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George H. Smith

Excerpt

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## Introduction

Liberal individualism – or “classical liberalism,” as it is often called – has a long and rich ancestry, but it did not begin to take shape as a coherent and integrated political theory until the seventeenth century. It was in that century that challenges to the theory of political absolutism came to fruition in the writing of the Levellers, Algernon Sidney, John Locke, and other individualists. Against the theory of state sovereignty, which had gained traction with the rise of the modern nation-state, liberals countered with a theory of self-sovereignty, according to which all moral rights and duties ultimately reside in individuals and can be delegated to governments only with the consent of the governed.

This book is not a history of classical liberalism *per se*; rather, it covers some basic themes and controversies that run throughout the history of liberalism, especially those that divided liberals into different camps, such as natural-rights versus utilitarian liberalism. Such internecine conflicts seem to go with the territory of political movements that enjoy some measure of success. After a common foe has been vanquished – as was largely the case with political absolutism by the mid-eighteenth century – the victors tend to turn their gaze inward, toward the fundamental premises of their own philosophy, in an effort to develop that philosophy in a systematic fashion. And with sustained reflection on how liberal principles can best deal with the problems of political philosophy came differences of opinion about the foundation and proper application of those principles.

Despite these differences, liberals shared common ground on a number of key issues that imparted unity to an otherwise variegated tradition. One such issue was the importance of ideas in effecting social and political change. Although liberals understood that self-interest is a powerful motive in human affairs, they also understood that self-interest is not a primary. Rather, how people view their own interests will ultimately depend on their beliefs about human nature, social interaction, the proper roles of coercion and persuasion,

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and a host of other abstract issues. As David Hume put it, “though men be much governed by interest; yet even interest itself, and all human affairs, are entirely governed by *opinion*.”<sup>1</sup>

This accounts for the stress that liberals placed on rational, or *enlightened*, self-interest – or what Bishop Butler felicitously described as “cool self-love.” Most liberals agreed that a society that permits a maximum amount of individual freedom will serve the long-range interests of everyone in that society, and this belief caused them to stress the role of education as a means of teaching people the value of freedom.

The value of individual freedom was another point of agreement among liberals; indeed, this may be called the defining characteristic of classical liberalism. In the words of the liberal historian Lord Acton, a liberal is a person “whose polar star is liberty – who deems those things right in politics which, taken all round, promote, increase, perpetuate freedom, and those things wrong which impede it.” The true liberal views liberty as an end, not merely as a means; it is a value that is not “exchangeable for any amount, however large, of national greatness and glory, of prosperity and wealth, of enlightenment or morality.”<sup>2</sup>

In moral terms, this focus on individual freedom, wherein freedom functions as a “polar star” to guide political decisions and institutions, was formulated during different historical stages of liberalism as self-proprietorship, self-sovereignty, self-ownership, and so forth. Such terms, which emphasized the moral priority of the individual over any social collective or political agency, expressed the natural right of individuals to use their bodies, freedom, labor, and justly acquired property as they see fit, so long as they respect the equal freedom of others.

At the core of this stress on external freedom was an internal power that liberals called “liberty of conscience.” This was the moral foundation of the struggle for religious freedom, which was the first great liberal crusade and the arena where liberals scored their earliest victories. As liberty of conscience came to be regarded as the principal inalienable right of human beings, this emphasis was applied over time to other spheres of human activity, as we see in the Declaration of Independence where Thomas Jefferson highlighted the “unalienable” rights to life, liberty, and the pursuit of happiness.

<sup>1</sup> David Hume, “Whether the British Government Inclines More to Absolute Monarchy, or to a Republic,” in *Essays: Moral, Political, and Literary*, rev. ed., ed. Eugene F. Miller (Indianapolis: Liberty Classics, 1987), 51.

<sup>2</sup> Lord Acton, “Selections from the Acton Legacy,” in *Selected Writings of Lord Acton*, vol. 3, *Essays in Religion, Politics, and Morality*, ed. J. Rufus Fears (Indianapolis: Liberty Classics, 1988), 543.

