme*' (which translates as 'leave us alone, the world runs by itself'). Under Louis XVI and his minister Turgot there were some steps taking towards liberalising the French regime on lines favorable to the Enlightenment but these proved to be too little, too late.

Yet across the channel, England itself was far from a fully liberal society, as the case of John Wilkes demonstrated. Writing in a newspaper he had established called the *North Briton*, Wilkes wrote several controversial pieces culminating in a strongly worded attack on the king's message to parliament. This resulted in Wilkes being arrested, but he was released by order of the Court of Common Pleas on the basis that his privilege as a member of parliament afforded him immunity from arrest. Further charges led to his expulsion from the House of Commons, and because he was absent when found guilty in court, he was pronounced an outlaw. A few years later, Wilkes was elected as Member for Middlesex and there ensued a series of contests without parallel in English history as the electors constantly returned him only for the Commons to reject the result. The cause of 'Wilkes and liberty' became a rallying cry for all those concerned with the promotion of freedom, specifically the freedom espouse views the government found offensive. In 1774, Wilkes was accepted by the Commons, a clear win for the slowly growing force of liberalism.

If the French Enlightenment provided liberalism with the general theme of progress, it was the Scottish Enlightenment which added an economic flavor to it. The Scottish Enlightenment 'added to Locke's theory of rights and to Montesquieu's critique of despotism a powerful framework: a new account of western history' which redefined its meaning as 'progress through trade thriving on freedom—on civil, individual, *modern* freedom'.[8]

This flowering of Scottish thought seemed unlikely after the Knoxian

revolution of the sixteenth century had resulted in 100 years of almost uninterrupted violence in Scotland. Yet throughout this bloodshed, the Presbyterians were at least popularising the notion that political power, though ordained by God, was vested not in the monarch or even in the clergy, but in the people. Thus, the people needed to be educated. In 1697 Scottish parliament passed an education bill which established a school and salaried teacher in every parish. The effect was that, by 1750, the Scots were probably the most well-read nation on earth, and with the highest literacy rate.

The first important contribution to the Scottish Enlightenment was provided by Bernard Mandeville who, in 1714, published his *Enquiry Into the Origin of Moral Virtue* which, because of its use of an analogy about bees, was also known as *The Fable of the Bees*. Mandeville argued that self-interest more than conventional morality was a driver of human action and summed up his position with the slogan 'private vices, publick virtues'.[9] A more problematic figure, sometime included in the liberal tradition, was David Hume. In many ways more conservative than liberal, Hume placed significant weight on the value of convention for preserving liberty. He argued that Locke's concept of the Social Contract was dangerous as it would mean almost all regimes in human history would have been illegitimate. It is easy to see why 'these anti-Whig strains in Hume's thought' prompted Thomas Jefferson's decision to ban Hume's *History* from the University of Virginia, although obviously preventing students reading Hume was somewhat illiberal itself.[10]

Hume held a position as Librarian of the Faculty of Advocates, a role in which he was succeeded by Adam Ferguson, who later became a professor of philosophy at Edinburgh University. In 1767, Ferguson published his *Essay on the History of Civil Society*, which was well received and translated into several European languages and his *History of the Progress and Termination of the Roman Republic* (1783) also became very popular and went through several editions, contributing to a contem-

porary understanding of how republicanism can both function and be overthrown.

However, by far the most important figure in the Scottish Enlightenment was Adam Smith. Smith published just two books *The Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776). While these were meant to form part of a broader spectrum of works, including topics such as jurisprudence and the liberal arts, he did not publish them in his lifetime and left instructions that on his death all his unpublished works were to be destroyed.

In *Moral Sentiments* Smith described two types of human behavior, beneficence, and self-interest, and argued that both should be encouraged. However, he made the crucial point that society could still function very well if beneficence was restricted to families, provided that all other interactions were governed by a transparent justice system. Thus the key concern of the state must be the protection of life, liberty and property. In *Wealth of Nations*, he demonstrated that a society acting out of individual moral self-interest could not only be just, but also economically prosperous. As he explained in one of his most famous lines, 'it is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest'. Boaz points out that Smith's most significant contribution was to demonstrate that freedom and order are not conflicting goals, as a society which respects the rights to liberty and property will produce spontaneous order through the free operation of the market. And as D.J. Manning commented:

> More clearly than any other writer Smith spelt out the new liberal position. Man's political, social and economic orders are to be seen as the natural consequence of his desire for universal security, sympathy with his fellows and concern for his own material well-being.[11]

Smith clearly believed that all humans were fundamentally the same for 'the difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature as from habit, custom, and education.' He also joined a number of the French *philosophes*, including Montesquieu, in attacking the slave trade, adding an economic as well as a moral argument to the case for the abolition of the slave trade by pointing out that slaves were not as productive as free workers.

The spirit of Smith and the Scottish Enlightenment was also reflected in the remarkable number of inventors and engineers who came from Scotland, most famously James Watt who, once he moved from Glasgow to Birmingham in 1774 and combined with the iron maker Matthew Boulton, produced perhaps the single most important invention of the Industrial Revolution, the steam engine.

The influence of *The Wealth of Nations* was profound. It was 'the one English eighteenth century work which enjoyed undiminished influence on the nineteenth century evolution of liberalism … [and] if the number of times it was reprinted and quoted is any indication of its authority it has no rival.'[12] The book also had an impact in France being incorporated into the work of the later generation of French *philosophes*, such as Nicolas de Condorcet.

As transport links improved in the eighteenth century the sharing of ideas across, not just the Channel, but also the Atlantic became easier. The influence of Sidney and Locke in North America has already been noted, but also were the set of political essays known as Cato's Letters authored by British writers John Trenchard and Thomas Gordon. When first published from 1720 to 1723, they appeared under the pseudonym of Cato, the implacable foe of Julius Caesar and a famously stubborn champion of republican principles. The 144 essays were published originally in the *London Journal*, later in the *British Journal*. These newspaper essays condemning tyranny and advancing principles of freedom of

conscience and freedom of speech were a main vehicle for spreading the concepts that had been introduced by Locke. The Letters were collected and printed as *Essays on Liberty, Civil and Religious.*

The *Letters* were influential in developing the ideas held by the Founding Fathers in the American War of Independence. Cato's Letters were frequently quoted in colonial newspapers. As leading Americans headed towards war in the 1770s, they saw themselves as in a similar position to the Englishmen of 1688 throwing off a tyrannical monarch. However the influence of Locke and Cato's Letters meant they considered, in their case, that George III was violating their rights, not so much as freeborn Englishmen, but as the holders of natural and therefore inalienable rights. Arblaster emphasises that it was 'because the struggle was seen as a fight for fundamental human rights that it generated such widespread enthusiasm and support … and the rights which the Americans claimed were not, despite Burke, simply their historical rights as British citizens, but their natural rights, the rights of man.'[13] The fact that governments needed to respect natural rights was evident in the wording of the Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it.

The American Constitution, which the Founding Fathers developed, blended republicanism and liberalism, the latter being reflected in the use of concept of 'the pursuit of happiness'. It expressly nominated the powers that the Federal Government would have, meaning that any other matters remained with the states or the citizens, a point reinforced

by the Tenth Amendment of the Bill of Rights.

The depth of thinking about the principles under which this new political entity would be governed was provided by what became known to history as *The Federalist Papers*. In 1787, James Madison, Alexander Hamilton and John Jay wrote a series of newspaper articles under the pseudonym 'Publius'. Madison presented the more liberal position demonstrated by 'his emphasis on civil liberties and his suspicion of any and all accumulations of power'.[14] His liberalism contrasted with the more conservative position adopted by Hamilton which argued for a stronger national government designed to develop the new country. While opposing powerful government, Madison did not object to governments covering large territories and significant populations, as he thought these would be best placed to resist the demands of powerful sectional interests who could wield great influence in smaller areas.

Madison had clearly taken much from Montesquieu as, in *The Federalist Papers*, he strongly argued for the separation of powers as a key measure to prevent tyranny. This highlights one of the striking things about the Founding Fathers—how much thought they gave to first principles and how widely they had read all of the great philosophers. For instance, when the French minister Turgot criticised aspects of the new constitution of the United States, John Adams 'reread Milton, Locke, Sidney, Nedham and Harrington'.[15] Adams is an interesting case. He was undoubtedly a liberal in his early career who clearly strayed during his presidency, most critically in his passing of the 1798 Sedition Act, which saw him 'undoing every word he had spoken earlier in defence of freedom of the press'.[16] Like the Hamilton-Madison comparison, the Adams-Madison one has also been made with McCloskey summing up that 'Adams stands for a civic republicanism depending on individual virtue; Madison for a liberalism depending on constitutional structures'.[17]

However, even more than Madison, the most significant liberal writing in the American Revolutionary era was not done by an American, but

by an Englishman, Thomas Paine. Paine rose to prominence in North America with the publication of *Common Sense*, with its mantra that 'society in every state is a blessing, but government even in its best state is a necessary evil, in its worst state an intolerable one'. Just as Locke's originality has been challenged so has Paine's:

> There is no doubt that the arguments Paine put forward in *Common Sense* helped to form and unite public opinion in the American Colonies in favour of separation from Great Britain and the creation of republican government. For all that, and despite his own claim to originality in his ideas, Paine's main role throughout his political and literary career was that of an influential propagandist of ideas among ordinary men rather than that of a political thinker.[18]

Certainly, a key element of Paine's influence was that he wrote for 'self-educated artisans and ordinary folk like himself, for whom reading and being read to were exhilarating first-time experiences'. And Paine's biographer, John Keane, makes the point that Paine's thinking was strikingly novel, relying less than others on interpreting the history of ancient Greece or Rome. Keane comments that 'it requires something of a leap of imagination to see that Paine's democratic republicanism, in all its originality, did not derive primarily from books or formal education in the classics' but from his own direct engagement with the political and cultural convulsions of his own time.[20] Paine provided a link between the two great late eighteenth century revolutions, the American and the French. In response to Edmund Burke's condemnation of the French Revolution, Paine wrote *The Rights of Man* in two parts, published in 1790 and 1791. In Britain it sparked 'the fiercest public row about political principles since the 1640s'.[21]

It seems obvious with hindsight that the Revolution of 1789 was a great liberal triumph, which was then usurped by the Jacobin Terror in 1793. However, it took the posthumous publication of Germaine

Mme de Stael's *Considerations on the French Revolution* (1818) to draw that distinction. J.G. Merquior comments that 'her tale was quite new in that it broke both with the traditionalists' wholesale condemnation of the Revolution and with the left's defense of Jacobinism'.[22] Merquior explains what de Staal's tale described:

> There had been a good revolution in 1789, which brought civil equality and constitutional rule, thereby aligning France with England. (Stael thereby joined the illustrious company of liberal French Anglophiles, which includes Voltaire, Montesquieu and Guizot.) Then there came a bad, nasty revolution, 1793, which brought Terror and violent egalitarianism.[23]

This trajectory was reflected in the person of Condorcet. As has been noted, Condorcet, more than any other French *philosophe,* incorporated the ideas of Adam Smith into his own work and he then delighted in the Revolution, seeing a glimpse of 'the human race emancipated from its shackles, released … from the enemies of its progress, advancing with a firm and sure step, along the path of truth, virtue and happiness!' Yet, in March 1794, Condorcet was arrested and imprisoned by the Jacobin regime, being found dead in his cell the next day.

The French Revolution had a major impact on the future of liberalism in England. Until it occurred, English liberalism was further advanced there than in any country on the continent. However, events in Paris meant that English Whigs now had a choice to make, between positions associated with Edmund Burke on one side and Charles James Fox on the other, having to either 'turn conservative like Burke' or, like Fox, 'defend the liberties of the subject, freedom of the press and of public meeting against the encroachments of a panicky Government'.[24] As Fox pointed out in a speech to the House of Commons in 1800, there were now, under the pretext of war, major attacks taking place on freedom of speech both verbal and written.

There was an element of retrospectivity about how many subsequent liberals treated Fox, a point emphasised by one of his biographers, L.G. Mitchell who, while acknowledging Fox's unusual tolerance on religious matters, argued that in other areas he sought to defend existing reforms, rather than extend them.[25] The fact that much of Fox's time was spent defending existing reforms was, in part, because 'events triggered by the Enlightenment triggered a serious setback for enlightenment policies in Britain' as 'concerns about Jacobin-inspired political turmoil led to retreats on a number of fronts' both economic and political.[26]

The fact that Fox became such an iconic figure demonstrated clearly that, while at the time of his death in 1806 it appeared he had lost the debate, as the nineteenth century progressed, his legacy was to have a profound impact on the next generation of liberals, the first to actually carry that label.

3 The ascendency

The advent of the political use of the word liberal at Cadiz in 1810-11 was timely. It was followed by several decades of liberal progress across most of the Western world to a degree unprecedented in human history. It was helped by a century of general peace in Europe from the conclusion of the battle of Waterloo in 1815 to the shot fired at the Archduke Ferdinand at Sarajevo in 1914.

And just as it had been in the seventeenth century, England was at the forefront of this unique period of liberal reform. It was the period when the Industrial Revolution transformed the economy of first Britain and then much of the world. Liberalism and economic progress were undoubtedly linked, for the spirit of innovative thinking provided by liberalism, combined with geographic advantages such as abundant coal, meant that Britain was best-placed to be in the vanguard of change.

It is hard to argue with historian Derek Beales' conclusion that 'British achievements during the period were extraordinary'. Politicians played their part in these achievements through measures such as ending slavery, enshrining religious toleration, reforming parliament, and reducing protectionism, but crucially governments helped by getting out of the way. These were decades when 'in most fields Governments declined to plan', and thus 'the achievements were those of individuals

and groups, commonly involving others than inhabitants of Britain … for this was an age of liberalism and internationalism'.[1]

The years 1815 to 1885 were the period when Britain was undisputedly the 'top nation'. Beales explains that 'the extensive reforming legislation of this period bore a distinctively Liberal stamp, whereas before 1815 there was hardly any reform at all and in the twentieth century all parties have promoted measures of a semi-socialist character'.[2] However, it is important to recognise that even in its most successful period, there was only a partial implementation of liberalism, as von Mises pointed out:

> Even in England, which has been called the homeland of liberalism and the model liberal country, the proponents of liberal policies never succeeded in winning all their demands. In the rest of the world only parts of the liberal program were adopted, while others, no less important, were either rejected from the very first or discarded after a short time. Only with some exaggeration can one say that the world once lived through a liberal era. Liberalism was never permitted to come to full fruition. Nevertheless, brief and all too limited as the supremacy of liberal ideas was, it sufficed to change the face of the earth. A magnificent economic development took place. The release of man's productive powers multiplied the means of subsistence many times over.[3]

However, in the early years of the nineteenth century, England seemed a long way from a period of liberal progress. The reaction to the excesses of the French Revolution had locked in a conservative hegemony in British politics, with the Tories, who had already come to dominate the government benches by 1789, then remaining in power until 1830, only interrupted by the Whig-led Ministry of all the Talents under Lord Greville's Prime Ministership in 1806-07. It was under this government that the trade by Britain in enslaved peoples between Africa, the West

Indies and America was abolished.

There was a resurgence in liberal ideas in the post-Waterloo period as 'the new liberalism was slowly gaining ground, through a combination of post-Smithian political economy and the growing power of the new industrial and commercial elite'.[4] This happened in the context of a broader intellectual environment which took in prominent literary figures Lord Byron, Percy Shelley and Leigh Hunt. These three founded a journal called *The Liberal* in Italy which was not a success, but the attempt showed a belief that liberalism was a creed on the move, a sentiment captured in Shelley's poetry:

> From billow and mountain and exhalation
> The sunlight is darted through vapour and blast;
> From spirit to spirit, from nation to nation,
> From city to hamlet thy dawning is cast,—
> And tyrants and slaves are like shadows of night
> In the van of the morning light.

A particular domestic target of Shelley and Byron was the leading Tory politician Lord Castlereagh, the man credited with the first (negative) use of the word 'liberal' in its new political sense in 1816. Events such as the 1819 Peterloo Massacre, where government troops opened fire on protestors demanding parliamentary reform, prompted the political class either to advocate liberal reforms, or to push for harsher measures against protestors. A new question came into British politics which was 'whether the greater threat to liberty came from the crown and the executive or from popular agitation and unrest', with the Whigs supporting the former answer and the Tories the latter.[5] Following Castlereagh's death in 1822, a more liberal brand of Toryism showed signs of evolving, generally associated with Lord Canning in the latter years of Lord Liverpool's 15 year administration. By the end of the 1820s, there was ever-growing pressure for liberal reforms and, while 'there was no single

point of origin for liberal values', a key trigger was the repeal of the Test and Corporation Acts in 1828 (which made membership of the Church of England a condition for holding many public offices) and Catholic emancipation in 1829 (which removed most other restrictions on Catholic participation in society).[6] Both of these happened under a Tory government.

However, it was under Lord Grey's Whig administration that one of the great liberal reforms of the nineteenth century occurred—the Great Reform Bill of 1832. This extended the franchise to any man owning a household worth £10, which increased the size of the electorate by around fifty per cent, bringing those eligible to vote to about twenty per cent of the adult male population. The Act also significantly redistributed parliamentary seats allocating more to the rapidly growing industrial cities of the Midlands and the North, while abolishing many of the old 'rotten' boroughs, most famously that of Old Sarum, which had only seven electors, but returned two members of Parliament.

In 1807 parliament passed the Act for the Abolition of the Slave Trade, which banned British participtionin the slave trade, but did not liberate slaves in British colonies. In 1833, parliament passed a further act to abolish slavery in the British West Indies, Canada and the Cape of Good Hope (southern Africa), meaning that it was now illegal to buy or own a person.

The great Australian liberal Bruce Smith reflected that the passing of the bill in August 1833 constituted 'a glorious monument to true Liberalism—the love of personal freedom among men, irrespective of race'.[7] Compare Smith's attitude with that of the English writer, the half-conservative and half proto-socialist Thomas Carlyle who regarded treating all races the same as 'dreary, desolate … quite abject and distressing'.[8] (Carlyle coined the phrase 'the dismal science' to describe the liberal economics of thinkers like Adam Smith, because he believed it left no room for his romantic beliefs about racial hierachy and the natural order of slavery.)

The iconic British economic liberalisation of the nineteenth century was the repeal of the Corn Laws in 1846. These laws, originally imposed in 1670, imposed heavy import duties on grains that required grinding—the most significant of which was wheat—raising bread prices for British consumers and protecting inefficient local producers. The Corn Laws were removed for a period, but reinstated in 1815 and became 'the crowning achievement of rent-seeking landowners'.[9] There had been a brief period of trade liberalisation between Britain and France between 1786 and 1792, but the Revolutionary and Napoleonic Wars snuffed it out. Even amongst otherwise liberal thinkers such as David Hume there was often a view that, while trade should be uninhibited within national boundaries, it was quite legitimate for it to be restricted between nations.

While the Corn Laws had attracted opposition from the time of their re-imposition, it was only the formation of the Anti-Corn Law League in 1839 that began a concerted campaign against them. Richard Cobden quickly emerged as the league's leader. Cobden had grown up in the south of England but moved to Manchester as a young man to run a textile business. However, campaigning against the Corn Laws became his main priority, a fight he took to the parliament after being elected MP for Stockport in 1841. Cobden and his closest colleague John Bright became known as the leaders of the Manchester School.

As late as 1844, the Tories, representing the rural landed interest in parliament, voted 308-1 against considering repeal. Yet, Tory Prime Minister Sir Robert Peel was eventually convinced that the whole economy would become more prosperous with free trade and that the wages of the poor would not necessarily fall in line with falls in the price of corn. The Irish famine in 1845 added urgency to the need for cheaper food. In a celebrated incident in the House of Commons, while Cobden was speaking on the deleterious effects of the Corn Laws, Peel crumpled up his notes and turned to a ministerial colleague saying 'You must answer this, for I cannot'.

Peel's action in supporting the repeal of the Corn Laws had profound political consequences. It split the Tory Party. Those who supported Peel, the Peelites, operated as a separate party for a number of years before joining with the Whigs and Radicals to form the modern Liberal Party. The meeting which is usually regarded as the first of the Liberal Party took place at Willis's Rooms in London on 6 June 1859. The catalyst for the formal unification was attitudes to Italian unification, but there were many values that all those who came within the new Liberal Party shared:

> By the late 1850s a set of shared assumptions defined Liberal values. Effective and fair government must rest upon liberties protected by the rule of law—government being in the interest of the nation as a whole, rather than a particular section of society. Free trade, government economy and low taxation should encourage individual liberty, self-improvement and moral responsibility. These beliefs affirmed Britain's standing as a nation of lawful tolerance and moral decency, a bulwark against intolerance and dogmatism.[10]

Perhaps the formation of the Liberal Party can best be seen as a recognition that many of the iconic battles had been fought and that 'the shift from whig to liberal was linked to a shift in the direction of democracy, since the old whig battles for religious freedom and constitutional rule had been largely won'.[11] One of the key consequences of the events of 1859 was that it turned William Gladstone from a Conservative to a Liberal. Gladstone who was Chancellor of the Exchequer in the Tory administration, voted against the new Liberals in a no-confidence motion but, when the government fell, he accepted Palmerston's invitation to remain as Chancellor of the Exchequer in his new Liberal government. Gladstone's great political opponent in the 1860s and 1870s, Benjamin Disraeli had risen to prominence by opposing the repeal of the Corn Laws and stayed in the rump Tory Party after the Peelites had departed.