Of course, the trajectory of liberal ideas was more complex than the preceding summary might indicate. One factor that contributed to this complexity was the very notion of freedom that so fascinated liberal philosophers and social theorists. According to this conception, which is often called “negative freedom,” social and political freedom consists of the absence of external compulsion and constraint by other human beings. In thus viewing freedom as the absence of coercion, liberals confronted the difficult problem of tracking the effects of this elusive concept in social relationships. Because voluntary relationships encompass a wide range of human actions, from those that are wise and virtuous to those that are foolish and immoral, it can be extraordinarily difficult to determine the long-range consequences of freedom on society at large.

What is the relationship between freedom and virtue? Or between freedom and social order? Or between freedom and economic prosperity? Or between freedom and personal happiness? Since freedom, conceived as the absence of coercion, is an invisible element in human relationships, liberals needed to develop theories in economics, sociology, psychology, and other fields to answer these and similar questions. This ambitious undertaking – whose most systematic pioneers were David Hume, Adam Smith, and other luminaries of the Scottish Enlightenment – resulted in more than a liberal *political* theory. It resulted in something far more complex, namely an *interdisciplinary* approach, or ideology, in which freedom was analyzed from many different perspectives.

Freedom was a major theme in seventeenth-century political philosophy, and it became a major theme in the social sciences that began to emerge as distinctive disciplines in the eighteenth century. In framing their conceptions of a good society, liberals engaged in two kinds of investigation, one normative (or prescriptive) and the other positive (or descriptive). The normative part of what they frequently called “moral science” – which included all aspects of human behavior in which moral agency is involved – addressed the nature of justice, whereas the positive part addressed the problem of social order. *What is justice? What is social order?* For classical liberals, these were essential questions not only for those fields of inquiry that we now call moral and political philosophy but for the social sciences as well.

Something remarkable happened in the seventeenth century, as John Locke and other philosophers began to think the unthinkable and imagine the unimaginable. They suggested, if only indirectly, that government is not absolutely necessary for the existence of society, that social order and even justice can be maintained to some degree without political institutions. Just as the authority of religious institutions had previously been undermined by Protestant Reformers, so the authority of political institutions now faced a serious

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challenge from liberal individualists. At the hands of John Locke and later individualists, such as Thomas Paine, government became a convenience, not an absolute necessity, and with this view came the argument that it would be better to have no government at all rather than suffer the oppressions of a tyrannical government.

This was a radical position indeed, one that undercut the widespread belief (one held even by philosophers who rejected absolutism) that government is a divinely mandated institution. The venerable Augustinian doctrine that government is a punishment and remedy for sin faced a serious challenge, and this caused many opponents of liberalism to charge that liberal individualists were in fact latent anarchists. According to these critics, liberal principles, if consistently applied, are unable to justify *any* kind of government and so must logically leave us in an anarchistic “state of nature” instead.

Although this “specter of anarchy” argument was the most common refrain of liberalism’s critics for over two centuries, it has received scant attention from modern historians of classical liberalism. I have therefore devoted considerable space to this controversy, especially in Chapter 5 (“The Anarchy Game”).

Another factor that contributed to the fear that liberal principles promoted anarchy was the radical edge of Lockean theory, specifically, its appeal to natural rights to justify resistance to unjust laws and revolution against despotic governments. These fears came to a head after the atrocities of the French Revolution convinced many observers – including Edmund Burke, Jeremy Bentham, and others who were otherwise sympathetic to the liberal political agenda – that the doctrine of natural and inalienable rights was a dangerous chimera that needed to be expunged from the domain of political philosophy.

Thus did the French Revolution become a watershed not only in the history of Europe but in the history of liberalism as well, for it was after this epochal event that Lockean natural-rights liberalism lost much of its influence to other forms of liberalism (e.g., the utilitarianism of Jeremy Bentham) that sought to avoid the radical implications of the earlier approach. As with other themes, this one is interwoven throughout the book, but the main discussion appears in Chapter 6 (“The Radical Edge of Liberalism”).