Gladstone was an outstanding liberal Chancellor of the Exchequer who, in a series of budgets from 1852 to 1855 (while still nominally a Tory) and then again from 1859 to 1866, was zealous in pursuing a policy of retrenchment and removing any remaining protection. He hated the Crimean War of the mid-1850s, because it led to increased expenditure. He was particularly keen to see the end of the income tax and the application of indirect taxes to as few items as possible. The rising wealth generated by this era of increased trade and prosperity led to an ever expanding middle-class and growing demands for further political reform to ensure their representation. It was under Disraeli's prime ministership in 1867 that the Second Reform Bill passed, but Disraeli's motivation was political pragmatism, not liberalism. Disraeli wanted to secure support for the Conservative Party from the newly enfranchised classes.

Hand in hand with the great liberal political achievements ending slavery, delivering parliamentary reform and allowing free trade, came the further development of the liberal political philosophy. Early in the nineteenth century, Jeremy Bentham and James Mill developed a utilitarian brand of liberalism which rejected the notion of natural rights, and the enunciation of such rights in the American Declaration of Independence and French Declaration of Rights. Their position argued that, rather than protecting rights, governments should be trying to promote the greatest happiness of the greatest number. However, what kept this position within the liberal family was the fact that Bentham and Mill thought that happiness would be maximised by governments allowing people to pursue their own self-interest.

In contrast, some other thinkers, such as Thomas Hodgskin and Herbert Spencer built on the natural rights position. Hodgskin drew out the contrast between the Lockean tradition and Bentham's position:

> If, therefore, I did not suppose, with Mr. Locke, that nature establishes such a right—if I were not prepared to shew that she not

> merely establishes, but also protects and preserves it, so far as never to suffer it to be violated with impunity—I should at once take refuge in Mr. Bentham's impious theory, and admit that the legislator who established and preserved a right of property, deserved little less adoration than the Divinity himself. Believing, however, that nature establishes such a right, I can neither join those who vituperate it as the source of all our social misery, nor those who claim for the legislator the high honour of being 'the author of the finest triumph of humanity over itself.'[12]

Spencer was advanced enough in his thinking to assert that freedom should apply equally to females as to males but his most radical idea was that people could opt out of the state, writing that 'if every man has freedom to do all that he wills, provided he infringes not the equal freedom of any other man, then he is free to drop connection with the state—to relinquish its protection and to refuse paying toward its support.'[13]

Another important liberal thinker of this period was Lord Acton. Acton is one of the most intriguing characters in the history of liberal thought, as he tried to promote a liberal brand of Catholicism during the 1860s when he was a member of the House of Commons. Acton believed that Western civilisation had developed over centuries a distinctive worldview which placed the rights of the individual higher than any collective entity, including the state and that the individual conscience should reign supreme. He was thus disturbed by the declaration of papal infallibility in 1870. In later life, he spent many years working on a history of liberty which unfortunately remained uncompleted when he died in 1902. Yet, his writings were sufficient for him to be singled out for critique by Butterfield in his influential *The Whig Interpretation of History* in 1931.

In contrast to the concrete liberal reforms in Britain in the 1830s and 1840s, on the Continent the first half of the nineteenth century was more about the development and proselytising of ideas. It was only in

the period after 1848, when representative institutions became further developed, that distinctively liberal political parties began to appear, although in France there was never a party which bore the name 'liberal'. The key aims of continental liberals were freedom of speech, a free press and freedom of association. This was allied with a desire to reduce the power of the Church; for although not all liberals opposed the Church, the anti-clerical tradition of Voltaire remained strong.

As a political creed, liberalism had a more difficult time in France than it did in England. The restored French monarchy after 1815 tried to reimpose its absolutist tradition and during the reign of Charles X (1824-1830), the conflict between Royalists and liberals became intense, culminating in 1830 when Charles dissolved a newly elected parliament and suppressed the press. The resultant July Revolution of 1830 was a triumph for the liberals with Charles overthrown and Louis Phillipe installed to govern as a constitutional monarch.

One of the most important French liberal writers was Benjamin Constant who, in an essay titled 'The Liberty of the Ancients Compared with That of the Moderns' (1819), drew out the distinction between the democracy of the Ancient Athenians and the growing liberalism of the nineteenth century. The Liberty of the Ancients was a participatory, republican liberty, which gave the citizens the right to directly influence politics through debates and votes in the public assembly. Hence, Socrates was free to participate in the decision to execute him but, being an illiberal society, the execution went ahead. Ancient Liberty had to be limited to relatively small and homogenous societies, in which the people could be conveniently gathered together in one place to transact public affairs. The Liberty of the Moderns, was based on the possession of general liberties and the freedom to conduct one's life without interference from the state. Constant believed that the only role of the state was to protect the rights of individuals. Direct participation Athenian-style was no longer feasible; instead, the voters would elect representatives, who

would deliberate in Parliament on behalf of the people and would save citizens from the necessity of daily political involvement. Like so many liberal thinkers, Constant played a direct role in politics, helping to establish the limited monarchy of Louis Philippe.

Another great French liberal writer Frederic Bastiat wrote a number of essays which combined profound thinking with biting satire. In 'The Petition of the Candlemakers against the Competition of the Sun' (1845), he ridiculed industries which wanted governments to protect them from every potential rival by taking measures not much less absurd than blocking out the sun. He made a myriad of important points including pointing out in 'What is Seen and What is Not Seen' how, while government actions can be observed, people are unaware what other economic activity might have taken place if the government had not appropriated the resources.

Alexis de Tocqueville was descended from minor nobility and he made a conscious decision to travel to the United States at the age of 26 in 1831 to see how that country had managed to head down the path of democracy without enduring any of the excesses of the French Revolution. He wrote about his travels in *Democracy in America* (1835) describing how the United States had found a way of creating a democratic society committed to equality but, at the same time, respecting property. He was unconvinced that his homeland could pull off a similar feat. His fears were confirmed when the Revolution of 1848 included demands for socialist measures. This was a trigger for the triumph of reaction and the second Bonapartist regime. Liberalism did not really gain the ascendancy until the establishment of the Third Republic in 1875 and even it faced constant threats from the reactionary supporters of the monarchy and the clergy.

Liberalism in Italy had to try to grow in even more difficult terrain, hampered by the fact that its bourgeoisie class had far fewer members than Britain or France. Plus there was the not insignificant fact that, at

the dawn of the liberal era, Italy was still a country divided into seven different political entities.

The German philosopher G.W.F. Hegel has been claimed by almost every political creed since his time, from liberalism to Prussian militarism, Nazism and Soviet Communism. His most famous work the *Philosophy of Right* (1821) has in recent times been 'reassessed as a classic work of reformist or gradualist liberalism in keeping with other great nineteenth-century works by liberals like Benjamin Constant, Alexis de Tocqueville, and John Stuart Mill'.[14] However, one is more inclined to agree with Samuel Brittain's assessment of 'the overrated G.W.F. Hegel, who said: "All the worth which the human being possesses in all spiritual reality, he possesses only through the state".'[15]

Von Mises makes the point that the best writers on liberalism in Germany either remained unpublished for decades or failed to attract an audience and so the most read liberal writing was that of the poets, Goethe and Schiller. Wilhelm von Humboldt's *The Sphere and Duties of Government (On the Limits of State Action)* was completed in 1792, but not published until 1850, 15 years after his death. It contained one of the boldest defences of the liberties of the Enlightenment and liberalism stating that 'the State must wholly refrain from every attempt to operate directly or indirectly on the morals and character of the nation, otherwise than as such a policy may become inevitable as a natural consequence of its other absolutely necessary measures; and that everything calculated to promote such a design, and particularly all special supervision of education, religion, sumptuary laws, etc., lies wholly outside the limits of its legitimate activity.'[16] The work influenced Mill's *On Liberty* through which von Humboldt's ideas became known in the English-speaking world.

In practical terms, Germany saw some economic liberalisation, helped by the removal of trade barriers as the German states moved towards federation, plus there was reform of archaic contract laws, the

removal of the last medieval restrictions on usury and the introduction of a code of civil law that was 'an expression of almost pure economic liberalism'.[17]

Across the Atlantic, the United States, while conceived in liberalism, had features which were not particularly liberal. The most obvious of these was slavery. From the late eighteenth century onwards, the liberal principles developed in the previous two hundred years came to be applied more broadly to people of all classes and races and to women. The world's first anti-slavery society had been established in Philadelphia at the height of revolutionary fervor in 1775 and it was also in Philadelphia in 1775 that Paine had published arguments in favour of women's rights.

As well as being slow to remove the stain of slavery, if support for free trade was a mark of a liberal society, the United States was not very liberal. The Tariff Act passed by the first Congress in 1789-90, established that tariffs were to be the main source of federal revenue and indeed tariffs were to provide the main source of federal government income until the imposition of a federal income tax in 1913. While protectionism may have been a blot on the union's liberal copybook, one way in which the United States was particularly liberal was immigration policy, which despite the introduction of some restrictions, in the first instance in 1875, remained largely liberal until a series of greater controls in the aftermath of the First World War.

It is not a simple task following the trajectory of liberalism through American politics, as in the first six decades of the nineteenth century, American politics went through a series of different party configurations. By the 1830s, the competition was between Whigs and Democrats. While in Britain, the Whigs were more liberal than the Tories, in the United States the Whigs, showing a lineage from the Federalists, were probably the more conservative of the two parties, while the Republicans of the 1790s evolved into the Democrats of the 1830s. Debates about tariff levels were a significant feature of American political debate with

Democrats, headed by Andrew Jackson, in the tradition of Jefferson and Madison favouring a tariff purely as a pragmatic revenue source, whereas Whigs, following Hamilton, argued that protection served the further purpose of allowing American manufacturing industry to develop. The leading Whig, Henry Clay, had a policy prescription which was known as the 'American system' involving the imposition of protective tariffs, federal government expenditure on infrastructure, in particular on roads, and a national bank. Of course, politicians are imperfect creatures and Jackson threatened to hang the South Carolinans who refused to enforce an 1828 tariff which they regarded as a 'tariff of abominations'. Jackson advocated widening democracy and broadening the franchise whereas his 'conservative Whig opponents distrusted the masses … [and] argued that social and economic leadership, in addition to political leadership, should come from the leaders of finance and industry'.[18] The Whigs also tended to support greater 'moral supervision of private lives', which meant that in response, Jacksonian liberals fought even harder to maintain separation of church and state'.[19]

Yet, some other historians have painted the American Whigs as being the equivalent of their English counterparts, with J.G. Merquior commenting that 'just as … the patrician whigs of the Reform Club marched into the big stream of Gladstone's bourgeois liberalism, in the 1850s, the American whigs with their battle cry (Daniel Webster's 'Liberty and Union') marched into the Republican party of Lincoln'.[20]

The American Civil War certainly divided British liberals. There were some who sympathised with the South because of the doctrine of States' Rights, or because the South was more sympathetic to free trade than the Protectionist North, but these people were a minority. John Bright was an exemplar of the majority view amongst British liberals seeing the fight against slavery as a more fundamental aspect of liberalism and also regarding the industrialised North as more representative of a modern free market economy than the agricultural economy of the South relying on

slave labour. Bright's high-profile saw his views widely publicised in the United States and he and Lincoln became firm friends. When Lincoln was assassinated, one of the items in his pocket was a letter from Bright.[21]

The confusion of certain defenders of modern liberalism is reflected in Patrick M. Garry's listing of the emancipation of slaves as an act of a 'welfare state'.[22] Recognising and enforcing basic human freedom can hardly be classified in these terms. In reality, abolitionists such as William Lloyd Garrison, Lysander Spooner and Frederick Douglass, used the language of the Levellers and Locke to argue that slaves had natural rights just like the rest of humanity.

The history of liberalism in Australia shows both parallels and contrasts with other countries in the West. In the early years of British Settlement, the Australian colonies were distinctly illiberal, with appointed governors having a monopoly on executive decision making. However, within a couple of decades of Sydney's foundation, unpopular governors such as William Bligh soon saw that authority being challenged and 'in the protest … against absolute rule on the part of the administration the first great victory of Australian Liberalism was won'.[23] The victory over arbitrary rule was the first step on the path towards a liberal society. It was followed by the halting of transportation and finally the move towards responsible self-government. The absence of a hereditary gentry meant that 'a Conservative party on British models was not possible'.[24] However, the conditions meant that 'the so-called liberal regimes that emerged in colonial Australia in the late 1850s' were not fully reflective of liberal principles being 'curious hybrids'.[25] As the historian Gregory Melleuish has explained, this created a model where populism filled the void of opposition to pure liberalism:

> There was a fundamental conflict in colonial Australia between commercial enterprise and economic development on the one hand and visions of villages of contented yeoman on the other. This was to take the shape in Australian political history of liberalism versus populism.[26]

The major debate within Australian liberalism in the 1860s and 1870s was over how to deal with land. In many ways this represented an intermediate stage between the obviously liberal reform up to 1850s and the highly contested new liberalism which appeared later in the century. Colonial liberals equated the land question to the triumph of free trade in England during the 1840s and, lending weight to their argument, was the fact that the revenue from land sales meant that in 1873 the NSW Government could remove a number of customs duties. Thus, 'the passing of the Free Selection Act was looked upon as a triumph of Australian Liberalism against Conservative prejudice'.[27]

On a small local scale, it was another example of what had happened across many countries, justifying Henry Sumner Maine observation in his 1861 work *Ancient Law* that society had moved from being based on status to being based on contract. It was a neat summation of the liberal ascendancy.

4 Liberalism loses its way

The great Australian economic historian Max Hartwell believed that 'the liberal world of the nineteenth century, like so much else in European civilization, perished in the trenches of Flanders'.[1]

Hartwell saw the First World War as 'the great discontinuity in the history of liberalism'. It is perhaps more accurate to see it as the outcome, rather than the cause, of the move away from the liberalism that had appeared triumphant in the middle decades of the nineteenth century. The new blend of nationalism, imperialism and statism which replaced it by the dawn of the twentieth century led inexorably to war. The war itself consolidated these trends by triggering massive increases in the powers of governments to spend, tax and plan economic production centrally, while also enforcing censorship and, in many countries, conscription.

As Hartwell himself acknowledged, writers such as Herbert Spencer and A.V. Dicey had been warning of the consequences of the growth of the state and the growing mood of collectivism from well before the Great War. Dicey argued that legal reform in Britain had two stages in the nineteenth century. From 1825 to 1870, it was concerned with increasing the liberty of the individual, but after that it became more concerned with improving social justice. As Gerald F. Gaus wrote 'it is generally agreed that sometime in the latter part of the nineteenth or early twentieth centuries

liberal theory underwent a fundamental transformation'. What is disputed is when the change began, some dating 'its beginnings with John Stuart Mill, others with T.H. Green, while others have more recently emphasised such later liberals as L.T. Hobhouse and John Dewey'.[2]

One who ascribed the beginning of the transformation to Mill was Ludwig von Mises. He argued that Mill was 'the originator of the thoughtless confounding of liberal and socialist ideas that led to the decline of English liberalism and to the undermining of the living standards of the English people'.[3] Yet, for many others, Mill epitomised liberalism and certainly 'in the English-speaking world no name is more habitually linked to that of liberalism than Mill's'.[4]

In 1859, the same year that the Whigs became Liberal, Mill published his most famous work, *On Liberty*, which contains much admirable liberal sentiment based on the principle that 'the only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others'. He makes it clear that 'his own good, either physical or moral, is not a sufficient warrant', or as he expresses it elsewhere no one should adopt what we now might call Nanny State measures, 'because it will be better for him to do so, because it will make him happier, because, in the opinions of others, to do so would be wise, or even right'. Of particular relevance is his definition of what constitutes doing harm to other as Mill was explicit that causing offence or revulsion did not constitute doing harm. There is no doubt there is much to admire in Mill especially how he had 'woven several liberal strands of thought together' including 'the old Protestant plea for conscience' and 'the Enlightenment approach to liberty as the instrument of progress'.[5]

As well as his powerful defence of political liberty, Mill was concerned that social tyranny could be as harmful to individuals as the political variety. In making this point, his work marked a 'turning point' in the history of liberalism by seeing 'society, as much as the state, as the

main threat to freedom'.[6] In this regard, the work is clearly a product of its time; a period when the old political and religious tyranny was declining rapidly as a concern, but a period when English society was becoming more 'Victorian'. Mill argued against the 'despotism of custom' and in favour of 'experiments in living'. Mill himself was perhaps talking from experience as he had a relationship with a married woman, Harriet Taylor which, although probably platonic until he married her after the death of her husband, was sufficient to scandalise Victorian Britain. One perhaps unintended consequence of Mill's writing is that by including social oppression within the remit of liberalism it opened the door to the idea that the state might take action to remedy this, something which Mill probably did not envisage.

In many ways Mill continued in the Benthamite utilitarian tradition, but added a qualitative qualification to its quantitative assessment of happiness, arguing that a dissatisfied Socrates was better than a satisfied fool. Mill's ideas were influenced by the romanticism of Samuel Taylor Coleridge and the mysticism and altruism expounded by the French writer Henri de Saint-Simon, as much as by the rational thought processes of Bentham and his own father. In a phase of 'belated oedipal rebellion' Mill went as far as embracing some of the views of Carlyle including his attacks on capitalism and industrialisation.[7]

Certainly, it is Mill's attitude to capitalism and economic growth which has most called into question the thoroughness of his liberalism. Hayek cited *Principles of Political Economy* (1848), in which Mill suggested that once a product was made people could do with it as they chose, as opening the door to redistributive economic policy.[8] More generally, Martin J. Wiener observed that Mill 'repeatedly revealed his disenchantment with capitalist and bourgeoisie values'.[9] Wiener argued that Mill was part of an intellectual shift which took place between the end of the Great Exhibition in 1851 and the 1870s, as 'the idealization of material growth and technical innovation that had been emerging re-

ceived a check, and was more and more pushed back by the contrary ideals of stability, tranquility, closeness to the past, and nonmaterialism.'[10]

As well as the cultural change, the expanding franchise meant that politicians had an incentive to develop policy prescriptions which could be painted as benefitting those previously disenfranchised members of the community. The problem was not democracy per se, as the people have generally been at least as good at making decisions as the elites, but the state becoming democratic created an illusion that the state was likely to act in the interests of the people and could be a positive agent of change rather than an institution about which citizens should retain eternal vigilance.

One of the last great liberal reforms in Britain was the Trades-Union Act of 1871 which 'was undoubtedly of a truly Liberal character, as it had the simple and beneficial effect of conferring additional liberty upon a large class of subjects who had previously been under legislative restriction' as it 'removed the last remnant of formidable legislative barriers, which had previously curtailed the liberty of workmen, in their endeavours to strengthen their position by combination and unanimity of action'.[11] However, having secured the removal of illiberal restrictions on them, unions turned around and began to argue that the state should begin to impose illiberal restrictions on employers.

The 1870s proved to be a bad decade for liberalism. Not only did recession bring to an end the era of growing prosperity, but at a local level in Birmingham, public ownership and social welfare began to be deployed by a group known as Liberal Radicals, under the leadership of Joseph Chamberlain.

The political situation for liberals in Britain was then further complicated in the 1880s by the split in the Liberal Party, largely over the issue of Home Rule for Ireland. In 1886, those opposed to it left and formed a new party the Liberal Unionists. While a number of classical liberals were among those who left, it was led by Chamberlain who clearly was

not. Initially the breakaways remained united in opposing attempts by some Conservatives in the early 1890s to revive support for protectionism. Unlike the Tories, Liberal Unionists tended to refrain from anti-Catholic rhetoric in the home rule debate, instead presenting the breakup of the union as a move away from an enlightened liberal secular state which could and should include different nationalities and religions. However, under Chamberlain's malevolent influence the Unionists ended up becoming the party of Imperial Preference (the trade protectionism that favoured countries in the empire over countries outside). Many of those who remained Liberals, while generally staying true to the free trade creed, flirted with a range of interventionist domestic policies designed to ameliorate social conditions.

As so often happened, a philosophy came along to provide a theory to cover the political practice. T.H. Green was an Oxford philosopher whose major work of political philosophy, *Liberal Legislation and Freedom of Contract* was delivered as a lecture in 1881. Green argued that there should be a concept of positive freedom designed to liberate the poor from economic circumstances which denied them the opportunity to act freely. Green certainly tried to paint his arguments in favour of state interventionism in liberal terms and his strong commitment to other aspects of individual rights means that he has been 'often seen as a transitional thinker, situated between the classical and the modern forms of liberalism'.[12]

Perhaps, the most interesting aspect of the evolving political and philosophical shift from classical to ameliorative liberalism was that the new creed was desperate to keep the term liberalism. Ludwig Von Mises observed that while on the Continent early socialists and other interventionists were explicit that their program was a rejection of liberalism, in English-speaking countries they 'discovered that it was a hopeless venture to attack liberalism and the idea of liberty *openly*' which meant that 'anti-liberalism's only chance was to camouflage it-

self as true and genuine liberalism and to denounce the attitudes of all other parties as a mere counterfeit liberalism'.[13]

Australia provides one of the clearest examples of this phenomenon. It was one of the first places to show signs of a move from classic to new liberalism and 'it would seem that the experiments in the direction of Government interference, which became common in Australia after 1880, had considerable influence on English Liberal thought' where 'it was asserted that the new principles [of liberalism] had been accepted and introduced at the Antipodes'.[14] In contrast, another British dominion, Canada was a slight laggard, maintaining a strong classical liberal stream into the twentieth century largely through the person of Wilfrid Laurier.