If these excursions into anarchy and revolution are the most dramatic features of the history of liberalism, they are not the most fundamental. Liberals dealt with the same problems that have vexed political philosophers for centuries, and, like their colleagues, liberals were sometimes unclear in their formulation of basic principles and ambivalent about how those principles should be applied to practical problems. Hence, after discussing some differences between “old” and “new” liberalism in Chapter 1, I continue with an analysis of the role played by the presumption of liberty in classical liberalism,

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and (in Chapter 2) with how liberals viewed that ambiguous concept known variously as the “public good,” “common good,” and “social utility.”

In Chapter 3, I examine how liberals viewed political philosophy and how the perennial problems of that discipline informed their thinking about freedom and government. This discussion is continued in Chapter 4, which discusses the liberal distinction between state sovereignty and self-sovereignty.

Skipping over the next two chapters, which I mentioned previously, we come to Chapter 7, which is an overview of the negative conception of freedom embraced by classical liberals and its broader implications for social and political theory. Chapter 8 illustrates two important debates that emerged in nineteenth-century liberalism. The first, that between Benthamite utilitarianism and an older school of natural-rights liberalism, had profound implications for the future of liberalism. A case can be made that the triumph of Benthamism, having reduced the value of freedom to calculations of social utility, ripped the moral heart from liberalism and thereby ensured its demise within a matter of decades.

The second part of Chapter 8 deals with another internecine conflict, namely the debate between those liberals who advocated a role for the state in education and those liberal “voluntaryists” who called for a complete separation of school and state. Only rarely has the voluntarist wing of liberalism received attention from historians, despite the fact that it was for decades a vibrant movement whose proponents called upon an older form of Lockean liberalism to support their arguments.

Chapter 9 seeks to correct a few of the common misconceptions about liberalism, especially the charge that it involved a shallow “social atomism” and that its more radical advocates, such as Herbert Spencer and William Graham Sumner, were guilty of advocating an ill-defined but presumably horrendous evil called “Social Darwinism.” Chapter 10 is an overview of “methodological individualism” – an approach that was fundamental to the liberal treatment of the social sciences and a controversy that still commands the attention of social and political philosophers.

A short digression on the use of an important term in this book should help to clarify its purpose. At various points in this book I use the label “Lockean paradigm.” By this I mean a constellation of key concepts that has historically been used to address the fundamental and recurring problems of political philosophy. The concepts include natural rights, social contract, consent, property, and the rights of resistance and revolution.

Although Locke did not originate these concepts or how they functioned in political controversies, they have been more closely linked to his name than any other philosopher. Indeed, when considering a person who defended

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similar ideas before Locke was even born, we are apt to describe those ideas, if integrated in a certain manner, as “Lockean.”

We do this partly from habit and partly because we assume that the label “Lockean” will convey information to reasonably well-educated people. For example, Richard Overton and John Lilburne were prominent Levellers who defended self-proprietorship, private property, and government by consent before John Locke was a teenager. However, if we were pressed to give someone a highly condensed description of what Overton and Lilburne believed, we would probably convey more information by dubbing their ideas “Lockean” rather than “Leveller-like.”

I will thus use the adjective “Lockean” in a generic sense, much as some people use the word “Kleenex” to signify a type of tissue rather than a specific brand. To the various objections that might be raised against this procedure, I can only plead that no grand historical thesis is implied by my use of “Lockean paradigm.” This is a purely heuristic device, a matter of convenience, nothing more.

Although much of this book deals with the internal problems of classical liberalism, and although I believe that liberals failed to resolve some of these problems, my sympathies with this school of thought will quickly become apparent to readers. In their search for answers to difficult questions, the classical liberals may not have been successful in every respect. But they did have many successes, both theoretical and practical, in their effort to justify and explain individual freedom, and we owe them an incalculable debt for many of the freedoms we enjoy today.

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## 1

## Liberalism, Old and New

## I

In the late nineteenth century, liberals in Europe and America discovered that they were victims of a linguistic coup. They found that they were no longer regarded as liberals *per se* but as *old* liberals – a qualification that had been foisted upon them by self-proclaimed *new* liberals.