The man who did the most to make Australia a leader in the move away from classical liberalism was the editor of the Melbourne *Age*, David Syme who 'was a radical democrat but … not really a liberal'.[15] He argued that, if the economy of the colony of Victoria was to grow and prosper, its infant manufacturing industries needed to be protected from competition. He further argued that the state should look out for its citizens with a range of other social protections to ensure that there were not losers as people sought to further their own self-interest. The lack of wealthy entrepreneurs in the colonies meant that there was less private capital available to build infrastructure such as railways so governments tended to become involved sooner in Australia than in Europe or North America.

A few decades earlier positive attitudes towards protectionism and associated policies would have seemed unlikely as 'the great victory of free trade in 1846 made that policy extremely popular with Australian liberals, who were fighting for responsible government, and as late as the early 'sixties very few men would have cared to pose as the advocates of protection'.[16]

Even when the protectionist creed became influential in Victoria,

in New South Wales free trade remained strong. The man who was to lead the federal Free Trade Party, George Reid, began his political career by penning *Five free trade essays* (1875), a work designed to educate Victorians about the errors of their ways.[17] At the time he was writing, it seemed free trade was secure in New South Wales but 'by 1880 the first serious attempts to advocate protectionist doctrines in New South Wales were being made'.[18] Yet, in the 1890s, the Reid-led NSW government was still able to demonstrate that 'democratic reform and free trade were perfectly compatible' and Gregory Melleuish has described the decade as 'the golden age of free trade liberalism'.[19]

Syme's most able disciple was a young lawyer and politician Alfred Deakin who after a successful career in Victorian politics moved to the Federal arena where despite his party's modest support in a decade when there were 'three XIs in the field' managed to secure his policy aims more than the larger Free Trade and Labor parties. Hence, the Australian Settlement was imposed and the Deakinite tradition assumed for many the status of the true Australian liberalism. As Deakin himself explained to readers of an English newspaper, 'a Colonial Liberal is one who favours State interference with liberty and industry at the pleasure and in the interest of the majority, while those who stand for the free play of individual choice and energy are classed as Conservatives'.[20] The Deakinite tradition was reflected not just politically and economically but also in a brand of 'cultural liberalism' which was 'an amalgam of rationalism and spiritualised humanism' which dominated the nation's culture at least until the 1960s.[21]

One of the most interesting histories of Australian liberalism was written during the First World War by future Australian Labor Party leader, H.V. 'Doc' Evatt. It is noteworthy that Evatt started his essay by referring to Bruce Smith, underlining Smith's significance in the debate about the meaning of liberalism in Australia. It says something about the complete triumph of the Deakinite tradition that Smith was almost completely written out of history until his ideas were again brought to

public attention by Melleuish and others in recent years.

As early as 1877, Smith had written to *The Times* of London stating that the word liberalism had been more misused in Victoria than anywhere else. It could hardly be otherwise for, when assessing the principles of liberalism, Smith said 'Protection is so clear and distinct a breach'.[23] By 1887, when Smith published *Liberty & Liberalism*, it had become clear to him that 'the term 'Liberalism', which in its original and true interpretation was synonymous with 'freedom', has, in our own day, lost that genuine meaning … and that political party-titles, generally, have now ceased to carry with them any clear conception of political principles'.[24] Smith's defence of classical liberalism earns him the description 'anachronistic' in the *Australian Dictionary of Biography*, when seems a bit strange when Smith was one of the rare politicians of his day to oppose the White Australia Policy and to support the rights of women.

The most prominent Englishman defender of true liberalism was not a politician like Smith, but the philosopher, Herbert Spencer. Unlike the then youthful Smith, Spencer was an old man by the 1880s. In *The Coming Slavery* (1884), Spencer lamented the fact that municipal authorities were beginning to build houses, and that on the Continent the state was adding ownership of railways to its monopoly of letters and telegrams. He perceived that society had replaced faith in the divine right of monarchs to deliver sound governance with a similarly naïve belief that somehow democratically elected parliaments could do the same. Suddenly, his vision of the 1850s, that governments would gradually fade away, had been replaced by a nightmarish vision of a socialistic future. However, the apologists for the ameliorative liberalism have argued that this semi-socialist alternative was not a distortion, but a logical progression:

> This was not a betrayal of liberalism, as Spencer and other opponents suggested. The *laissez-faire* doctrine had, in its time, successfully

> transformed the social and economic system, but the development of capitalism and the move towards democracy now, in their turn, made necessary a new interpretation of the fundamental Liberal belief in liberty. Its evolution was a sign of intellectual strength, of a capacity to take account of changing circumstances. The new view of freedom, based upon the provision of opportunity for all, was essentially wider in scope and more humane than the narrow outlook of earlier generations. Liberalism had acquired a social as well as an intellectual conscience. Freedom, like Liberalism itself, had moved down the social scale.[25]

What this fails to recognise was that it was the prosperity and cheap food delivered by classical liberalism which was most spreading the benefits down the social scale.

If Spencer and Smith were concerned about events in Britain when they were writing in the 1880s, they would have been aghast at the program of the British Liberal government from 1909 onwards which brought in a wave of social welfare measures including old age pensions, national insurance, minimum wages and trade boards. The individual who did most to provide a philosophical cover for the actions of this Liberal government was L.T. Hobhouse. Hobhouse taught philosophy at Oxford in the 1880s. He rejected some of Green's theoretical idealism, but agreed with him that there needed to be positive action taken to improve the material well-being of the working class, not so much as an end in itself but as a means to the end of their moral improvement. In his 1911 book *Liberalism*, Hobhouse responded to claims that the policies of social amelioration that the government had pursued were a form of socialism with the argument that it was possible to have a liberal socialism, while at the same time recognising that there could be a brand of socialism that was illiberal. While Hobhouse acknowledged that the standard of living in England had progressively advanced throughout the nineteenth century, he argued that it had not improved as much as

earlier liberals had hoped it might, driven by cheap food and expanding commerce. Hence he argued that self-help was not a sufficient safeguard, especially to enable the working class to put aside sufficient funds to cover unemployment, sickness or old age. He had no qualms about taxing to fund welfare measures because he argued that property rights were accorded by society and were not natural.

Another contemporary of Hobhouse was the similarly named John Hobson who, in his essay 'The Crisis of Liberalism' (1909) urged greater public ownership of land and redistributive taxation. Hobson was distinctly anti-materialist arguing that only good 'satisfying wholesome human wants' could be considered as adding to 'wealth' and his brand of liberalism also included using eugenics to determine candidates for forced sterilisation.[26] The Boer War convinced Hobson that spreading wealth more evenly across society would boost consumption and thus reduce the need for imperialism and further wars. The twentieth century was to prove him spectacularly wrong.

While both Liberals and Conservatives were 'treading a crude path of socialism', the latter 'followed this path with less concern' as they had always contained a strong collectivist streak while 'the Liberals still cherished at heart the teachings of Cobden and Bright, believed that state intervention was unforgivable, and watched with a growing apprehension the abyss which was opening between their theory and their practice'. Dangerfield concluded that the 'abyss was eventually to swallow them up'.[27] There is certainly evidence that grassroots Liberals were not enamoured of the change in the doctrine of their politicians and hence, rather than seeing the avowed socialists of Labour as a natural ally 'local parties were more likely to make pacts with the conservatives against Labour'.[28]

J.G. Merquior makes the crucial point that, by the end of the nineteenth century, 'liberalism became to a large extent a kind of lay evangelicalism, fraught with reforming campaigns undertaken as moral causes'.[29] This contributed over the coming decades to liberalism's shift to a creed

that more and more sought to interfere in both economic and social matters for the purpose of improving the moral condition of the lower classes. Hence, by the end of the nineteenth century, liberalism had come to be associated with increasing social welfare and a push for temperance. The Tories were not as illberal in this regard, as they tended to have better links with pub owners.

However, there was a brief revival of classical liberalism in England in the first decade of the twentieth century, largely triggered by Chamberlain's attempt to end the era of free trade by bringing in a tariff regime designed to provide imperial preference. This combined with opposition to the Boer War and the 1905 Aliens Act, the first attempt to limit immigration for two hundred years, rekindled the moral purpose of liberalism and led to the great Liberal election landslide victory of 1906. However, the 1908 death of Prime Minister Campbell-Bannerman saw a decisive switch in the government's focus and the 'People's Budget' of 1909 dealt the final blow to hopes of maintaining the older, purer liberalism.

It was clear to everyone that by the 1920s, the British Liberal Party was in a steep decline and, as often happens in such situations, there was some soul-searching about the meaning of liberalism chiefly through the meetings of the Liberal Summer School which were 'the only serious attempts to revive liberalism as an intellectual force'.[30] Another writer has commented that because of the schools, the party became 'an intellectual power-house'.[31] One of the participants in these meetings was John Maynard Keynes who, in the next decade, was to be (falsely) credited with saving capitalism. The irony was that he was not really a fan of capitalism for as Wiener points out Keynes, like Hobson before him, and others such as Alfred Marshall and R.H. Tawney 'were all influenced by the tradition, descending from Mill, of attaching a low priority to the increase of production and the pursuit of material gain'.[32]

The decline in liberalism on the Continent was even more drastic

than in Britain as a 'new nationalism … rejected the universalist claims of liberalism'.[33] In Germany, the end of liberal progress can be dated to as early as 1866 when a group called national liberals broke away from the five-year old demonstrably liberal Progressive Party on the basis that they wanted to come to an accommodation with the avowedly authoritarian Chancellor Otto von Bismarck. Bismarck's combined German nationalism with a recognition that the provision of social welfare to the citizenry would help create a bigger, more authoritarian, state.

One of the most significant opponents of Bismarck's policies was Eugen Richter who from the time of his election to the Reichstag in 1867, while still in his twenties, remained a constant critic of Bismark through the 1870s and 1880s, recognising that in some ways this was a rearguard action being by 'no means under the illusion that the time had come to implement liberal ideals … but we believed we had to defend the freedom rights already acquired under all circumstances to the last moment'.[34] Every year he opposed increases in spending in the budget especially in relation to the army. He had to move from party to party as his liberal ideas receded in favour.

If the views of Richter, rather than those of Bismarck, had prevailed in Germany, the First World War may not have occurred. The war was the death knell for what remained of liberalism. Yet the peace was even worse for the cause of human freedom. For a few brief months in 1917, it appeared that at least some good might have come from the carnage and that a partially liberal regime might replace Tsarism in Russia, but then a Bolshevik coup snuffed out that hope. Similarly, a defeated Germany after 1918 showed little sign of going down the liberal path and, writing in the 1920s, von Mises observed that Weimar Republic Germany was 'a world apart from the spirit of liberalism' and, in fact, 'hatred of liberalism [was] … the only point on which all Germans were united'.[35]

A similar motivation drove Italian fascism for while 'liberalism denied the State in the name of the individual; Fascism reasserted the rights

of the State as expressing the real essence of the individual'.[36] The individual most associated with liberal opposition to Mussolini's fascism was Benedetto Croce. Croce, however, drew a distinction between liberalism and what he called *liberism*, or what we might term economic liberalism, the latter being something which he did not support. In the context of Italy in the 1920s Croce's liberalism has to be celebrated but clearly if he had been promoting this position in 1870s England one would be critical. Thus, an unpleasant side-effect of the rise of totalitarianism was to further broaden what liberalism could mean. Any conservative social democrat could be construed as liberal when compared to Hitler, Mussolini or Stalin.

In France in the 1890s, the Dreyfus Affair (a scandal surrounding the false imprisonment of a Jewish military officer on trumped-up treason charges) united the broad liberal church against the combined forces of reaction, royalists and clericalists but 'after the Dreyfus Affair, state intervention on behalf of the workers displaced *laissez-faire* as the philosophy of French liberalism.'[37] There were French liberals who opposed the growth in the activities of the state such as Emile Faguet and Paul Leroy-Beaulieu but, as elsewhere, they rapidly became a minority.

While in Britain and Europe, the definition of liberalism changed significantly between 1880 and 1920, there was an even bigger alteration of meaning in the United States and, as J.G. Merquior comments, 'in all the history of liberal semantics, no episode was more important than this American shift of meaning'.[38] There is no doubt that the United States is the country where the term liberalism strayed the furthest from its roots, allowing it to be defined as 'premised on a prevailing confidence in the ability of government—preeminently the federal government—to accomplish substantial good on behalf of the American people'.[39] Although there was not the same type of Oxbridge cultural aversion to materialism that Wiener so penetratingly identified in the case of England, it has been argued that 'there was never a strong voice in American politics

favouring the kind of laissaez-faire liberalism found in Britain' at least until the later nineteenth century.[40] The later arrival of ideas of *laissez-faire* has allowed its critics to paint it as inherently 'conservative' as John McGowan argued:

> That British 'liberal' position is the hallmark of American conservatism. The *laissez-faire* position did not make a significant appearance in American politics before 1880—and that *laissez-faire* position in American politics is always 'conservative', because it is oriented towards preserving an unequal status quo.[41]

This alleged shift by business interests from the Hamiltonian concept of active government involvement in the economy to the the Jeffersonian notion of limited government was, in the eyes of another critic of classical liberalism Patrick M. Garry, taking place because businesses were now 'strong and wealthy enough to make them less dependent on government'.[42] Garry simply equates business interests with conservatism and the ordinary worker with liberalism. Hence, if one opposes government subsidies to big business that is correctly seen as being liberal, but if one opposes welfare payments to poor people that is to be defined as illiberal or conservative.

The first significant advocates for a dramatic expansion of the role of government in the United Sates were the Populists who in the early 1890s called for measures such as centralised marketing of farm produce, nationalization of railways and telegraph lines, and the imposition of a progressive income tax. Elements of this agenda were adopted by the 1896 Democratic Presidential candidate William Jennings Bryan and then by the Republican Teddy Roosevelt in the first decade of the new century, by which stage the title of the program had morphed into Progressivism.

The competing philosophies were on full display in the 1912 Presidential election and, while the Progressives 'laid the basis for a reg-

ulatory state', few would have forseen 'what would characterize modern liberalism: a state where government didn't simply prevent evil but actively promoted good'.[43] Garry argues that the winner of that 1912 election Woodrow Wilson 'still yearned for the Jeffersonian vision' but recognised that the likes of Jefferson and Madison 'had overlooked the danger that a large concentration of ownership' might lead to 'the corruption of government by the rich'.[44]

Just as the likes of Green and Hobhouse provided an intellectual basis for this new liberalism in Britain, in the United States that role was performed by Lester Frank Ward and Herbert Croly.

In 1883, Ward published *Dynamic Sociology: Or Applied social science as based upon statical sociology and the less complex sciences* and set out his form of new liberalism which included an attack on the *laissez-faire* liberalism of Spencer and William Graham Sumner. Croly was another influential intellectual in the Progressive Era and he founded the periodical *The New Republic* to present his ideas. He argued for a society based on 'the brotherhood of mankind' which he believed would be created by developing a mixed economy and increasing spending on education. In *The Promise of American Life* (1909) in which he proposed raising the general standard of living by means of economic planning and in *The Techniques of Democracy* (1915) he argued against both individualism and socialism.

In the 1920s, Calvin Coolidge put some checks on growth in size of government but then the Great Depression intervened and produced one of the most damaging pieces of economic illiberalism in the modern history of the West, the Smoot-Hawley tariff of 1930, dramatically raising the United States' already high tariff rates. Republican President Herbert Hoover had promised to increase tariffs on agricultural goods in his 1928 election campaign but after the 1929 Wall Street Crash a much broader tariff rise was passed by Congress and Hoover signed the bill into law. Smoot-Hawley prompted retaliation from foreign governments and

many overseas banks began to fail. Within two years, some two dozen countries adopted similar 'beggar-thy-neighbour' duties, making worse an already beleaguered world economy and reducing global trade. U.S. imports from, and exports to, Europe fell by some two-thirds between 1929 and 1932, while overall global trade declined by similar levels in the four years that the legislation was in effect.

In 1934, Democrat President Franklin D. Roosevelt signed the Reciprocal Trade Agreements Act, reducing tariff levels and promoting trade liberalisation. Roosevelt may have been better on tariffs but through his New Deal he instituted many measures which increased both the size and scope of the US federal government.

This trend of government expansion was only compounded by war, not only the two World Wars but the Cold War too. From the 1950s onwards, US Governments felt the need to not only outspend the Soviets militarily but to compete with the glamour of astronautical adventurism and to demonstrate that capitalism could deliver the good life to ordinary citizens. This foreign-policy argument influenced many including President Dwight D. Eisenhower who, while lukewarm about domestic arguments for increasing social welfare, 'was more persuaded by the liberalism-as-national-security argument'.[45] In other words, the Cold War would be won by proving that the Western mixed economy could provide welfare for its citizens more effectively than the Communist systems.

There were opponents of this view such as Republican senator and presidential contender Robert Taft, who had opposed the New Deal and US participation in the Second World War. In Taft's view 'the Cold War was a direct outgrowth of the big-government, save-the-world philosophy' that had produced these previous two disastrous policies.[46] This would seem to place Taft firmly in the liberal tradition of Paine, Fox, and Cobden as opposed to the conservative one of Burke, Pitt or Disraeli but according to the historian H.W. Brands, and most others, Taft was

a conservative and the big government types were liberals. To be fair to Brands, he was only echoing a commonly-held position.

The way the word liberal had come to be used in the United States meant that Lyndon Johnson's 'Great Society', which was the name he gave to his vast expansion of the welfare state, was seen as some sort of climax of liberalism when, in reality, it was a grotesque distortion of the sort of society that generations of earlier liberals had envisaged.

The best known modern philosopher to whom the description liberal has been applied is John Rawls, who is best known for *A Theory of Justice* (1971), but he also wrote *Political Liberalism* (1993). Rawls elucidated two basic principles. First there is what might consider the uncontested 'Liberty Principle', which safeguards the greatest possible freedom for each individual (freedom of speech, religion etc.) which does not interfere with the same freedoms for every other person, is an expression of classical political liberalism. The second principle, the Difference Principle states that social and economic inequalities are only considered just as long as the worst-off members of society also profit from the unequal distribution of goods and chances. Through this second principle, Rawls integrates a redistributory element into his liberalism. Some to the more socialist side of Rawls criticised him as not going far enough, as Rawls' conception does not guarantee equal economic status. On the other hand, some liberals viewed the second principle's postulation of positive economic rights as introducing components of socialist thought.

The most comprehensive critique of Rawls was provided by Robert Nozick's *Anarchy, the State and Utopia* (1974). If nothing else, his work demonstrated that by the mid-1970s, redistributive liberals would not be allowed uncontested control of the liberal ground.

5 The revival

After a long dormant period, liberal ideas were revived in the second half of the twentieth century

Opponents of the liberal revival often described the creed sweeping the world as 'neoliberalism', an odd term, as it has never been the term of choice for supporters of the policies. When the term was first coined in Germany in the 1930s, it had almost the exact opposite meaning from its current use. Its originator was a sociologist and economist Alexander Rustow who wanted a term to identify those who believed that classical liberalism had failed and defined a new creed which would involve much greater intervention in the operation of the free market.[1] Rustow attended a meeting in Paris in 1938 organised by the French philosopher Louis Rougier to discuss the question of how liberalism might be revitalised. A key discussion point was American journalist Walter Lippmann's recently published book *The Good Society*, which criticised fascism, communism and socialism but who, like Rustow, argued that a new type of liberalism was required as *laissez-faire* had failed. Also at the conference were a pair of Austrian economists who argued that *laissez-faire* was not dead and that the world's problems had come because the world in general, and liberalism in particular, had moved away from *laissez-faire*—their names were Ludwig von Mises and Friedrich von Hayek.

From the 1920s onwards, von Mises had been writing about the dangers of socialism, but it was the publication of Hayek's *Road to Serfdom* in 1944 and his organisation of the first meeting of the Mont Pelerin Society in 1947 which began the long comeback march of liberalism. Reflecting later, Hayek observed that 'the founding and the first conference of the Mont Pelerin Society … constituted the rebirth of a liberal movement in Europe'.[2]

The conference was crucial in demonstrating to disparate individuals in many countries that there were others like them around the world and in his opening address, Hayek was clear that 'in spite of so much abuse of the term, there is still no better name than liberal' for the ideals which united those who were attending.