Old liberals had defended individual freedom in a variety of spheres, including commerce, religion, speech, and press. Many were known for their opposition to slavery, military conscription, victimless crime laws, imperialism, and wars fought for reasons other than self-defense. They were among the first to speak out for the equal rights of women and the right of children to be free from physical abuse.

Freedom, for these liberals, signified the absence of physical coercion and threats of coercion – a conception that is commonly known as “negative freedom,” because it imposes on others only the negative obligation to restrain from interfering with the equal freedom of others. One is truly free when one can act on one’s own judgment in pursuit of one’s own goals, enter into voluntary relationships with other people, and dispose of one’s person and property as one sees fit, so long as one respects the equal freedom of other people to do the same. This moral and practical commitment to freedom naturally led liberals to view government with cautious, skeptical eyes. If governments have a crucial role to play in protecting the lives and property of their citizens, governments also pose the greatest threat to the freedoms of those citizens they should protect. It was from their conviction that coercion should play a minimal role in social relationships that liberals derived the principle of *limited* government, that is, a government whose powers are restricted to the protection and enforcement of individual rights.

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Old liberalism, according to its critics, was old in more ways than one. Not only was it an outmoded ideology but its defenders were a dying breed. In 1900, a writer for the *Nation* explained it this way:

Liberalism is a declining almost a defunct force. Only a remnant, old men for the most part, still uphold the Liberal doctrine, and when they are gone, it will have no champions.<sup>3</sup>

This was an accurate observation: When Herbert Spencer, the dean of old liberalism, died in 1903, there was no one to take his place. By 1905, when A.V. Dicey published his classic account of nineteenth-century English liberalism, the victory of new liberalism was complete. As Dicey put it,

Liberalism itself has at last learned to place no small confidence in the beneficent effects of State control; but this trust, whether well founded or not, is utterly foreign to the liberalism of 1832.<sup>4</sup>

Old liberalism remained effectively dormant for decades. When it experienced a rebirth after World War II, it was usually called “classical liberalism” (or “libertarianism” in its more radical manifestations) to distinguish it from the welfare-state liberalism that had established a virtual monopoly on the label in the English-speaking world.

The old liberals did not go down without a fight. “[I]t seems needful,” wrote Herbert Spencer in 1888, “to remind everyone what Liberalism was in the past, that they may perceive its unlikeness to the so-called Liberalism of the present.”<sup>5</sup>

They do not remember that, in one or other way, all . . . truly Liberal changes diminished compulsory cooperation throughout social life and increased voluntary cooperation. They have forgotten that, in one direction or other, they diminished the range of governmental authority, and increased the area within which each citizen may act unchecked. They have lost sight of the truth that in past times Liberalism habitually stood for individual freedom *versus* State-coercion.<sup>6</sup>

Old liberals – or what Spencer preferred to call “true” liberals – disliked the implication of the modifier “new,” which suggested something progressive, as

<sup>3</sup> Quoted in L.T. Hobhouse, *Liberalism* (New York: Oxford University Press, 1964), 5.

<sup>4</sup> Albert Venn Dicey, *Lectures on the Relation Between Law and Public Opinion in England During the Nineteenth Century*, 2nd ed. (London: Macmillan, 1914), 39.

<sup>5</sup> Herbert Spencer, “The New Toryism,” in *The Man Versus the State*, ed. Eric Mack (Indianapolis: Liberty Classics, 1981), 10.

<sup>6</sup> *Ibid.*, 10.



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if new liberals had improved on the theory of old liberalism while retaining what was worthwhile and discarding what had become obsolete. The term “liberal” carried favorable connotations; in addition to its association with “liberty” (“liberal” derives from *liber*, the Latin word for “free”), the adjectival form had long been used to mean magnanimous, open-minded, and tolerant. The label therefore suggested something more than a political doctrine; it suggested a humanistic outlook, a moral and social ideology in which the happiness of the individual is a key concern.