One of the attendees was Karl Popper, who had just produced another important liberal work, *The Open Society and its Enemies* (1945) which emphasised the importance of individualism and critiqued the illiberalism of Hegel, Marx and others. Some have tried to claim Popper for democratic socialism but, while he certainly expressed some egalitarian sympathies and attacked conservatives, it is clear that he regarded freedom as more important than equality as he explained:

> If there could be such a thing as socialism combined with individual liberty, I would be a socialist still. For nothing could be better than living a modest, simple, and free life in an egalitarian society. It took some time before I recognized this as no more than a beautiful dream; that freedom is more important than equality; that the attempt to realize equality endangers freedom; and that, if freedom is lost, there will not even be equality among the unfree.[3]

In the 1950s, Oxford academic Isiah Berlin made arguments similar to Popper's. His best-known contribution was a lecture on 'Two Concepts of Liberty' which crystallised the distinction between negative and positive liberty. Negative liberty describes the classical liberal ideal of free-

dom *from* an authoritarian state. Positive liberty describes the new liberal ideal of the state providing citizens with the freedom *to* lead a life with a basic degree of material security, backed up by the support of a generous welfare system if necessary.

There were a number of important contributors to a rekindled interest in classical liberalism in the United States in the 1950s and 1960s including James Buchanan and Gordon Tullock. Their development of public choice theory and the work of Milton Friedman and the Chicago school of economics in challenging some shibboleths of economic history provided a degree of balance to the dominant Keynesian ethos of the time. Another stimulant for interest in individualist, rather than collectivist, approaches was the novelist Ayn Rand, whose 1957 classic *Atlas Shrugged* sold in great numbers among young Americans.

The fact that the word liberal had been so distorted in the United States that it had become synonymous with Johnson's 'Great Society' meant that those who were both economically and socially liberal needed a new word to self-describe. They chose the term 'libertarian' and in December 1971 formed a party of that name. The final turning point for many was the Republican President Richard Nixon's introduction of wage and price controls.

However, the biggest fillip for classical liberal economics was the economic recession which consumed most of the Western world in the 1970s. This showed that Keynesian policies did not guarantee that stimulating the economy with taxpayers' money would always keep unemployment low. More intelligent members of the political Left were forced to reevealuate their positions. As former Australian Labor MP, Bob Catley explained in his excellent book *The (Strange, Recent but Understandable) Triumph of Liberalism in Australia*, he began to support the liberalisation of the economy 'after the failure of Left policies to deal wih stagflation became apparent around 1980'.[4]

In the United Kingdom, the Institute of Economic Affairs (IEA)

was a lonely bastion of liberalism in the 1950s and 1960s. Following its demise as a major party in 1922, the British Liberal Party generally tried to present as an ameliorative liberal alternative between the capitalist Conservatives and the socialist Labour Party. However, the dichotomy between the major parties was actually not that large, a point recognised by the use of the term 'Butskellism' (a merger of the names of the Tory R.A.B. Butler and the Labourite Hugh Gaitskell) to capture the post-war Keynesian consensus. It has been argued that the move of market-oriented types from the from the Liberal Party to the Conservatives over several decades meant that the latter became associated with 'economic liberalism and free markets, commerce and urbanism, while the hierarchical, rural, protectionist and traditionalist identity of the Tory Party gradually faded'.[5]

A classical liberal strand finally emerged in the Conservative Party inl the 1970s thanks to the likes of Keith Joseph and Margaret Thatcher. Their free-market ideas were generally opposed by so-called liberals in the Liberal Party. Many classical liberals in recent decades have probably felt more at home with a Thatcherite Conservative Party than with the British Liberals and subsequently Liberal Democrats. However, when one looks through the Liberal Democrats' colleague parties in the Alliance of Liberals and Democrats for Europe, in several European countries the avowedly 'liberal' party is still the mainstream party closest to the classical liberal position. For instance, in Germany the Free Democratic Party has been the strongest advocate of economic reform, far more than the conservative Christian Democrats, while in the Netherlands the liberal Dutch People's Party ended an alliance with Geert Wilders right-wing party after the latter refused to support austerity measures.

Australia presents an interesting alternative to Britain and most European countries in having had since 1944 the major party of the Right called simply the Liberal Party, although historically, it has been 'neither truly liberal nor truly conservative'.[6] More broadly, it has been argued that liberalism has not been a strong force in Australia as 'there

are no enduring works of liberal political philosophy, no major political party is unambiguously in liberalism's favour, and no mass movement combines economic and social liberalism'.[7]

However, the fact that Australia had a mainstream party calling itself 'Liberal', and that it was generally seen as the party on the 'centre-right', provided scope for the reassessment of what liberalism meant. One could hardly argue with academic P.G. Tiver's bald statement that Australian liberalism 'accepts the revisions to economic liberalism made in the later nineteenth century' but, just as Australia had been at the forefront of the move towards ameliorative liberalism in the 1870s and 1880s, so it was one of the first countries to show signs that a more free-market style of liberalism was possible in the later twentieth century.[8]

In the 1920s and 1930s, writers such as Keith Hancock, Edward Shann, and Frederic Eggleston produced powerful critiques of the Protectionist Australia which had evolved following the post-Federation Australian Settlement. Shann documented how the free trade policies of Henry Parkes and George Reid in NSW led to growth in population compared to protectionist Victoria, while Eggleston's *State Socialism in Victoria* was a powerful critique of over centralised government. However, it is important to recognise that Hancock subsequently almost disowned his seminal work *Australia* and Eggleston made it clear that he was no *laissez-faire* liberal, but a supporter of 'constructive Liberalism'.[9]

As in other countries, the immediate post-war period in Australia was one where governments attempted to maintain wartime controls and extend them to other areas of the economy. Non-socialists in Australia were more effective than their overseas counterparts at stopping some of these excesses, perhaps most famously in opposition to the Chifley Labor government's attempt to nationalise the banks, a move which the young Institute of Public Affairs played an important role in opposing.

If the first step in the 1940s was to stop the further expansion of state control, the next step of further liberalization seemed a long way off.

Since the departure of Bruce Smith from the Federal Parliament in 1919, other than rare exceptions such as Hal Colebatch and Charles Hawker, there had been few exponents of free-market liberalism there. Thus, a landmark event for Australian liberalism was the election of Bert Kelly to the House of Representatives in 1958. By the early 1960s, he was waging war on Protectionism, which by that stage was most associated with Country Party leader and Trade Minister John McEwen. For many years, Kelly was a lonely voice but, from 1974 onwards, other MPs, most notably John Hyde, joined the cause. They even had a name: 'Dries'.

Outside Parliament, the 1970s and 1980s saw a great revival of liberalism with its ideas being promoted by think tanks (a revitalised Institute of Public Affairs and the new Centre for Independent Studies), a new-breed of radical Liberal Students, a range of other new bodies such as Adam Smith Clubs and the HR Nicholls Society and a small number of public commentators sympathetic to the market who placed some dissenting voices into the generally collectivist media. Visits to Australia by Hayek and Friedman also promoted free-market ideas.

Irritatingly, Australian Liberals of interventionist-bent, sensing that a rearguard action was required, tended to describe themselves as 'small l liberals', implying that they were the true heirs of true liberal philosophy and attempted to categorise those, such as the Dries, who were pushing a more market-based approach as 'big L Liberals' or 'conservatives'. The so-called 'small l liberals' of the 1970s and 1980s were particularly prone to publishing books with slightly pompous titles such as *Liberal Thinking*, *Liberals Face The Future* and *Australian Liberalism: The Continuing Vision*. These books had some useful contributions, but also have some truly outrageous distortions, perhaps none worse than Chris Puplick's claim that interventionist liberalism was justified in using 'direct, active indeed coercive state power' because it was required to end such '"free market" operations as the slave trade'.[10] Given that interventionist liberalism had not even raised its ugly head in England when the trade was

abolished by the acts of 1807 and 1833, and given that classical liberals were always the trade's strongest opponents, this was an outrageous slur. Less outrageous, but equally enlightening, was the comment by the editors of one of these books that fighting inflation need not be the highest priority of economic policy and 'nor does liberalism preclude a stimulatory, Keynesian economic policy, if that were the best means to achieve liberal economic objectives'.[11]

Ironically, while certain members of the Liberal Party were still reveling in being as ameliorative as possible, the Labor Government of Bob Hawke and Paul Keating was undoing much of the Deakinite Australian Settlement, leaving some of the so-called 'small l liberals' hovering nervously on the collectivist side of Labor. By the 1990s, more Liberal MPs were at least paying lip-service to more classical liberal ideas of smaller government and freer markets, although there remained 'an unresolved tension between a liberal devotion to freedom of the individual through a *laissez-faire* approach to economic management, and a liberal belief that all citizens have a right to certain minimum conditions of social security'.[12]

6 The future of liberalism

The *Liberales* in the Cortes at Cadiz in 1812 were meeting in the midst of a war which was being fought out between two brands of illiberalism—French Bonapartism and British Toryism. As they and their ideological brethren in other European countries considered prospects for the future, it was probably hard not to be pessimistic.

Yet, by mid-century, liberalism had made enormous strides on many fronts, particularly in Britain where there had been a strong move in a liberal direction on several fronts such as religious toleration, parliamentary reform and free trade. This progress stalled in the latter decades of the nineteenth century, with liberalism becoming a much more confused doctrine, as some tried to graft elements of collectivism onto the creed.

The nadir of liberalism was reached in the 1930s, when it appeared that all the accumulated liberal progress of three centuries would dissolve into a world of competing brands of warlike authoritarianism. The prospects for liberalism were probably less felicitous than at the start of the nineteenth century, because now there was a view around that liberalism had been tried and that it had failed.

This was, of course, a nonsense and the flame of a potential revival was kept alive in these dark years, by the likes of Murray, von Mises, Hayek, and Popper, who reminded the world that liberalism could ac-

tually be the path of the future not just an element of the past. Fascism was defeated in 1945, but authoritarian Communism and democratic socialism proved more resilient foes. However, the dramatic shift in economic policy in China in 1978 and the collapse of the Soviet Union by 1991, allied with the discrediting of Keynesian economics in many democracies provided the most optimistic period for liberals since the nineteenth century.

Famously, Francis Fukuyama wrote *The End of History and the Last Man* (1992) to mark the triumph of liberal democracy. Clearly the world of the early 1990s was a vast improvement on the one envisaged by Molotov and Ribbentrop as they divided Europe between the competing authoritarianisms of communism and fascism in 1939. However, if the history of liberalism has taught us anything it is that one cannot assume that the tide will continue to flow in a particular direction. Just as the pessimism one might have felt in 1940 proved to be too strong, so too has the optimism of 1990 also proved to be partially misplaced. It just goes to underline that sweeping generalisations about the future are always likely to be wrong.