Given these implications, it is understandable why many social reformers who disliked the *laissez-faire* tendencies of traditional liberalism did not wish to jettison the label. They claimed that the new liberalism was based on a more sophisticated notion of freedom and therefore represented intellectual progress. As Spencer viewed the matter, though, the new liberalism was essentially old wine in a new bottle. The old wine in this case was paternalism, a doctrine that called for state intervention in voluntary relationships on the grounds that the state has the parental-like duty to protect individuals from the potentially harmful effects of their own uncoerced decisions and actions.

Spencer, using the conventional terminology of English politics, characterized the new liberals as “Tories of a new type.”<sup>7</sup> Tories had traditionally sought to expand the range of governmental activity; similarly, the new liberalism “has to an increasing extent adopted the policy of dictating the actions of citizens, and, by consequence, diminishing the range throughout which their actions remain free.”<sup>8</sup>

Spencer did not impugn the motives of the new liberals; in calling for greater governmental inference in the lives of individuals, they were actuated by a sincere desire to further the public good. This is one reason why Spencer characterized the new liberalism as a “new type,” or “new species,” of Toryism, rather than a reversion to Toryism in its traditional form. The old Tories called on government to promote the interests of the landed aristocracy, whereas the new Tories saw themselves as champions of the working class and looked to government to mitigate what they regarded as social injustices. Moreover, whereas Tories had traditionally defended monarchical power and opposed democratic reforms, the new Tories justified their policies by claiming they reflected the will of the people, as manifested in a parliament that had become increasingly democratic through the Reform Acts of 1832, 1867, and 1884.

Although old liberals also supported democratic reforms, Spencer pointed out that they fought for limits on government power, however that power

<sup>7</sup> Ibid., 5.

<sup>8</sup> Ibid., 10.

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might manifest itself. Liberals opposed the *principle* of absolute sovereignty, regardless of whether this sovereignty is said to reside in the king, the parliament, or the people: “The real issue is whether the lives of citizens are more interfered with than they were; not the nature of the agency which interferes with them.”<sup>9</sup> An unlimited power placed in the people (or, more precisely, a majority of the people) is just as dangerous as an unlimited power placed in a king.

If men use their liberty in such a way as to surrender their liberty, are they thereafter any the less slaves? If people by a *plebiscite* elect a man despot over them do they remain free because the despotism was of their own making? Are the coercive edicts issued by him to be regarded as legitimate because they are the ultimate outcome of their own votes?<sup>10</sup>

Restrictions on the equal freedom of individuals are no more defensible if they “proceed from a popularly-chosen body” than if they originate with the decrees of an absolute monarch. Just as “true Liberalism in the past disputed the assumption of a monarch’s unlimited authority, so true Liberalism in the present will dispute the assumption of unlimited parliamentary authority.”<sup>11</sup>

According to Spencer, the new liberals substituted a theory of unlimited popular sovereignty for the older Tory theory of unlimited monarchical sovereignty, and in so doing they abandoned the true liberal principle of limited government. This is a major reason why Spencer did not regard the “new” liberalism as a species of liberalism at all; it was not an improvement or revision of true liberal principles but an abandonment of those selfsame principles. The new liberalism was indeed a variant of an older political tradition, but that tradition was paternalistic Toryism, not liberalism.

Of course, the new liberals rejected Spencer’s analysis, especially his argument that they had forsaken a concern for individual freedom. Instead, they claimed to have unmasked the deficiencies in the anemic conception of negative freedom defended by old liberals, replacing it with a richer, more authentic conception of *positive* freedom. In the process, they had deconstructed the theory of natural rights used by old liberals (especially those in the Lockean tradition) to place arbitrary limits on the activities of government, exposing it as a chimera that ignored the social nature of human beings.

New liberals, while conceding that old liberals had served a useful purpose in their day by working for the repeal of many onerous and unnecessary

<sup>9</sup> Ibid., 24.

<sup>10</sup> Ibid., 25.

<sup>11</sup> Ibid., 26.