In one sense Fukuyama remains correct as the modern world contains more at least partially liberal places now than at any time in human history. It has been Western Civilisation's most beneficial export. Yet, the collapse of communism by 1991 did not fully complete the job began by the victory of fascism in 1945. At the most obvious level, the demise of the Soviet Union has not led to Russia becoming a liberal idyll. Vladimir Putin might not be as bad as Stalin, but he is certainly no liberal.

In the Western liberal core, perhaps the most unlikely assault on liberalism in recent years has been in an area as fundamental to liberty as freedom of speech. This basic freedom has been threatened by inquiries into the media such as the Finkelstein Inquiry in Australia and the Leveson Inquiry in the United Kingdom, both of which recommended sweeping restrictions on the media's ability to comment freely

on matters of its own choosing. At the same time, a proliferation of laws and government regulators, whose stated purpose is to protect human rights have, by creating a right not to be offended, severely curtailed the right to express an opinion on a range of sensitive issues. In the case of Australia this was most prominently highlighted in the persecution of Andrew Bolt for writing a column which offended some members of the Aboriginal community.

In most areas of life, citizens in the Western world have enjoyed increased social freedoms over the past few decades. There has been a strong tendency to keep the best of the social revolution of the late 1960s and early 1970s and ditch the whacky ideas. Hence, society has become tolerant of couples (of different or same genders) living together without being married, but we have not all rushed to live in mud brick houses in communal copies of the 1970s hippies experiment at Nimbin.

The ability to enjoy these freedoms was clearly a flow-on effect from allowing religious toleration. Socially conservative Christians do not have as great a control over social mores as they did in earlier generations. Nonetheless when Western Christian churches make incursions into public debates, it is generally to advocate illiberal positions. Occasionally these are from the traditional conservative arm of the church on social issues, more often from the Left collectivist arm of the church opposing economic liberalism and occasionally both arms link together on issues such as gambling, a liberal right which way too many fail to recognise. Also in the past two decades, Islamic extremism has pushed its highly illiberal agenda in both Western and other countries.

In the period from 2001 to 2007, Islamic extremism was rated by many as the greatest threat to the liberal trajectory of the West, but the arrival of the Global Financial Crisis reminded everyone that classical liberalism was not the instinctive response of governments when economic troubles hit. Thankfully, there was not a dramatic swing to protectionism as there was in the Great Depression in the 1930s, but

the dominant view amongst most Western politicians and their advisers was that spending vast amounts of taxpayers' money was the best recipe for maintaining growth. Some of the rhetoric was that these were temporary measures designed to be removed, once the Keynesian pump-priming had had its effect, but in reality much of this new spending has stayed leaving the budgets of many countries trapped with a seemingly permanent gap between income and expenditure. Thus, some classical liberals, such as the English political philosopher Norman Barry, remained pessimistic for although communism and central planning may have been discredited, statist welfare-oriented solutions continued to dominate political debate.

Despite all the statist taxes and regulations that have prevented liberal capitalism providing the degree of economic dynamism it may have, it has still managed to produce a level of prosperity which has not only improved the material lives of the people but also, by moving away from subsistence living, created an environment where great writing, great art and great sport can be produced.

The liberal creed gained an attachment to the concept of progress during the Enlightenent and has largely retained it since. Although oddly just as the word liberal has been misappropriated so has the the word 'progressive', claimed by many who are clearly not. There have always been those who claimed that the world's resources were finite and that humans might need to plan for the day when they ran out. The rise of global warming as an issue has added a whole new dimension to that debate. No longer is the threat that we will run out of resources such as coal and oil but that we should leave them in the ground. Some of those pushing this view may hold otherwise liberal views, but the vast majority of those pushing these positions are using it as the latest justification for opposing liberalism and capitalism.

While the modern world has thrown up some new issues for liberals to consider such as the best ways to privatise government-run businesses,

most contemporary issues can still be addressed by applying the principles outlined by the likes of John Locke and Adam Smith. And there is quite a bit of evidence that those principles appeal more to young people today that they did to their parents and grandparents. *The Economist* recently highlighted the fact that Britain's youth is 'more liberal than any previous generation'.[1] Some of the figures cited were extraordinary. For instance, two thirds of Britains born before 1939 regard the welfare state as one of Britain's proudest achievements compared with fewer than one third of those born after 1979. A YouGov poll found that 18-24 year olds were more likely to consider social problems an individual responsibility, support privatision, dislike deficits, oppose plain packaging of cigarettes and think that big supermarkets had only become big 'by offering customers what they want'.[2]

Perhaps driven by the influx of some representatives of this younger generation there has been a revival in the past decade of some more liberal elements within the Liberal Democrats. In 2004, a group including current leader Nick Clegg contributed to a book *The Orange Book: Reclaiming Liberalism*. The title was catchy enough that the wing of the Liberal Democrats which focused on factors such as choice, competition and localism became known as Orange Bookers, competing against the more collectivist wing of the party which still saw the answers to most policy problems lying with big government solutions.

In Australia, there have been some worrying recent signs that young people have a weak attachment to that central component of liberalism—democracy. A recent poll found that only 48 per cent of 18-29 year olds believe democracy is the best way of running the country.[3] However, within this younger generation there also seems to be a healthy level of toleration and a degree of entrepreneurship greater than exhibited by many of their elders.

As a general rule, liberalism is still a word which many try to claim. One recent example has been provided by some members of the

Australian Labor Party who have attempted to claim the liberal mantle, but oddly not the free-market one. Labor Canberra MP Andrew Leigh wants to claim the Deakinite tradition, apart from the bits about protection and race, which he thinks Alfred Deakin himself would no longer support, unlike the bits of the Deakinite menu which Leigh likes.[4] Talk about muddled thinking! It was Deakin and old-style Labor who created the Australian Settlement which Keating did a lot to destroy in the 1980s. Deakin and his contemporary as Labor leader Andrew Fisher would both have been horrified by Keating's liberalisation of the Australian economy. And note the word 'liberalisation'—it often captures the true spirit of liberalism better than the liberalism which some, such as the small 'l' liberals, used to describe.

While what ultimately matters is not the word 'liberal' but the characteristics of a liberal program, it is more than a coincidence that the full program disappeared with the word. Maybe if we can reclaim the word, and understand its true meaning, we will also reclaim even more of the liberal program. For, if Western Civilisation is to continue to exert a positive influence, it must remember Charles Murray's words that 'the progress of civilization is, we may fairly say, the progress of Liberality'.[5]

Further reading

Readers who wish to learn more about the history and ideas of the liberal philosophy might consider reading both key primary sources and some modern works on the topic.

Most of the classic works of liberty written before the twentieth century are available online. An excellent resource for accessing these works is the Online Library of Liberty which can be found at http://oll.libertyfund.org/

Some of the key works one can access there include:

- Hugo Grotius, *The Free Sea* (1609).
- Benedict de Spinoza, *The Chief Works* (1670), especially Chapter XVI, "Of The Foundations Of A State; Of The Natural And Civil Rights Of Individuals; And Of The Rights Of The Sovereign Power".
- Richard Overton, *An Arrow Against All Tyrants* (1646).
- Algernon Sidney, *Discourses Concerning Government* (1698).
- John Locke, *The Two Treatises of Civil Government* (1689), especially the Second Treatise.
- John Trenchard and Thomas Gordon, *Cato's Letters* (1724), especially nos. 14, 15, 42, 59, 60, 63, and 84.
- Montesquieu, *The Spirit of the Laws* (1748), especially the first three books of volume one.

- Adam Smith, *Theory of Moral Sentiments* (1759).
- Adam Smith, *The Wealth of Nations* (1776), particularly Books IV and V which detail Smith's views on economic policy and the role of government.
- Tom Paine, *Common Sense* (1776).
- Mary Wollstonecraft, *A Vindication of the Rights of Woman with Strictures on Political and Moral Subjects* (1792).
- James Madison, *Federalist Papers* (1794), especially nos. 10, 51 and 62.
- Germaine de Staël, *Considerations on the Principal Events of the French Revolution* (1818).
- Richard Cobden, 'Repeal of the Corn Laws' (1846), a speech Cobden gave 12 days before the laws' repeal.
- Frederic Bastiat, *The Law* (1850).
- Herbert Spencer, *Social Statics* (1851), especially chapter XIX, 'The Right to Ignore the State'.

The two great icons of the liberal revival in the twentieth century von Mises and Hayek both have important works on the topic. Ludwig von Mises, *Liberalism: The Classical Tradition* (1927) and the collection of F.A. Hayek essays, *The Fortunes of Liberalism* (1992) are both essential reading on the topic.

All Australians interested in liberalism should read Bruce Smith's *Liberty and Liberalism* (1887). It provides the best insight about how the understanding of what was meant by liberalism changed rapidly in the 1880s, not just in Australia but in England as well.

Another way to find many of the classic liberal readings is in E.K. Bramstead and K.J. Melhuish, *Western Liberalism: A History in Documents from Locke to Croce* (Longman, London, 1978) which contains extracts from many of the most important works on liberalism together with introductory chapters.

A similarly useful work is the excellent collection of liberal writ-

ings contained in David Boaz, *The Libertarian Reader: Classic and Contemporary Writings from Lao Tzu to Milton Friedman* (1997). Boaz also wrote one of the best introductions to the history of liberal thought, *Libertarianism: A Primer* (1998). Another very stimulating recent American work is David Schmidtz and Jason Brennan, *A Brief History of Liberty* (2010).

There are a number of good general histories of liberalism including J. G. Merquior, *Liberalism: Old and New* (Boston, 1991), D.J. Manning, Liberalism (1976) and Anthony Arblaster, *The Rise and Decline of Western Liberalism* (1984). The most insightful writing on liberal history in Australia has been produced by Greg Melleuish in his *A Short History of Australian Liberalism* (2001), a version of which was reproduced in J.R. Nethercote (ed.), *Liberalism and The Australian Federation*, (2001), a work which also has several other informative chapters. For a succinct summary of the modern history of English liberalism read Stephen Davies, 'Classical Liberalism in the Liberal Party since 1886', (*Economic Affairs*, vo. 32, issue 2, June 2012).

Unfortunately, modern day library shelves are filled with books, generally written by political scientists, which either decry the modern decline of ameliorative liberalism and the rise of what they call 'neoliberalism', or, in some cases, even attack ameliorative liberalism from an even more collectivist position. So the reader wishing to find out more about liberalism might find more satisfaction by searching for biographies of key liberal figures, whether writers such as Locke or Paine, or practising politicians such as Jefferson or Cobden.

And finally a work which everyone interested in the interaction of culture and political ideas should read is Martin Wiener Martin J. Wiener, *English Culture and the Decline of the Industrial Spirit 1850-1980* (1981). Even if one is not persuaded by Wiener's thesis about why the industrial or liberal spirit declined over that period, it will certainly stimulate thinking about any alternative explanations.

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